



Car Rental Agreement

Terms & Conditions

Obligations of the Lessee:

1. The lessee agrees to the provisions of this lease with his signature and has received a copy of it, either as printed or digitally.
2. Driver shall be at least 25 years of age and shall have held a valid driver's license for at least 2 years. With the addition of the *Young Driver's Supplement*, that age can be lowered to 21 years.
3. The vehicle shall be the responsibility of the lessee from the time it is received until such time it is returned, and the lessor has received it and registered the return of the vehicle.
4. If the vehicle is returned outside of regular opening hours and/or outside the business premises of ISAK, it shall remain the responsibility of the lessee until the lessor has received it and registered the return of the vehicle.
5. The lessee shall return the vehicle
 - a. and all accessories (including tires and tools) in the condition they were in when received, with the exception of normal wear due to use;
 - b. on the date specified by this lease, unless otherwise agreed later;
 - c. to the lessor's premises, unless otherwise agreed.
6. The lessor shall be authorised to charge the credit card of the lessee for the lease of the vehicle as well as other payments that the lessee must pay according to the lease and its terms, including payments for damages to the vehicle during the period of the lease agreement. The lessor has the sole right to determine when this will be done and whether this is done in one or more payments. This right shall remain in force for six months after the vehicle has been returned to the lessor.
7. The lessee shall pay for fuel and whatever else is needed for operating the vehicle during the period it is under his responsibility as understood by this lease.
8. If the lessee does not return the vehicle at the time agreed upon in this lease, or does not declare his intention to extend the lease, the lessor (ISAK) or the police are authorised to repossess the vehicle without further notice and at the lessee's expense. Extending the lease is dependent on the consent of the lessor. If the lessee returns the vehicle 1 hour or later after the lease has expired, the lessor is authorised to charge up to 24 hours of rental under the terms of this lease.

9. The vehicle shall be handled and driven carefully. Only those designated as drivers on the front page of this agreement are authorised to drive the vehicle. If the vehicle is being guided, the guide's instructions must be fully complied with. The lessee is liable for all damage resulting from using the vehicle that will not be compensated for by the vehicle's insurance company. This includes damage to the vehicle and/or injury to passengers due to the following:

- a. off-road driving;
- b. driving across rivers or any kind of water;
- c. intentional acts or gross negligence;
- d. use of intoxicants by the driver;
- e. vehicle use that contravenes Icelandic law and/or the provisions of this lease.

10. In the event of a collision or accident, the lessee shall immediately notify an authorised accident service agent and ISAK, and the lessee may not leave the scene before a representative of ISAK has arrived.

11. The number of kilometres (km) the vehicle is driven during the period it is under the responsibility of the lessee, is determined by reading the vehicle's odometer installed in the vehicle by the manufacturer. The lessee shall notify ISAK without delay if the odometer is or becomes inactive while the vehicle is under the responsibility of the lessee and shall abide by all the instructions of ISAK regarding thereto, including taking the vehicle in for repair. ISAK is authorised to assess the number of kilometres driven in the event of the odometer not working.

12. The lessor is not responsible for the disappearance of or damage to property that the lessee or any other party leaves in or transports with the vehicle.

13. The lessee agrees to pay ISAK, upon request:

- a. a deposit amounting to the estimated cost of leasing the vehicle;
- b. any and all expenses incurred by the lessor if he has to bring the vehicle back to his premises, in the event that it has been left somewhere, without regard to the condition of the vehicle, roads or weather.

14. The lessee is not authorised to have repairs done or make changes to the vehicle or its accessories, or to put the vehicle up as any kind of security, without the prior consent of the lessor.

15. The lessee is responsible for all parking meter charges and traffic fines during the lease period.

16. The lessee agrees that the vehicle will be equipped with a monitor that records kilometres, location, condition and the strain on the vehicle.

Obligations of the Lessor

17. The lessor undertakes to supply the vehicle at the agreed time and to see that it meets lawful requirements.

18. If the vehicle malfunctions for no fault of the lessee, the lessor shall supply the lessee with a comparable vehicle as soon as possible. In case of minor malfunctions, the lessee is authorised to have the vehicle repaired after obtaining the lessor's consent.

19. The lessor shall inform the lessee of the content of this agreement, particularly as regards the obligations that the lessee undertakes by signing it.

20. The lessor shall, to the best of his ability, inform a foreign lessee of Icelandic traffic regulations, traffic signs and of prohibitions against off-road driving and provide all lessees with special information booklets at the beginning of the lease period.

21. The lessor shall be committed to keeping the real-time location of his vehicles confidential and only using it;

a. when locating the vehicle or in case of emergency,

b. To determine possible engine failures, impact detections,

c. for monitoring when the vehicle needs normal maintenance,

d. to send out location-specific driver warnings regarding weather conditions, road restrictions, auto-generated speeding and impact detections from the onboard engine computer.

22. Should the lessor wish to limit the use of the vehicle with regard to its equipment beyond what is specified in this lease, it shall be done in writing at the signature of the lease. Such limits shall constitute a part of the lease and its conditions.

23. The lessor maintains valid liability insurance for his business operations and mandatory liability insurance for all his vehicles.

Insurance

24. The lease sum/rental fee includes mandatory vehicle insurance, including liability insurance and accident insurance for the driver and the owner.

25. Third-party liability insurance will consist of the amount stipulated by Icelandic law at any given time.

26. The lessee can purchase loss damage waiver insurance coverage as a supplement. The self-risk deductible shall be specified in this lease.

27. This loss damage waiver insurance does not cover the following:

a. intentional damage or damage due to gross negligence on the part of the driver;

- b. damage resulting from the driver being under the influence of alcohol, stimulants or sedatives, or in any other way incapable of driving the vehicle safely;
- c. damage due to racing, test driving or excessive load,
- d. damage due to war, revolution, civil unrest, riots,
- e. damage done by animals,
- f. holes burned into seats, carpets or mats,
- g. damage affecting only wheels, wheel rims, tires, suspension, batteries, glass, or loss by theft of parts of the vehicle and damage resulting therefrom,
- h. damage caused by driving on rough roads, such as to the vehicle's transmission, drivetrain or other parts of the underside resulting from the vehicle scraping rough ground surfaces. The same applies to damage occurring when objects strike the underside of the vehicle,
- i. damage resulting from driving in places where vehicle traffic is banned, such as paths, tracks, snow banks, ice, unbridged rivers, brooks or streams, beaches, places only accessible at low tide, or other trackless areas,
- j. damage to vehicles not allowed on F-roads,
- k. damage caused by sand, gravel, ash, pumice, or other kinds of soil material being blown onto the vehicle,
- l. if the vehicle is transported by sea, the payment of a self-risk deductible charge does not cover damage caused by seawater,
- m. the loss incurred by the lessor due to theft of the vehicle,
- n. water damage to the vehicle,
- o. In all other respects, reference is made to the terms of loss damage waiver insurance,
- p. The loss of ignition keys. The lessee shall be responsible for the cost of replacement, including the cost incurred by the lessor in bringing a new key to the lessee.

General Provisions

28. This lease agreement shall always be kept in the vehicle during the term of the lease.

29. Additions and amendments to the terms of this lease agreement shall be in writing.

30. The lessor is allowed to assume possession of the vehicle at any time and without notice if parked illegally or if it has been used in a manner inconsistent with this lease agreement or in contravention of law or regulations, or if the vehicle appears abandoned.



31. If smoking takes place in the vehicle, the lessee is obligated to pay for cleaning the vehicle according to the schedule of charges of ISAK in each instance.

32. The lessee confirms with his signature to this agreement that if the vehicle suffers loss or damage for which the lessee is responsible, the following documentation shall be viewed as adequate proof for the cost and extent of such loss or damage, regardless of whether a civil lawsuit for such a claim is pursued or not;

a. An itemised bill from a certified garage that has received a CABAS certification according to the CABAS damage assessment system and/or the assessment from a certified garage that has received a CABAS certification according to the CABAS assessment system,

b. photographs of the damage to the vehicle,

c. a signed lease agreement,

d. in case of minor damage, up to ISK 300,000, a completed damage report by an ISAK employee.

33. The laws of Iceland shall apply to agreements based on the above terms, including damage claims that may be made. This applies both to the basis and calculation of compensation. The same applies to damage claims on the basis of compensation responsibility outside agreements. If a dispute arises over this lease agreement (or claims for damages of the vehicle and/or related cost), it shall be subject to the jurisdiction of the Reykjavík District Court (or the district court of the area where the damage occurred in accordance with article 41 of the Act on Civil Procedure no. 91/1991) and both parties to this agreement specifically agree to the jurisdiction of the Icelandic courts in any such cases. However, the lessor is authorised but not obliged to pursue a lawsuit against the lessee in the venue of the lessee.

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