LEGISLATIVE ASSEMBLY
OF THE
CAYMAN ISLANDS

GOVERNMENT MOTION NO 8/2009-10

The Public Management and Finance Law (2005 Revision)
Issuance of a Deed of Indemnity to the Board of Directors of Cayman Airways Limited

WHEREAS in 2005 the Governor in Cabinet and the Finance Committee approved the issuance, to the Board of Directors of Cayman Airways Limited, of a Deed of Indemnity guarding against the potential liability of members of the Board and allowing the Company to continue to trade despite the Company's difficult financial position;

AND WHEREAS the same factors and concerns apply to the existing Board of Directors of Cayman Airways Limited and the Government of the Cayman Islands ("the Government") is therefore desirous of issuing a similar Deed of Indemnity to members of the existing Board (as per the attached Deed of Indemnity);

AND WHEREAS Section 8 of the Public Management and Finance Law (2005 Revision) provided that, as a general rule, no guarantee may be given by or on behalf of the Government unless it has been authorised by a resolution of the Legislative Assembly;

BE IT NOW THEREFORE RESOLVED THAT the Legislative Assembly hereby authorises the issuance, to members of the Board of Directors of Cayman Airways Limited, of a Deed of Indemnity guarding against the potential liability of members of the Board of Directors of Cayman Airways Limited.

Moved By: W. McKeeva Bush, OBE, JP
Premier and Minister for Finance, Tourism and Development

Received in the Office of the Clerk this 11th day of February 2010

Passed by the Legislative Assembly this 24th day of February 2010

Clerk of the Legislative Assembly

ALL DIRECTORS OF CAYMAN AIRWAYS LIMITED

THIS DEED OF INDEMNITY is made the …… day of…….2010

BETWEEN

(1) Cayman Airways Limited a company incorporated in the Cayman Islands with its registered office located at 91 Owen Roberts Drive, George Town, Grand Cayman, **("the Company"**) and His Excellency The Governor of the Cayman Islands (**the Governo**r"), for and on behalf of the government of the Cayman Islands and

(2) Mr. Jude Scott, Mr. Dax Basdeo, Ms. Pilar Bush, Mr. Wilbur M. Thompson, Mr. George Hunter, Mr. Nathaniel S. Tibbetts, Sr., Mr. Phillip Rankin, Mr. Joseph Imparato, Mr. Anthony Akiwumi, Mr. Norman J. Klein, Mr. Shomari Scott, Hon Kenneth Jefferson, his designate Ms. Sonia McLaughlin and Mr. Carson Ebanks **(each an "Indemnified Person" and together the "Indemnified Persons").**

WHEREAS

(a) The Company and the Governor recognize that competent and experienced persons are increasingly reluctant to serve as Directors of corporations unless they are protected by comprehensive liability insurance or indemnification or both, due to increased exposure to litigation costs and risk resulting from their service to such corporations.

(b) Article 122 of the Articles of Association of the Company provides that every Director, Managing Director, President, Vice-President, Manager, Secretary, Assistant Secretary, Treasurer, or other officer of the Company and their heirs and personal representatives shall be entitled to be indemnified out of the assets of the Company against all actions, proceedings, costs, damages, expenses, claims, losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto, including any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted, and no Director or person as aforementioned shall be liable for any loss, damage or misfortune which may happen to or be incurred by the Company in the execution of the duties of his office or in relation thereto.

(c) The Indemnified Persons are directors of the Company having been appointed by the Governor.

(d) The Indemnified Persons are only willing to serve, or to continue to serve as Directors of the Company, provided that they are furnished the Indemnity provided for herein by the Company and the Governor.

(e) The Company and the Governor have therefore agreed to indemnify the Indemnified Persons on the terms and conditions hereinafter set out.

(f) The Company has further agreed to use its reasonable endeavours to continue to maintain appropriate directors' and officers' liability insurance for the benefit of the Indemnified Persons.

Now **THIS DEED WITNESSETH** as follows:

1. INTERPRETATION

1.1 In this Deed (including the recitals) the following expressions shall have the following meanings, unless the context otherwise requires:

Claims mean all claims, demands, actions and proceedings, whether civil, criminal or regulatory by way of arbitration, suit, action or in connection with any application otherwise or in which an Indemnified Person is named in his/her capacity as a Director of the Company and ***Claim*** shall be construed accordingly;

Companies Law means the Companies Law, (2007 Revision) including any modification or reenactment of it for the time being in force;

Company Secretary means the Company Secretary of the Company for the time being;

Indemnified Person means an Indemnified Person and that person's successors, heirs, executors, administrators and personal representatives;

Losses mean any losses, damages, penalties, judgments, liabilities, compensation or other awards, costs, taxes, fees, fines or expenses whatsoever, or any amount paid in settlement thereof to which the Company consents, arising in connection with any Claim, whether instigated, imposed or incurred (or, in the case of a settlement, agreed) under the laws of the Cayman Islands or the law of any other jurisdiction; and

2. INDEMNIFICATION

2.1 Subject to clauses 2.4, 2.11 and 4.3 of this Deed, the Company and the Governor shall, to the fullest extent permitted by law and without prejudice to any other indemnity to which an Indemnified Person may otherwise be entitled, indemnify and hold the Indemnified Persons harmless on demand in respect of all Claims and Losses arising out of, or in connection with, the actual or purported exercise of, or failure to exercise, any of the Indemnified Persons' powers, duties or responsibilities as a director of the Company; **PROVIDED THAT** the Indemnified Person acted in good faith and in a manner reasonably believed by the Indemnified Person to be in, or not opposed to, the best interests of the Company.

2.2 Each Indemnified Person shall be entitled to the rights of indemnification provided in this Deed if such Indemnified Person was or is a party or witness or is

threatened to be made a party or witness to any threatened, pending or completed Claim.

2.3 The termination of any proceeding by judgment, order of court, settlement, conviction or on plea of nolo contendere, or its equivalent, shall not, of itself, create a presumption that the Indemnified Person did not act in good faith and in a manner which he reasonably believed to be in, or not opposed to, the best interests of the Company.

2.4 The indemnity in clause 2.1 of this Deed shall be deemed not to provide for, or entitle the Indemnified Person to, any indemnification that would cause this Deed, or any part of it, to be treated as void under the Companies Law and, in particular, except as provided in clause 2.3 of this Deed, shall not provide directly or indirectly (to any extent) any indemnity against:

(a) any liability incurred by the Indemnified Person to the Company or;

(b) any liability incurred by the Indemnified Person in defending any civil proceedings brought by the Company in which judgment is given against him;

where, in any such case, any such conviction, judgment or refusal of relief has become final.

2.5 Each Indemnified Person shall have the right in their sole discretion to appoint and be legally represented by counsel or a law firm of his or her choice.

2.6 Without prejudice to the generality of the indemnity set out in clause 2.1 of this Deed, the Company and the Governor shall, to the fullest extent permitted by law, indemnify and hold the Indemnified Persons harmless on an 'as incurred' basis against all legal and other costs, charges and expenses reasonably incurred in defending Claims including, without limitation, Claims brought by, or at the request of the Company and any investigation into the affairs of the Company by any judicial, governmental, regulatory or other body.

2.7 The indemnity contained in clause 2.1 shall extend to oblige the Company or the Governor, within 7 business days of any written demand, first to advance to the Indemnified Person the full amount of all costs or expenses (not limited to legal costs, expenses and/or disbursements) anticipated by the Indemnified Person to be incurred by such Indemnified Person in defence of, or otherwise in connection with, any Claim commenced against him/her or in connection with the Company in any jurisdiction arising out of or in any way connected with this Deed and secondly to provide all such further advances as are necessary to cover any such further expenses within 7 business days of any further written demand being made to the Company, and copied to the Governor.

2.8 For the purposes of this Deed, all legal and other costs, charges and expenses will be deemed to be reasonably incurred unless otherwise disputed within 7 business days of notice thereof having been provided by an Indemnified Person to the Company Secretary.

2.9 For the avoidance of doubt, it is expressly agreed that the provisions of this Deed apply in addition to any indemnity provided under the Articles of Association of the Company.

2.10 An Indemnified Person shall continue to be indemnified under the terms of the indemnities in this Deed notwithstanding that he may have ceased to be a director of the Company.

2.11 On receipt of any demand relating to any Claim (or where an Indemnified Person becomes aware of circumstances which may reasonably be expected to give rise to a demand relating to any Claim) and before incurring any costs, charges, or expenses in respect of any Claim (including but not limited to securing legal representation), an Indemnified Person shall, as soon as reasonably practicable, notify the Company in writing of such demand or circumstances, giving full details and providing copies of all relevant correspondence and shall consult with the Company Secretary and have due regard to the advice he is given.

2.12 An Indemnified Person shall keep the Company fully informed of the progress of any Claim, including providing all information in relation to any Claims or Losses or any other costs, charges or expenses incurred as the Company may reasonably request.

2.13 An Indemnified Person shall take all such action as the Company may reasonably request to avoid, dispute, resist, appeal, compromise or defend any Claim and shall not make any admission of liability, agreement or compromise with any person in relation to any Claim without the prior written consent of the Company, such consent not to be unreasonably withheld.

2.14 In the event of any payment under this Deed, the Company shall be subrogated to the extent of such payment to all of the Indemnified Persons' rights of recovery against third parties (including any claim under any applicable directors' and officers' liability insurance policy) in respect of the payment. The Indemnified Persons shall provide all reasonable cooperation as may be requested by the Company for the purposes of securing and exercising such rights of recovery.

2.15 No Indemnified Person shall be liable to the Company for acts, defaults or omissions of any other Indemnified Person.

2.16 The indemnity in clause 2.1 of this Deed shall not extend to Claims which arise out of or are attributable to an Indemnified Person's willful misconduct or fraud.

2.17 The indemnity in clause 2.1 of this Deed shall be applicable to all Claims made or commenced after the entry into this Deed, whether arising from acts or omissions to act occurring before or after the delivery of this Deed.

2.18 The benefit of the indemnity in clause 2.1 shall survive the termination of this Deed, howsoever arising.

3. AGREEMENT AS TO INSURANCE

3.1. The Company shall use its reasonable endeavours to maintain at its expense on behalf of the Indemnified Persons appropriate directors' liability insurance (including ensuring that premiums are properly paid) for the benefit of the Indemnified Persons for so long as any Claims may lawfully be brought against the Indemnified Persons and in respect of any liability occurring or alleged to have occurred while an Indemnified Person is or was a director of the Company.

3.2 The Company shall use its reasonable endeavours to retain in any renewed directors' liability insurance policy a clause permitting the Indemnified Persons to notify claims for an extended period following non-renewal of directors' liability insurance cover.

4. GOVERNING LAW AND JURISDICTION

4.1 This Deed shall be governed by, and interpreted in accordance with the laws of the Cayman Islands.

4.2 All parties agree that the Courts of the Cayman Islands are to have exclusive jurisdiction to settle any dispute which may arise in connection with the creation, validity, effect, interpretation or performance of, or the legal relationships established by this Deed or otherwise arising in connection with this Deed.

4.3 If this Deed is finally judicially determined in a relevant jurisdiction to provide for, or entitle an Indemnified Person to, indemnification against any Claims or Losses that would cause this Deed, or any part of it, to be treated as void under the laws of that jurisdiction, this Deed shall, in so far as it relates to such jurisdiction, be deemed not to provide for, or entitle the Indemnified Person to, any such indemnification, and the Government shall instead indemnify the Indemnified Person against any Claims or Losses to the fullest extent permitted by the laws of the Cayman Islands.

5. A party who is not a party to this Deed shall have no right under any laws to enforce any of its terms.

6. The Indemnified Persons represent that they have had the opportunity to consult with an Attorney and/or have had a reasonable amount of time to review and consider this Deed, and have carefully read and understand the scope and effect of the provisions of this Deed. No party has relied upon any representations or statements made by any other party hereto which are not specifically set forth in this Deed. Each Indemnified Person hereby acknowledges that he/she understands the terms and consequences of this Deed and is fully aware of the legal and binding effect of this Deed.

IN WITNESS WHEREOF this Deed has been sealed, executed and delivered by the parties hereof the day and year first above written.

THE PUBLIC SEAL of the)
Cayman Islands was hereunto)
Affixed and this Deed by)
The Governor of the Cayman Islands) _____

in the presence of) THE GOVERNOR OF THE
) CAYMAN ISLANDS

SEALED, EXECUTED and **DELIVERED**)
as a **DEED** by Cayman Airways)
Ltd acting by

_____
Director

_____
Director/Secretary

SIGNED as a DEED and **DELIVERED)**
by Director Jude Scott) _____

Jude Scott

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Witness signature
Witness Name:

SIGNED as a DEED and **DELIVERED)**
by Director Dax Basdeo) _____

Dax Basdeo

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Witness signature
Witness Name:

SIGNED as a DEED and **DELIVERED)**
by Director Pilar Bush) _____

Pilar Bush

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Witness signature
Witness Name:

SIGNED as a DEED and **DELIVERED)**
by Director Wilbur M. Thompson) _____

Wilbur M. Thompson

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Witness signature
Witness Name:

SIGNED as a DEED and **DELIVERED)**
by Director George Hunter) _____

George Hunter

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Witness signature
Witness Name:

SIGNED as a DEED and **DELIVERED)**
by Director Nathaniel S. Tibbetts) _____

Nathaniel S. Tibbetts

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Witness signature
Witness Name:

SIGNED as a DEED and **DELIVERED)**
by Director Phillip Rankin) _____

Phillip Rankin

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Witness signature
Witness Name:

SIGNED as a DEED and **DELIVERED)**
by Director Joseph Imparato) _____

Joseph Imparato

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Witness signature
Witness Name:

SIGNED as a DEED and **DELIVERED)**
by Director Anthony Akiwumi) _____

Anthony Akiwumi

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Witness signature
Witness Name:

SIGNED as a DEED and **DELIVERED)**
by Director Norman J. Klein) _____

Norman J. Klein

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Witness signature
Witness Name:

SIGNED as a DEED and **DELIVERED)**
by Ex-officio Director Shomari Scott) _____

Shomari Scott

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Witness signature
Witness Name:

SIGNED as a DEED and **DELIVERED)**
by Ex-officio Director Kenneth Jefferson) _____

Kenneth Jefferson

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Witness signature
Witness Name:

SIGNED as a DEED and **DELIVERED)**
by Director designate Sonia McLaughlin) _____

Sonia McLaughlin

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Witness signature
Witness Name:

SIGNED as a DEED and **DELIVERED)**
by Ex-officio Director Carson Ebanks) _____

Carson Ebanks

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Witness signature
Witness Name: