

Dear Sir or Madam,

In case you intend to extend the coverage of the AIRBUS Supplier Scheme also your US product liability exposure, please consider the attached information regarding the insurance of terrorism coverage according to the „Terrorism Risk Insurance Act of 2002“. Otherwise please disregard this information.

On 26th November 2002 the „Terrorism Risk Insurance Act of 2002 (TRIA)“ was signed into law by the President of the USA and was effective immediately. By this law and the subsequent laws „Terrorism Risk Insurance Extension Act of 2005 (TRIEA)“ as well as „Terrorism Risk Insurance Program Reauthorization Act of 2007 (TRIPRA)“ several duties were imposed to the insurers, which concern possible future acts of terrorism in terms of the „US Treasury Department“.

To satisfy these information duties towards the Insureds / Insured Companies, we attach the form in its original text provided by the NAIC (National Association of Insurance Commissioners) that was approved by the Treasury Department.

The consequences resulting from TRIA will be explained hereby in more detail.

The attached NAIC form includes also the additional premium that will be raised for the inclusion of the terrorism coverage according to TRIA. This additional premium amounts to 100% of the premium that your company is paying for the insurance coverage in the AIRBUS Supplier Scheme.

The inclusion of War Risks in the AIRBUS Supplier Scheme remains unaffected by this, and is applicable according to the terms and conditions of the policy.

For the validity of the inclusion the premium has to be paid within the payment period. Otherwise your insurance coverage is not applicable.

**U.S. Terrorism Risk Insurance Act of 2002 as amended
Not Purchased Clause**

This Clause is issued in accordance with the terms and conditions of the "U.S. Terrorism Risk Insurance Act of 2002" as amended as summarized in the disclosure notice.

It is hereby noted that the Underwriters have made available coverage for "insured losses" directly resulting from an "act of terrorism" as defined in the "U.S. Terrorism Risk Insurance Act of 2002", as amended ("TRIA") and the Insured has declined or not confirmed to purchase this coverage.

This Insurance therefore affords no coverage for losses directly resulting from any "act of terrorism" as defined in TRIA except to the extent, if any, otherwise provided by this policy.

All other terms, conditions, insured coverage and exclusions of this Insurance including applicable limits and deductibles remain unchanged and apply in full force and effect to the coverage provided by this Insurance.

POLICYHOLDER DISCLOSURE NOTICE OF TERRORISM INSURANCE COVERAGE

You are hereby notified that under the Terrorism Risk Insurance Act of 2002, as amended ("TRIA"), that you now have a right to purchase insurance coverage for losses arising out of acts of terrorism, as defined in Section 102(1) of the Act, as amended: The term "act of terrorism" means any act that is certified by the Secretary of the Treasury, in consultation with the Secretary of Homeland Security and the Attorney General of the United States, to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of an air carrier or vessel or the premises of a United States mission; and to have been committed by an individual or individuals, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion. Any coverage you purchase for "acts of terrorism" shall expire at 12:00 midnight December 31, 2020, the date on which the TRIA Program is scheduled to terminate, or the expiry date of the policy whichever occurs first, and shall not cover any losses or events which arise after the earlier of these dates.

YOU SHOULD KNOW THAT COVERAGE PROVIDED BY THIS POLICY FOR LOSSES CAUSED BY CERTIFIED ACTS OF TERRORISM IS PARTIALLY REIMBURSED BY THE UNITED STATES UNDER A FORMULA ESTABLISHED BY FEDERAL LAW. HOWEVER, YOUR POLICY MAY CONTAIN OTHER EXCLUSIONS WHICH MIGHT AFFECT YOUR COVERAGE, SUCH AS AN EXCLUSION FOR NUCLEAR EVENTS. UNDER THIS FORMULA, THE UNITED STATES PAYS 85% THROUGH 2015; 84% BEGINNING ON JANUARY 1, 2016; 83% BEGINNING ON JANUARY 1, 2017; 82% BEGINNING ON JANUARY 1, 2018; 81% BEGINNING ON JANUARY 1, 2019 AND 80% BEGINNING ON JANUARY 1, 2020; OF COVERED TERRORISM LOSSES EXCEEDING THE STATUTORILY ESTABLISHED DEDUCTIBLE PAID BY THE INSURER(S) PROVIDING THE COVERAGE. YOU SHOULD ALSO KNOW THAT THE TERRORISM RISK INSURANCE ACT, AS AMENDED, CONTAINS A USD100 BILLION CAP THAT LIMITS U.S. GOVERNMENT REIMBURSEMENT AS WELL AS INSURERS' LIABILITY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM WHEN THE AMOUNT OF SUCH LOSSES IN ANY ONE CALENDAR YEAR EXCEEDS USD100 BILLION. IF THE AGGREGATE INSURED LOSSES FOR ALL INSURERS EXCEED USD100 BILLION, YOUR COVERAGE MAY BE REDUCED.

THE PREMIUM CHARGED FOR THIS COVERAGE IS PROVIDED BELOW AND DOES NOT INCLUDE ANY CHARGES FOR THE PORTION OF LOSS COVERED BY THE FEDERAL GOVERNMENT UNDER THE ACT

Named Insured	
Policy Description	Aviation Products Liability Insurance
Insurance Broker	Willis Towers Watson Versicherungsmakler GmbH, Munich
ALLIANZ Reference	ILU 02 / 0578 / 20079797

SELECTION OR REJECTION OF TERRORISM INSURANCE COVERAGE

YOU HAVE THIRTY (30) DAYS TO CONSIDER THIS OFFER OF COVERAGE FOR TERRORIST ACTS AND SUBMIT THE PREMIUM. IF WE DO NOT RECEIVE THE QUOTED PREMIUM BY THE 31ST DAY AS OF THE DATE OF RECEIPT OF THIS DISCLOSURE, YOU WILL NOT BE COVERED FOR LOSSES ARISING FROM ACTS OF TERRORISM.

This notice is issued on behalf of Allianz Global Corporate and Specialty SE, Munich and those subscribing co-insurers who are subject to the Terrorism Risk Insurance Act 2002

	I hereby elect to purchase coverage for acts of terrorism for a prospective premium of 100% of the annual premium to be paid by your company (<u>in addition to the premium for Aviation Product Liability Insurance</u>) being for the period beginning 15 th October each year and ending on the date of expiry of the policy to which this notice applies.
	I hereby elect to have coverage for acts of terrorism excluded from my policy. I understand that I will have no coverage for losses arising from acts of terrorism.

Policyholder/Applicant's Signature

Print Name

Date

Allianz Global Corporate & Specialty SE
Munich
Company

ILU 02/0578/20079797
Policy Number