

SCHEDULE attaching to and forming part of the Policy

**CYPRUS HIRE AND REJECTED RISKS POOL**

**Insured:**

MOTOYARD LTD  
IONOS 20, FLAT 501  
2406 NICOSIA

Addendum to the Insurance Policy no. 1HM019586

**EXCLUSION OF OCCUPIED TERRITORIES FROM TERRITORIES IN WHICH  
THE VEHICLE INSURANCE POLICY IS VALID**

It is understood, agreed and stated that, notwithstanding any provision to the contrary contained in the above Insurance Policy or in any additional act, the cover provided under this Policy shall not apply in respect of any accident, loss, damage or liability caused, arising out or occurring in the areas of the Republic of Cyprus over which the Government of the Republic of Cyprus does not exercise effective control.

For the Insurers mentioned in the  
insurance certificate

(signature)

Director of the Cyprus Hire  
and Rejected Risks Pool

# THIRD PARTY LIABILITY INSURANCE POLICY

In accordance with the provisions of the Legislation

Whereas the Insured, with a proposal and statement which form the basis of this policy and which are deemed to have been incorporated in this document, has applied to the Insurers known as the Cyprus Hire and Rejected Risks Pool (hereinafter referred to as the Insurers, which expression for the purposes of this Policy, includes the above Insurers collectively or any of them) for the insurance contained below and has paid or has agreed to pay the Premium as consideration for this insurance.

THIS POLICY CERTIFIES:-

That the Insurers jointly and separately with respect to events occurring during the Insurance Period and subject to the terms, exclusions and conditions contained in this document or in an additional instrument (collectively referred to below as the Terms of this Policy) provide the cover set forth below.

## LIABILITY TO THIRD PARTIES

Indemnity of the Insured and other persons within Cyprus 1. Subject to the provisions of the limits of Liability and to the Court of Competent Jurisdiction, the Insurers shall provide indemnity to the Insured or any Authorized Driver, against all amounts, including costs, interest and expenses of the person making the claim, which the Insured or the Authorized Driver will become legally liable to pay as a result of an accident caused or arising due to the use of the Motor Vehicle on a road in Cyprus in relation to:  
(a) bodily injury or death of any person;  
(b) hospitalization of an emergency nature of any person;  
(c) damage to property

Indemnity of the Insured and other persons outside Cyprus 2. Subject to the provisions referred to in the Liability Limits, the Pool shall provide indemnity to the Insured or to any Authorized Driver who, in exchange for all amounts, including costs, interest and expenses of the person making the claim, which he will become legally liable to pay as a result of the use of the Motor Vehicle in the territory of any state except Cyprus, which is a signatory to the Multilateral Guarantee Agreement:

Provided that the indemnity provided under this paragraph is the indemnity required by the legislation providing for compulsory insurance against civil liability arising out of the use of motor vehicles in the State in which the event giving rise to such liability occurs.

Application of Liability Limits 3. In the event of the death of any person entitled to indemnity under this Policy, the Insurers shall indemnify in respect of such person's liability to his legal personal representatives in accordance with the conditions and limitations applicable to such person prior to his death.

Indemnity of Legal Personal Representatives 4. The liability of the Insurers under this Policy shall not exceed the limits of liability as defined in the Schedule:

Provided that, in the event that indemnity is required as a result of the use of the Motor Vehicle in the territory of any state other than Cyprus that has signed the Multilateral Guarantee Agreement and the indemnity provided under this Policy is for an amount greater than the minimum amount provided by the respective

legislation of the state in which the event giving rise to such liability occurred, then this larger amount is applied, even though the event occurred outside Cyprus.

Representation and Defense	5. The Insurers are entitled, at their discretion, to: (a) make arrangements to be represented at any death inquest or investigation with respect to any death that may be the subject of indemnity under this Policy; (b) undertake the defense of any legal proceedings in any Court relating to any act or alleged offence caused or related to any event which may be the subject of indemnity under this Policy.
Costs	6. Insurers shall pay all costs and expenses incurred with written consent
Passenger Restriction	7. In case of an accident, if the Motor Vehicle is carrying a larger number of persons than those mentioned in the Schedule, the Insured and/or the driver shall return to the Insurers both with the total amount paid by the Insurers in respect of claims of the passengers of the Insured Vehicle accordingly to the ratio of the number of additional passengers in relation to the total number of passengers carried.
Illegal Passengers	8. In case the Insurers pay any amount under the provisions of the Law to relating to bodily injury or death of any person boarding the Motor Vehicle with the consent of the Insured or the driver in violation of any law or regulation, both the Insured and/or the driver must reimburse the Insurers and the Insurers are entitled to seek recovery of this amount from the Insured and/or the Driver.

#### COMPETENT COURT

The Insurers shall be liable to provide indemnity under this Policy in respect of court decisions not issued by a competent Court of the Republic of Cyprus in any proceedings for the payment of any amount relating to claims under paragraph 1 of this Policy, the meaning of the term "court judgment" being that given to it by Law.

#### DEFINITIONS

Law:-	The Motor Vehicles (Third Party Liability Insurance) Law of 2000, or any Law amending or replacing it and including any regulations adopted pursuant thereto.
Road:-	A road in Cyprus within the meaning of the Law.
Multilateral Guarantee Agreement:-	A Multilateral Guarantee Agreement within the meaning of the Law.

#### EXEMPTIONS

The Insurers shall not be liable:

- (a) pursuant to paragraphs 1, 2 and 3 above, to provide indemnity to any person
  - (i) unless such person will abide, fulfill and be subject to the Terms of this Policy to the extent that they may apply;
  - (ii) whether that person is entitled to indemnity under another policy.

(b) in connection with any accident occurring at the time ordered by the Insured or with his permission or with the knowledge of the Motor Vehicle

(i) is not used in accordance with the Restrictions on Use;

(ii) is not driven by an Authorized Driver;

(ii) is in the possession of an Unauthorized Driver for the purpose of being driven by him;

(c) in respect of any liability arising under an agreement but which would not arise in the absence of such an agreement;

(d) in respect of any amount that any person claiming to be indemnified would be entitled to recover from any other person in the absence of an agreement between the person claiming to be indemnified and that other person;

(e) with respect to any liability of a person occupying the Motor Vehicle;

(f) with respect to any liability of a person arising from a deliberate and planned act, action or omission which constitutes a felony under the Criminal Code and which cannot be considered to be a random occurrence;

(g) with respect to liability in respect of personal injury or death or damage to property of any person who, at the time of use of the Motor Vehicle, from which liability arose, is voluntarily carried into or on the Motor Vehicle, enters or embarks on or disembarks from such vehicle and who knew or had reason to believe that the Motor Vehicle was stolen or possessed illegally;

(h) in respect of damage to property loaded or unloaded or located in or on the Motor Vehicle

(i) in respect of damage to any property belonging to or in the possession, custody or control

(i) of any person claiming to be indemnified under this Policy; or

(ii) a member of the same family as any person who claims to be covered under this Policy and who is a member of his household

(j) in respect of damage to any bridge, weighbridge, overpass, road or anything located below them and caused by vibration or by the weight of the Insured Vehicle or by the weight of the load it is carried by it;

(k) in respect of liability of any kind whatsoever arising directly or indirectly from of or caused by or is generated by ionizing radiation or contamination by radioactivity from nuclear fuel or from nuclear waste resulting from the combustion or ignition of nuclear fuel. For the purposes of this exemption, combustion or ignition includes any self-sustaining process of nuclear fission;

(l) in respect of liability directly or indirectly arising from or caused by or generated by nuclear weapon material;

(m) to indemnify:

(i) the driver, if he is under the influence of alcohol or drugs or narcotics;

(ii) the Insured, if he knew that the driver was under the influence of alcohol or drugs or narcotics

and this driver was convicted by a Criminal Court of driving under that influence or there was sufficient testimony on the basis of which he could be convicted;

(v) in respect of damage to any damaged motor vehicle attached to any Motor Vehicle in relation to which indemnity is provided under this Policy

(o) in respect of any liability at the time the motor vehicle is rented by the insured to any person (hereinafter referred to as the "renter") unless the renter:

(i) has entered into a Rental Agreement with the Insured and prior to such rental has satisfactorily completed and signed a Declaration Form (a sample of which is given below at the end of the exceptions)

(ii) has satisfied the insured

(a) that the motor vehicle shall be driven only by a person holding a driver's licence whose driving licence has not been endorsed;

(b) that the above person's proposal for insurance coverage has not been rejected or his policy has not been cancelled or no special conditions have been imposed or an increased premium has not been requested by him due to previous claims;

(o) in respect of any liability arising out of or arising from theft or misappropriation by the renter;

(q) if the motor vehicle is used for the carriage of passengers for hire or remuneration;

(r) if the Insured has not sent to the Insurers a Declaration Form mentioned above filled by the Renter immediately upon receipt, which Form as well as the Proposal and Statement referred to in this Policy form the basis of the Agreement contained in this Policy insofar as it relates to the coverage valid for as long as the Motor Vehicle is rented to the Renter.

#### DECLARATION FORM

(a) Date of Birth (b) Renter's name (c) Type of license and date of initial issue (d) Address (e) Profession (f) Type of Rental Vehicle Registration (g) State details of the purposes for which the vehicle will be used (h) Will the vehicle be driven only by you? (i) if not, state the name of any other person who will drive it (j) To the best of your knowledge and belief do you or the other person suffer from any physical disability or impaired vision or hearing? (k) You or the other person have been convicted within the last three years of any offence in relation to any Motor Vehicle; (l) Do you or the other person have a valid driver's licence which is free from endorsement? (m) Has any Company or Insurer in relation to motor insurance (1) rejected any proposal by you or such person? (2) required you or the person in question to bear any damage to the first party? (3) demanded an increased premium or imposed special conditions? (4) refused to renew any Policy; (5) cancelled any Insurance Policy?

I/We/certify that the above details and statements are true.

Date.....

.....

Renter's Signature

Liability coverage is not accepted without the express consent of the Insurers unless (1) the form is completed in full, (2) the answers to (i) and (m) are NO, and (3) the answer to (l) is YES.

#### WITHDRAWAL OF CERTAIN TERMS AND RIGHT OF RECOVERY

In case the Insurers pay any amount under the provisions of the Law which they would not be liable to pay under the Terms of this Policy, then the Insured and/or the driver must return this amount to the Insurers and the Insurers are entitled to seek recovery of this amount from the Insured and/or the driver.

The Insured and/or the driver also undertakes to refund to the Insurers any amount paid by them pursuant to any agreement in force;

- (a) between the Government of the Republic of Cyprus and the Motor Insurers Fund or
- (b) between the Insurers and the above Fund, or
- (c) between the Insurers and the other Insurance Companies which are members of the Motor Insurers Fund; or
- (d) between the Cyprus International Insurance Bureau and any Foreign International Insurance Bureau or Bureaux;

and which amount the Insurers would not otherwise be liable to pay under this Policy.

#### LIMITATION OF ACTIONABLE RIGHT

In the event that a action brought against the Insured and/or the driver in connection with an event that the Insurers would otherwise have an obligation to provide cover under this Policy, is time-barred in relation to the Insurers under the provisions of the Law, the Insurers shall not have any liability under this Policy for payment of any amount to the Insured and/or the driver, whether he has paid any amount or not.

#### TERMS

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|----------------------------------|---|
| Interpretation                   | 1. This Policy and the Table are considered as one contract and any word or phrase to which a special meaning has been assigned to any part of this Policy or Table shall have such special meaning wherever it appears.  |
| Duty of the Insured              | 2. The faithful observance and compliance with the Terms of this Policy to the extent that they refer to anything that the Insured or any person who claims to be indemnified must do or not do, as well as the truth of the statements and answers to the proposal, constitute conditions for any liability of the Insurers for the payment of any amount under this Policy.   |
| Notice in writing                | 3. Any notice given or notification made under this Policy must be served in writing on the Director of the Cyprus Hire and Rejected Risks Pool.  |
| Maintenance of the Motor Vehicle | 4. The Insured shall take all appropriate measures to maintain the Motor Vehicle in good condition, and the Insurers shall always have the absolute right to examine the Motor Vehicle or any part thereof or any driver or employee of the Insured.  |
| Disclosure of Accidents          | 5. In case of any event due to which a claim may arise under this Policy, the Insured shall notify the Insurers as soon as possible, giving full details. All letters, demands, warrants, summonses and pleadings will be notified or sent to the Insurers immediately upon receipt. Notice shall also be given to the Insurers as soon as the Insured or any person claiming to be indemnified becomes aware of an impending prosecution, death inquest or investigation into any such incident. |
| Claims Procedure                 | 6. The Insured or any person claiming to be indemnified shall not accept, offer, promise or pay without the written consent of the Insurers. The Insurers are entitled, if they so wish, to undertake to carry out on behalf of the Insured or any person claiming to be indemnified the defense or settlement of any claim or to submit on behalf of the Insured or any person claiming to be indemnified for their own benefit  |

any claim for indemnity or damages or otherwise. The Insurers shall have the right to act as they see fit in their discretion in the carrying out of any legal proceeding and for the settlement of any claim, and the Insured and any person claiming to be indemnified shall provide all information and assistance that the Insurers may require. In the event that the Insurers make any payment for the purpose of settling any claim and such payment includes an amount not covered by this Policy, the Insured or any person claiming to be indemnified shall pay the Insurers the uncovered amount.

Other Insurance 7. If at the time any claim arises under this Policy there is any other insurance covering the same liability, the Insurers shall not be obliged to pay or contribute in excess of their share of any such claim and related costs and expenses. It is always understood that nothing in this term creates for the Insurers any liability from which, in the absence of this Clause, they would be exempt under Exclusion (a) (ii) of this Policy.

Cancellation 8. The Insurers are entitled to cancel this Policy by sending seven days' notice by registered letter to the Insured at his last known address. In this case, the pro-rata unearned premiums are returned to the Insured. The Policy may be cancelled at any time by the Insured with seven days' notice. In this case, and given that no claim has been made during the current Insurance Period and the valid Insurance Certificate has been returned to the Insurers on or before the date of cancellation, the Insurers are entitled to the accrued premiums at the Insurers' Short Period rates.

Arbitration 9. All disputes arising between the Parties as a result of or in connection with this Policy shall be referred for decision by an Arbitrator appointed in writing by the dissenting Parties, or in case the Parties do not agree on the identity of the Arbitrator, the Arbitrator shall be appointed by the President of the Nicosia District Court. The decision of the Arbitrator appointed either by the Parties or by the President of the Nicosia District Court, as mentioned above, shall be final and binding on the Members.

If the Insurers deny liability in respect of any claim under this Policy and such claim has not been referred to Arbitration under the provisions of this Clause within twelve calendar months from the date of the notice of denial of liability, the claim shall be deemed for any purpose to have been abandoned and not payable under this Policy.