

## TERMS

### OBLIGATIONS OF THE RENTER:

1. The renter agrees to the provisions of this contract and has received a copy of the rental agreement and the terms and conditions.
2. Renter has received the mentioned vehicle and its accessories in proper and safe condition.
3. The renter/driver shall have held a valid driver's license for at least one year before renting the vehicle and must present the licence on signing the agreement. The renter/driver shall abide by Icelandic law and regulations when driving.
4. The renter shall be responsible for the rented car from the time it leaves the lessor's office until the lessor signs for the car as returned.
5. The renter shall return the car as stated below:
  - a. With all accessories (including tires, tools, documents and other items) in the same condition they were in when received, with the exception of normal wear and tear due to normal use. The renter agrees that missing or damaged accessories will be charged at cost price to the credit card which the renter provided at the beginning of the rental.
  - b. At the predetermined time and date as stated on the rental agreement or sooner if the lessor demands it.
  - c. To a lessor's premises, unless otherwise agreed in writing. Failing to return the car directly to a lessor's venue is subject to a dropoff charge as per lessor's current price list. The renter agrees that the drop-off charge will be charged from the credit card which the renter provided at the beginning of the rental.
  - d. With the fuel tank in the same level as stated on the inspection form. The renter agrees that missing fuel will be charged to the credit card which the renter provided at the beginning of the rental should the renter fail to return the car with the fuel tank on the same level. Service charge for refuelling is determined by lessor's current price list.
  - e. Sufficiently clean, not excessively dirty. The interior should not be excessively dirty. The exterior should not be excessively dirty, i.e. not covered in mud, tar or dirt. A car returned excessively dirty is subject to a clean-up fee according to the lessor's current price list. The renter agrees that the clean-up fee will be charged from the credit card which the renter provided at the beginning of the rental.
  - f. All cars are non smoking.
6. If the renter fails to return the car at the agreed return time pursuant to this rental agreement or fails to inform the lessor of his/her intention to extend the rental, the lessor or the police are permitted to repossess the vehicle without further notice and at the expense of the renter. An extension of the lease is dependent on the approval of the lessor. If the renter returns the vehicle one hour or more after the expiry of the rental agreement, the lessor is permitted to charge the renter for up to a whole day's rental fee according to this agreement. For each day thereafter the lessor may collect fees according to its price list.

The renter agrees that any such charge may be charged from the credit card which the renter provided at the beginning of the rental.

7. The vehicle shall be handled and driven with due care. Only those registered as drivers in this agreement, who also fulfil the requirements in section 2, are permitted to drive the vehicle. If the vehicle is driven by a person who is not registered in this rental agreement, all insurance becomes null and void, in which instance the renter is fully liable for the vehicle, for damage it may sustain, damage it may cause others, items or vehicles, and obligates to pay such damage in full. The cost of damages occurring under aforementioned circumstances may be charged from the credit card which the renter provided at the beginning of the rental.

8. The renter has objective liability for damages resulting from the use of the car for which no compensation will be paid by the car insurance. This includes damages to the car and/or injury to passengers on account of:

- a. Driving where prohibited by law, that is off beaten tracks or marked roads, in unmarked paths or tracks, on beaches or other sandy areas, in shoals of water or any other trackless areas.
- b. Driving in or across rivers or any kind of water course
- c. Intentional acts, gross negligence or total carelessness of the driver.
- d. Operating the car under the influence of controlled or illegal substances.
- e. Use of the car that is in breach Icelandic law and/or the provisions of this rental agreement.
- f. Driving vehicles that are not four-wheel drive (4x4) on roads that are F-marked on official maps. The same applies to Kjalvegur (Road No. 35) through Kaldidalur (Road No. 550) and Jökulhálsleið (Road No. 570). Violation of this article is subject to a fine of ISK 300.000 by the lessor in addition to the fine charged by the police. The abovementioned provisions on fines do not affect the obligations of the renter to pay the lessor compensation for loss or damage. 4x4 jeeps may be driven on the above roads.

The renter agrees that the cost of damages as well as incurring overhead caused by any of the above actions, may be charged from the credit card provided by the renter at the beginning of the rental.

9. In the instance of a collision or accident, the renter shall immediately notify police as well as the lessor of the incident. The renter may not leave the scene before the police have arrived or an accident report has been completed. The renter is obligated to report any damages to the car to the lessor, regardless of any collision damage waivers (CDW or SCDW) assigned to the rental.

10. The number of kilometers (km) that the vehicle has travelled while this agreement is in effect is determined by the reading of the appropriate meter supplied by the manufacturer of the vehicle. The renter shall notify the lessor, without delay if the odometer is out of order or stops functioning during the rental period.

11. The renter is responsible for any fines or charges that result from his/ hers use of the car. This includes but is not limited to; parking-, traffic violations, speeding and speed camera fines, parking and toll charges. A handling fee of ISK 7000 is charged by the lessor for any official inquiry the

company must respond to, or any fine the lessor must pay due to the use of the renter/driver of the rented car. The renter agrees that this fee and the fine/charge may be charged from the credit card provided by the renter at the beginning of the rental.

12. The renter/driver may not:

- a. Drive the car where prohibited by law, i.e. off beaten tracks or marked roads, in unmarked paths or tracks, on beaches or other sandy areas, or any other trackless areas. Any renter/driver caught in breach of this article is subject to a fine of ISK 300.000 by the lessor in addition to the fine charged by the police. The renter agrees that these fines may be charged from the credit card provided by the renter at the beginning of the rental.
- b. Drive the car on mountain or highland roads, or roads marked "F" on a map or a road sign, including Kjölur (road 35), Kaldidalur (road 550) and Sprengisandur (road 26) routes, unless the car is a 4 wheel drive or all wheel drive, intended and accepted for such use by the lessor. Failing to comply to this article is subject to a fine of minimum ISK 75.000, plus ISK 150 for each km driven on a restricted road. The renter agrees that this fine may be charged from the credit card provided by the renter at the beginning of the rental.
- c. Operate the car under the influence of controlled or illegal substances.
- d. Drive in or across water or rivers of any kind, without assuming all responsibility for the car.
- e. Drive in banks of snow, or ice, on glaciers, or on frozen lakes.
- f. Smoke in the car. Evidence of smoking in the car, such as stubs, ashes or odour, will result in a clean-up fee of minimum ISK 15.000. The renter agrees that this fee may be charged from the credit card provided by the renter at the beginning of the rental.
- g. Take the car anywhere outside of Iceland without written and signed permission from the lessor.

13. The lessor is not responsible for renter's property that he/she or any other party leaves in or transports with the vehicle.

14. The renter agrees to pay the lessor upon request:

- a. A deposit equivalent to the expected cost of hiring the car.
- b. Any and all expenses accruing to the lessor in transporting the car back to its premises, in the event that it has been left unattended and without supervision, without regard to the condition of the vehicle, roads, or weather.
- c. Expenses that may arise from the renter's use of the car.

15. The renter is not authorized to have repairs or changes made to the car or its accessories, or to put the vehicle up as any kind of collateral or guarantee, without the prior, written consent of the lessor.

16. The renter is not permitted to use the vehicle for transportation of passengers for payment, lend it to others, or sublet it.

OBLIGATIONS OF THE LESSOR:

17. The lessor is responsible for doing its utmost to guarantee the delivery of the vehicle at the pre-determined time and in compliance with

all requirements and to supply a clean car with a full tank of fuel. If the lessor cannot for some reason supply the car ordered at the correct time, a car of similar or higher class will be offered as a replacement. If the vehicle is not presented to the renter within 3 hours from the agreed time, the rental charges for the day will be dropped. If the lessor fails to supply a full tank of fuel, then the renter may return the car with the same fuel level as supplied and stated on the rental inspection form.

18. The lessor guarantees that the car meets the set demands, and that all official registration standards are met.

19. If the car malfunctions owing to normal wear and tear, or for other reasons for which the renter cannot be held responsible, the lessor shall deliver the renter with a comparable vehicle as quickly as possible at a location decided by the lessor, or arrange to have repairs done without delay by a lessor's service partner. In a case of such malfunction, the lessor does not pay any kind of compensation, neither for accommodation nor for other reasons. A refund will be made for a lost rental day if the renter is unable to use the rented car for a period over 24 hours.

20. The lessor must inform the renter of the contents of this rental agreement, particularly of the obligations that the renter undertakes by signing it.

21. The lessor shall, to the extent possible, inform a foreign renter on Icelandic traffic regulations, traffic signs, and regulations on the prohibition of off-road driving. Furthermore the lessor shall especially point out the risks posed by animals on the roads, on gravel roads and icy roads.

22. If the lessor wants to limit use of the vehicle with as regards to its equipment and/or road conditions, this shall be done in writing upon signing of this rental agreement.

23. The lessor guarantees to maintain valid liability insurance for its operations.

24. The lessor cannot be held responsible for damage or disappearance on items stowed or transported in or on the car by the renter or any other party.

#### INSURANCE AND OWN RISK:

25. The rental fee includes mandatory vehicle insurance, including liability insurance and accident insurance for the driver and the owner.

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

27. Collision damage Waiver (CDW) insurance is included in the rental fee, the renter agrees that the amount of self-risk stipulated on the front of this agreement may be charged from the credit card provided at the beginning of the rental. Any renter can purchase a super collision damage waiver (SCDW), which further reduces the amount the renter is responsible for, in each case of damage, to the amount stipulated on the front of this agreement. The renter agrees that the amount of self-risk stipulated on the front of this agreement may be charged from the credit card provided at the beginning of the rental.

28. This accident insurance does not cover:

- a. Intentional damages or damages due to gross negligence on the part of the driver.
  - b. Damages resulting from the driver being under the influence of controlled or illegal substances, or in any other way incapable of driving the vehicle in a safe manner.
  - c. Damages caused by a race or test driving.
  - d. Damages caused by war, revolution, civil unrest, or riots.
  - e. Damages done by animals.
  - f. Holes burned into seats, carpets, or mats.
  - g. Damages affecting only wheels, tires, suspension, batteries, glass, radios, or loss by theft of parts of the vehicle and damage resulting from this.
  - h. Damages caused by driving on rough roads, e.g. to the transmission, the drive or drive shaft, and other parts in or attached to the chassis. Damages to the chassis, or any part of the car, resulting from the vehicle scraping bottom on rough roads. The same applies to damages occurring when stones are thrown up, striking the underside of the car when being driven. The underside of the car is not insured.
  - i. Damages resulting from driving in places where driving is banned, such as paths, tracks, banks of snow, ice, unbridged rivers or streams, beaches, places only accessible at low tide, or other trackless areas. The car is not insured when crossing rivers or driving in water of any kind. River crossing must be done with extreme care.
  - j. Damages to the car caused by driving on mountain roads and roads marked F on a map or a road sign, including the Kjölur (road 35), Kaldidalur (road 550) and Sprengisandur (road 26) routes. (This does not extend to 4wd and all wheel drive cars accepted by the lessor for use on mountain roads - approved cars are insured on all marked roads and tracks).
  - k. Water damages to the car, its electrical system, accessories or engine.
  - l. Damages caused by sand, gravel, ash, pumice, or other kind of earth material being blown onto the vehicle.
  - m. Damages caused by wind blowing up the door while opening it.
  - n. No compensation will be paid for damage caused by sea spray/ seawater, if the vehicle is transported by sea.
  - o. Reference is made to the general conditions for accident insurance (Icelandic: kaskótrygging) as set by Sjova insurance company at [www.sjova.is](http://www.sjova.is).
  - p. Cost for picking up a damaged vehicle which is not returned to the pre-determined drop off location. The retrieval fee is ISK 250 per km outside of Reykjavik City or a minimum of ISK 35.000.  
The renter agrees that any damages not covered by the insurance of the car may be charged from the credit card provided at the beginning of the rental.
29. The renter may purchase special waiver for damages caused by gravel (GP) from the lessor. This waiver lower the self- risk of the renter in each case of damages caused by gravel to zero.
30. In addition, the renter can purchase Sandstorm Insurance (SI), which covers damage to the cars paint, windows, lights, plastic, chromes and

wheels, which is caused by sand, gravel, ash, pumice or other earth material being blown onto the vehicle. Self risk in each case of damage is equivalent to Super Collision Damage Waiver (SCDW) self risk stipulated on the front of this rental agreement.

31. No insurance covers damages to the underside of the car, to the tires and wheels of the car, or damages caused by water when driving over rivers, pools of water or in lakes. The same applies if the renter puts fuel, water, oil or other solvents in a wrong tank on the car. The self-risk fees with CDW or SCDW do not extend to any of the above damages. The renter bears all risk and all cost of such damages.

#### GENERAL PROVISIONS:

32. The renter confirms with his or her signature on this rental agreement, the terms and conditions and inspection form that he or she has received the car and its accessories in good condition.

33. This rental agreement with its terms and conditions shall remain in the car during the rental period.

34. Any changes to the rental are subject to availability and must be done in writing. Early returns are only refundable if the lessor is able to rent out the early returned car again within the early return period.

35. The lessor is authorized to repossess the car at their discretion and without notice if the car has been illegally parked or used in a manner that does not conform with the conditions of this rental agreement or law and regulations, or if the car appears to be abandoned. The renter will pay for cost arising from such measures.

36. Smoking is prohibited in all lessor's cars. Evidence of smoking in the car will result in a cleaning fee of €100 minimum.

37. Additions and amendments to the conditions and provisions of this rental agreement shall be made in writing and confirmed in writing by a lessor representative.

38. By providing his/her credit card details to the lessor, the renter agrees with his/her signature on this rental agreement that the lessor is authorized to charge the card for the rental fee and any other fees, charges or fines that may arise from this rental agreement. This includes:

- a. Missing or damaged accessories.
- b. Drop-off charges.
- c. Fuel charges.
- d. Clean-up charges.
- e. Late return and related costs.
- f. Damages to the car by others than renter/driver.
- g. Damages to the car by the renter/driver.
- h. Fines and handling fees.
- i. Fines for driving where prohibited by law.
- j. Fines for driving standard cars on mountain roads.
- k. Fines for smoking in the car.
- l. Self-risk for CDW or SCDW.
- m. Damages not covered by the car's insurance.
- n. Broken windshield

the lessor retains this right for a period of up to six months after

the rental ends.

39. This rental agreement, and any agreements, made on the basis of this agreement and its provisions, fall under the auspices of Icelandic law. This includes any claims for compensation that might be made. This applies both to the basis for and the calculation of compensation. The same applies to claims for damages based on liability outside this agreement. If legal disputes arise concerning this lease agreement, they will be heard before the lessor 's legal venue, the district court of Reykjavik, Iceland.

40. Any disputes between the parties to this rental agreement can be submitted to the active Arbitration committee of the Icelandic Consumers Association and the Icelandic Travel Industry Association.