

MOTOR VEHICLE LIABILITY INSURANCE

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DEFINITIONS

For the application of this policy, the following terms are defined:

The company

The insurance company with which the policy is concluded.

The policyholder

The person who concludes the policy with the company.

The insured

Any person whose liability is covered by the policy.

Third parties

Persons who have suffered damage giving rise to the application of the policy, and their beneficiaries.

Named vehicle

- the motor vehicle described in the special terms; anything attached to it.
- the unattached trailer that is described in the special terms.

Claim

Any event causing damage, which may give rise to the application of the policy.

Certificate of Insurance

The document as set out in ARTICLE 5 of the Royal Decree of 13 February 1991 pertaining to the application and enforcement of the law of 21 November 1989 on compulsory insurance for motor vehicle liability.

Insurance Offer

The form from the company to be completed by the policyholder for the purpose of enlightening the company as to the nature of the arrangements and all the facts and circumstances, which the company considers to be factors in the assessment of the risk.

Terrorism

A clandestine organised action or threat of action with ideological, political, ethnic or religious intent, carried out by an individual or a group and committed with violence on people or where the economic value of tangible or intangible property is totally or partly destroyed, either to impress the public, to create an atmosphere of insecurity or to bring the authorities under pressure, or to obstruct the operation or normal running of a service or company.

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CHAPTER I: PURPOSE AND SCOPE OF THE INSURANCE

ARTICLE 1

By the present policy, in accordance with the Law of 21 November 1989 and the following terms, the company covers the civil liability incurred by the insured following an accident caused in Belgium by the named vehicle.

Cover is also provided in the case of a claim which occurs in any country of the European Community, in the principalities of Andorra and Monaco, in the Vatican City, Bulgaria, Hungary, Iceland, Liechtenstein, Malta, Norway, Poland, Romania, San Marino, the Czech Republic, Slovakia, Switzerland, Morocco, Tunisia, Turkey, as well as in any country which the King designates pursuant to Section 3(1) of the Law of 21 November 1989.

If the accident occurs outside Belgian territory, the cover provided by the company is as stipulated by the legislation on statutory vehicle insurance of the state on whose territory the claim occurred. The application of such foreign law cannot, however, deprive the insured of the broader cover granted by Belgian law.

In the event the claim occurs on the territory of a country which is not a Member State of the European Community, and for the part of the cover exceeding that imposed by law on statutory insurance of the country in which the claim occurred, the exceptions, nullity and loss of rights applicable to the insured enabling the insurer to refuse indemnification of the insured also result in the insurer's right to refuse to indemnify the wronged parties who are not nationals of a Member State of the European Community if such exceptions, nullity and loss of rights are found to be caused by a factor which arose prior to the loss. The same exceptions, nullity and loss of rights may, under the same circumstances, result in the entire refusal of cover if the law of the country on whose territory the accident occurs does not stipulate that indemnification cannot be refused.

Cover is provided for accidents on public highways or on public or private land.

ARTICLE 2

If, following an accident in one of the countries referred to in ARTICLE 1 other than Belgium, a foreign authority demands, in view of the protection of the rights of the wronged parties, that a sum be deposited in order to recover the named vehicle or for the release of the insured on bail, the company shall advance the deposit demanded or shall itself put up bail up to a total amount of EUR 61,973.38 for the named vehicle and all the insured, plus the fees for constituting and recovering the deposit provided by the company.

If the deposit has been paid by the insured, the company shall substitute it with its own deposit or, if this is not permitted, reimburse the insured for the whole of the deposit.

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Once the competent authority agrees to release the deposit paid or to lift the bail paid by the company, the insured should, at the request of the company, fulfil any formalities that may be required of him/her to obtain release or replevin.

If the competent authority confiscates the amount paid by the company or assigns it in full or in part to the payment of a fine, criminal settlement or legal costs pertaining to criminal proceedings, the insured must reimburse the company upon simple request.

ARTICLE 3

1. Civil Liability insurance is provided for:
 - the policyholder
 - the owner, any possessor, any driver of the named vehicle and any person whom this vehicle is transporting;
 - the employer of the above-mentioned persons if they are exempt from all liability pursuant to ARTICLE 18 of the Law of 3 July 1978 on employment contracts.

However, liability insurance is not provided for those who take control of the named vehicle by theft or violence or are in possession of the stolen named vehicle.

2. If the named vehicle tows, on an occasional basis, any motor vehicle in order to have it repaired, civil liability insurance cover is extended to any person who, in such a case, provides the chain, rope, cord, fixed bar or any accessories used for towing.

Notwithstanding ARTICLE 8.1, cover is also extended to damage to the towed vehicle.

ARTICLE 4

1. The cover of this agreement extends, without requiring any declarations in this respect, to the civil liability of the policyholder, as well as of his/her spouse and children, if they reside with him/her and have reached the legal age for driving motorised vehicles, in their capacity as driver or who have civil liability for the driver for the following vehicles:
 - a) a motor vehicle belonging to a third party and intended for the same use as the named vehicle, if the motor vehicle replaces the named vehicle, which has become temporarily unfit for use for any reason whatsoever, for a maximum period of 30 days. The above-mentioned period starts on the day when the named vehicle became unfit for use. If the policyholder is a legal entity, the cover is acquired for the authorised driver of the named vehicle, as well as for his/her spouse and children, if they reside with him/her and have reached the legal age for driving a vehicle, in their capacity as driver or in their capacity as the person with civil liability for the driver.
 - b) a motor vehicle belonging to a third party, which they drive occasionally, even when the named vehicle is in use.

If the policyholder is a legal entity, cover is acquired for the driver of the named vehicle who is identified in the special terms, as well as for his/her spouse and children, if they reside with him/her and have reached the legal age for driving a motor vehicle, in their capacity as driver or in their capacity as the person with civil liability for the driver.

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- “Third parties” in the sense of this ARTICLE is understood to be any person other than:
- the policyholder of this agreement and, if the policyholder is a legal entity, the driver referred to under a) or b);
 - his/her spouse;
 - children residing with him/her;
 - the owner or holder of the named vehicle him/herself.
2. This extension of cover has the following restrictions:
- a) If the named vehicle is a two-wheeled or three-wheeled vehicle, the extension of cover can in no case refer to a vehicle of four or more wheels.
 - b) The extension of cover specified under 1.b) of this ARTICLE does not apply when the named vehicle is intended for the transport of persons against payment or when it is mainly equipped for the transport of goods or when the policyholder or the owner of the named vehicle is a company engaged in the construction, trade, rental, repair or storage of motor vehicles.
If the named vehicle is the subject of a rental, leasing or similar agreement, the extension of cover specified in 1.b) will be acquired for the policyholder, if the latter does not himself/herself perform the activities listed in 2.b), paragraph 1.
3. Insofar as the wronged parties have been compensated for their damage:
- either pursuant to an insurance agreement covering civil liability required for the vehicle used;
 - or pursuant to another insurance agreement taken out by the driver, which covers his/her civil liability, the extension of cover shall apply:
 - if the insurer who has concluded one of the above-mentioned agreements, seeks recourse against the insured in the cases specified in ARTICLE 25.3 c) and ARTICLE 25.4 of this agreement or in cases not specified therein, except if the insured has been informed of the possibility of recourse in advance;
 - if the policyholder of one of the above-mentioned agreements sends a request for refund to the insured for the amount of the recourse sought in one of the cases listed above.
4. The cover of this agreement also extends to the civil liability of the policyholder, as well as of his spouse and his/her children residing with him/her, for damage cause by the stolen or lost vehicle, which was replaced by the named vehicle, if:
- a) the theft or loss was reported to the company within 72 hours from the day when the policyholder discovered the theft or loss;
 - b) the stolen or lost vehicle was insured by the company.

ARTICLE 5

The amount of cover is unlimited. However, it is limited to:

- a) EUR 2,478.94 per person transported for personal clothing and luggage;
- b) EUR 1,239,467.62 per claim for material damage:
 - caused by fire or explosion;
 - not covered by the legislation pertaining to civil liability with regard to nuclear energy and that arises from, or is the consequence of a nuclear accident within the meaning of ARTICLE 1(a) i) of the Paris Convention of 29 July 1960.

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ARTICLE 6

Notwithstanding ARTICLE 8.1, the company shall pay the expenses actually incurred by the insured for the cleaning and restoration of the interior fittings of the named vehicle if such expenses result from the free transportation of persons injured following a road accident.

ARTICLE 7

The following are excluded from the right to compensation:

- a) the person liable for the damage, except where another party is liable;
the person exempt from all liability pursuant to ARTICLE 18 of the Law of 3 July 1978 on employment contracts.
However, the partially liable person retains the right to compensation up to the amount of the part of the damage suffered by him/her that can be ascribed to an insured party;
- b) for their material damage, if they suffered no physical injury:
 - the driver of the insured vehicle;
 - the policyholder;
 - the owner and the holder of the insured vehicle;
 - the spouse of the driver, of the policyholder, of the owner or of the holder of that vehicle;
 - the immediate relatives of one of the above-mentioned persons, provided they are residing with that person and are provided for by him/her.

The persons referred to in 7.a) and 7.b) may, however, claim compensation for their material damage, even if they suffered no physical injury if the liability claim has arisen as a result of a defect in the insured vehicle.

ARTICLE 8

The insurance excludes:

1. damage to the insured vehicle, subject to the provisions of ARTICLE 3.2, paragraph 2;
2. damage to goods transported by the insured vehicle, subject to the provisions of ARTICLE 5.a);
3. damage not resulting from the use of the vehicle, but caused solely by the goods transported, or by the handling required for such transport;
4. damage arising during participation by the insured vehicle in authorised motor races or competitions, whether for speed, reliability or skill;
5. damage where indemnification is organised by the legislation pertaining to civil liability with regard to nuclear energy.

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CHAPTER II: DESCRIPTION AND MODIFICATION OF THE RISK - STATEMENTS OF THE POLICYHOLDER

ARTICLE 9

1. When concluding the contract, the policyholder is obliged to state precisely all the circumstances known to him/her that he/she may reasonably be expected to consider as comprising factors that could affect risk assessment by the company. If he/she does not answer specific questions asked in writing by the company, for example questions in the insurance offer, and if the company nevertheless signs the contract, the company may not, save in the case of fraud, subsequently cite such omission. The same also applies if the company concludes the contract without the duly completed insurance offer.
2. If a deliberate omission or inaccuracy causes the company to make an error regarding the risk assessment factors, the contract is nullified. The premiums falling due up to the time the company becomes aware of the deliberate omission or inaccuracy in the statement are payable to the company.
3. If the omission or inaccuracy in the statement is not deliberate, the company must, within a period of one month as from the date it becomes aware of the omission or inaccuracy, propose an amendment to the contract with effect from the day it became aware of the omission or inaccuracy.

If the contract amendment proposal is refused by the policyholder, or if, at the end of a period of one month as from the receipt of such proposal the policyholder has not accepted the proposal, the company may terminate the contract within fifteen days.

Nevertheless, if the company provides proof that it would in no case have insured the risk, it may cancel the contract within a period of one month as from the date it became aware of the omission or inaccuracy.

ARTICLE 10

During the lifetime of the contract, the policyholder is obliged to declare, in accordance with the terms of ARTICLE 9.1), any new circumstances or change in circumstances likely to cause a significant and sustained increase in the risk of an insured event occurring.

1. If the risk of an insured event occurring is increased to such an extent that, had the increased risk existed at the time the contract was concluded, the company would only have agreed to the insurance on other terms, the company must propose an amendment to the contract within a period of one month as from the date it becomes aware of the increased risk with effect backdated to the date of the increased risk. If the contract amendment proposal is refused by the policyholder, or if at the end of a period of one month as from the receipt of such proposal the policyholder has not accepted the proposal, the company may terminate the contract within fifteen days.

If the company provides proof that it would in no case have insured the risk, it may cancel the contract within a period of one month as from the date it became aware of the increased risk.

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2. If, during the term of the contract, the risk of the insured event occurring is significantly and permanently reduced to such an extent that if the reduction had existed when the contract was concluded, the company would have granted the insurance on other terms, it shall agree to reduce the premium to the appropriate level as from the date it became aware of the reduced risk. If the contracting parties do not reach an agreement on the new premium within a period of one month as from the request made by the policyholder for a reduction, the policyholder may terminate the contract.

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CHAPTER III: PAYMENT OF PREMIUMS - CERTIFICATE OF INSURANCE

ARTICLE 11

Once the contract cover is granted to the policyholder, the company shall send him/her a certificate of insurance proving the existence of the contract.

If such cover ceases for any reason, the policyholder must return the certificate of insurance immediately to the company.

ARTICLE 12

The premium, plus taxes and duties, is payable in advance on the due dates requested by the company or by any other person appointed for such purpose in the special terms.

ARTICLE 13

In the event of failure to pay the premium when it falls due, the company may suspend the contract cover or terminate the contract provided the policyholder has been notified, either in a writ or in a letter sent by registered post.

The suspension of cover or termination becomes effective at the end of a period of 15 days as from the day after notification or the registered letter has been deposited at the post office.

If cover is suspended, the payment by the policyholder of the premiums due, plus interest, if any, as specified in the last notice or court order, shall end the suspension.

If the company suspends its obligation to provide cover, it may still cancel the contract if it reserves such right in the notification referred to in paragraph 1; in such a case, the termination shall take effect, at the earliest, after a period of 15 days as from the first day of the suspension. If the company has not exercised this option, termination shall occur after a new notification has been sent, in accordance with paragraphs 1 and 2.

The suspension of cover does not affect the right of the company to demand the premiums due after the due date, provided the policyholder has been informed in accordance with paragraph 1. However, the company is only entitled to the premiums for two successive years.

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CHAPTER IV: CORRESPONDENCE AND NOTIFICATIONS

ARTICLE 14

Correspondence with, and notifications to the company must be sent to one of its registered offices in Belgium or to any other person appointed for such purpose in the special terms.

Correspondence with, and notifications to the policyholder must be sent to the last known address by the company.

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CHAPTER V: CHANGES TO THE INSURANCE TERMS AND CONDITIONS AND CHARGES

ARTICLE 15

If the company changes the insurance conditions and its charges or only its charges, it may change the contract on the following annual renewal date. It shall inform the policyholder of such modification at least 90 days prior to that renewal date. The policyholder may, however, terminate this contract within 30 days of receipt of notification of the change. As a result of such termination, the contract shall end on the following annual renewal date.

The termination option referred to in the above paragraphs is not applicable if the change to the charges or insurance terms is caused by a general change imposed by the competent authorities and which, in its application, is uniform for all companies.

The provisions of this ARTICLE do not affect ARTICLE 26.

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CHAPTER VI: ACCIDENTS AND LEGAL ACTIONS

ARTICLE 16

Any accident must be reported in writing immediately to the company or any other person designated for such purpose in the special terms within 8 days after it occurs at the latest. This obligation is incumbent on all those insured whose liability may be incurred.

The accident statement should indicate, insofar as possible, the causes, circumstances and probable consequences of the accident, the surnames, first names and addresses of witnesses and wronged parties.

The policyholder and the other insured parties shall, without delay, provide the company or any other person designated for such purpose in the special terms with any relevant information and documents requested by them.

The statement shall be made, insofar as possible, on the form provided by the company to the policyholder.

ARTICLE 17

The insured shall transmit any summonses, subpoenas and generally any legal or extra-judicial communications to the company or any other person designated for such purpose in the special terms, within 48 hours of their presentation or notification.

ARTICLE 18

Once the company is bound to provide its cover and insofar as it is called upon to do so, it is obliged to take up the cause of the insured within the limits of the cover provided.

With regard to third-party interests and insofar as the interests of the company and the insured coincide, the company has the right to oppose the claim made by the wronged party instead of the insured. The company may compensate the latter where appropriate.

Such action by the company implies no acknowledgement of liability for the insured and may not cause him/her prejudice.

The decision as to final compensation or refusal to pay compensation is sent to the policyholder as quickly as possible.

The company paying the compensation is subrogated in the rights and duties, which may concern the insured.

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ARTICLE 19

Any acknowledgement of liability, settlement, setting of damages, promise of indemnification or payment made by the insured without written authorisation from the company cannot be opposed by him/her.

Acknowledgement of the reality of an act or the payment by the insured of the initial financial assistance and medical care may not constitute a reason for the company to refuse cover.

ARTICLE 20

Up to the limit of the cover, the company shall pay the compensation in principal due. The company shall pay, even beyond the limits of the cover, the interest related to compensation in principal due, the fees pertaining to the civil actions, including the statutory prescribed contribution towards the other party's legal representation costs in criminal proceedings, as well as the fees and expenses of the lawyers and experts, but only insofar as such expenses have been presented by it or with its agreement or, in the event of a conflict of interests, which is not attributable to the insured, insofar as such expenses have not been incurred unreasonably. The costs recouped from third parties and the statutory contribution towards the other party's legal representation costs must be paid back to the insurer.

ARTICLE 21

If a claim gives rise to criminal proceedings against the insured, even if the civil interests have not been resolved, the insured may freely choose his/her means of defence at his/her own expense.

The company must restrict itself to determining the means of defence in relation to the extent of liability of the insured and the extent of the amounts claimed by the wronged party, without prejudice to ARTICLE 18 with regard to civil interests.

The insured must appear in person when required by the proceedings.

ARTICLE 22

In the event of a criminal conviction, the company may not prevent the insured from exhausting at his/her own expense all the various jurisdictional stages, nor may it intervene in the choice of appeal methods in criminal matters.

It must pay the indemnities when it considers this appropriate.

If the company voluntarily intervenes, it must notify the insured, in good time, of any appeal it may formulate against the judicial decision as to the extent of the liability of the insured; the latter will decide at his/her own risk whether or not to pursue the appeal formulated by the company.

ARTICLE 23

Neither the sums paid immediately at the time of the ascertainment of breaches of the general road traffic police regulations, nor settlements with the Office of the Public Prosecutor, fines or additional charges or legal expenses related to criminal proceedings, notwithstanding ARTICLE 20, shall be payable by the company.

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CHAPTER VII: THE COMPANY'S RIGHT TO SEEK RECOURSE

ARTICLE 24

If the company is held liable towards the wronged parties, it has, irrespective of any other duty that it may have, a right to seek recourse in the cases and against any persons referred to in ARTICLE 25. Such recourse relates to the compensation, for which the company is liable to pay the principal as well as the legal expenses and interest. It will be exercised in full if the above-mentioned sums do not exceed the overall total of EUR 10,411.53. However, it will only be exercised up to the level of half the above-mentioned sums if they exceed EUR 10,411.53, subject to a minimum of EUR 10,411.53 and a maximum of EUR 30,986.69.

ARTICLE 25

1. The company has a right to seek recourse against the policyholder:
 - a) in the event of suspension of the contract cover because of non-payment of the premium;
 - b) in the event of deliberate omission or inaccuracy in the risk statement, both on conclusion of and during the contract. Such right to seek recourse shall be exercised in full and is not subject to the limit set out in ARTICLE 24.
 - c) in the event of unintentional omission or inaccuracy in the risk statement, both on conclusion of and during the contract, which may be the fault of the policyholder; the total action is limited to EUR 247.89 (not indexed).

The right to seek recourse shall not be exercised where the contract is subject to an amendment, in accordance with ARTICLES 9 and 10.
2. The company has a right to seek recourse against the insured who caused the accident if:
 - a) he/she caused the accident intentionally. Such right to seek recourse shall be exercised in full and is not subject to the limit set out in ARTICLE 24.
 - b) he/she caused the accident as a result of one of the following cases of gross negligence: driving in an intoxicated or similar state resulting from the use of substances other than alcoholic beverages;
 - c) the use of the vehicle was the subject of an abuse of trust, fraud or hijacking; such right to take action shall only be exercised against the perpetrator of the offence or his/her accomplice.
3. The company has a right to seek recourse against the policyholder and, if applicable, the insured who is not the policyholder:
 - a) if the accident occurred when participating in motor races or competitions, whether for speed, reliability or skill, for which no authorisation has officially been granted;
 - b) if, at the time of the accident, the vehicle was being driven by a person who does not satisfy the provisions stipulated by Belgian law and regulations for driving that vehicle, for example by a person who is under the minimum required age, a person who does not hold a driving licence or a person banned from driving.

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The right to seek recourse is not applied, however, if the person driving the vehicle abroad has complied with the provisions stipulated by local law and the regulations for driving the vehicle and has not been banned in Belgium, in which case the right of recourse is maintained.

- c) if the named vehicle was subject to Belgian technical inspection regulations for any accident which occurred while the vehicle did not have, or no longer had, a valid inspection certificate, except if the accident occurred in the course of a normal journey to have the vehicle inspected, or after delivery of a certificate containing the wording “*verboden tot het verkeer*” (not roadworthy), on the normal journey between the inspection organisation and his/her home and/or the repairer, as well as on the normal journey to present the vehicle, after being repaired, to the inspection organisation.

The right of recourse shall not be exercised, however, if the insured demonstrates the absence of a causal relationship between the state of the vehicle and the accident.

- d) if the accident occurred while the number of persons transported exceeded that authorised pursuant to the statutory or contractual provisions or if the total number of persons breached the statutory or contractual provisions.

If the number of persons transported exceeded the statutory or contractual maximum authorised, the size of the claim is proportional to the excess number of persons transported, in terms of the total number of persons actually transported, without prejudice to ARTICLE 24.

To calculate the number of persons transported, children under four are not counted and children aged between four and fifteen are considered as occupying two thirds of a place. The result is rounded up to the next whole number.

When transporting persons outside the statutory or contractual provisions, the right of recourse is exercised for all compensation paid to the transported persons, without prejudice to ARTICLE 24.

Nevertheless, the company cannot make a claim as described in ARTICLE 25.3) against an insured who has established that the breach or the factors generating the recourse can be ascribed to an insured other than him/herself and took place against his/her instructions or without his/her knowledge.

4. The company has a right of recourse against the person who caused the accident or who is civilly liable for it in the cases stipulated in ARTICLE 33 if the cover only applies in favour of the wronged parties.
5. The company has a right of recourse against an insured who has not complied with the obligations listed in ARTICLE 19. In any event, recourse will only be sought if and insofar as the company has suffered a loss, without prejudice to the application of ARTICLE 24.
6. The company has a right of recourse against an insured who has failed to accomplish an action within a deadline specified by the policy. Such right to recourse may not be exercised if the insured establishes that he/she completed the action as quickly as he/she was reasonably able to. Whatever the case, recourse will only be sought if and insofar as the company has suffered a loss due to such omission, without prejudice to the application of ARTICLE 24.

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CHAPTER VIII: TERM, RENEWAL, SUSPENSION, END OF THE POLICY

ARTICLE 26

The term of the policy is one year. At the end of the insurance period, the policy is tacitly renewed from year to year, except in the event of termination by one of the parties at least three months prior to the expiry of the period in progress.

ARTICLE 27

The company may cancel the policy:

1. at the end of each insurance period in accordance with ARTICLE 26;
2. in the event of the deliberate omission or inaccuracy in the risk statement during the policy;
3. in the event of unintentional omission or unintentional inaccuracy in the risk statement when the policy is concluded, in accordance with the terms stipulated in ARTICLE 9 and, in the case of an increased risk, in accordance with the terms stipulated in ARTICLE 10;
4. in the event of non-payment of the premium, in accordance with ARTICLE 13;
5. if, after the vehicle has had a technical inspection, it does not have or no longer has a valid inspection certificate, or if the vehicle does not comply with the general technical regulations for motor vehicles (*Algemene Reglementen op de technische eisen van de motorrijtuigen*);
6. after each statement of claim, but at the latest one month after payment of, or refusal to pay the compensation;
7. in the event of the publication of new legal provisions, which may affect the civil liability of the insured or the insurance of such liability, but 6 months at the latest after such provisions become effective;
8. in the event of suspension of the policy, as described in ARTICLE 30;
9. in the event of the bankruptcy, insolvency or death of the policyholder, in accordance with ARTICLES 31 and 32.

The company undertakes never to consider the age of the driver per se as grounds for any remedial measures taken by the company.

ARTICLE 28

The policyholder may cancel the policy:

1. at the end of each insurance period in accordance with ARTICLE 26;
2. after each statement of claim, but one month at the latest after notification by the company of payment of, or refusal to pay the compensation;
3. in the event of changes to the insurance terms and charges or only the charges, in accordance with ARTICLE 15;
4. in the event of bankruptcy, composition or withdrawal of the company's accreditation;
5. in the event of a risk reduction, under the terms stipulated in ARTICLE 10;

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6. if between its conclusion date and the date it becomes effective, a period in excess of one year has passed. Such termination must be notified at least three months prior to the date on which the policy becomes effective.
7. in the event of suspension of the policy, as described in ARTICLE 30.

ARTICLE 29

Termination shall be made by writ, registered letter or by delivery of the letter of termination against acknowledgement of receipt.

Save for the cases referred to in ARTICLES 13, 15 and 26, with regard to termination after a claim, termination shall only become effective after a period of one month as from the date after the notification or the date of acknowledgement of receipt or, in the case of a registered letter, as from the day after it was deposited at the post office.

Termination of the policy by the company after a statement of claim takes effect on the date of notification, if the policyholder or the insured has failed to meet one of his/her obligations arising as a result of the claim with the intention of misleading the insurer. The fraction of the premium corresponding to the period after the effective termination date shall be refunded by the company.

ARTICLE 30

In the event of a claim on the ownership or rental of the named vehicle, the policy shall be suspended on the sole basis of the vehicle being recovered by the petitioning authorities.

ARTICLE 31

In the event of the bankruptcy of the policyholder, the policy remains to the benefit of the body of creditors who become debtors to the company for the amount of the premium owed as from the declaration of bankruptcy.

The company and the trustee in bankruptcy nevertheless have the right to terminate the policy. However, the policy may not be terminated by the company for at least three months as from the declaration of the bankruptcy, whereas the trustee in bankruptcy may only terminate the policy within three months following the declaration of bankruptcy.

ARTICLE 32

In the event of the death of the policyholder, the policy is maintained to the benefit of the heirs, who remain bound to pay the premiums, without prejudice to the company's right to terminate the policy, in accordance with the procedures described in ARTICLE 29, paragraph 1, within three months as from the date it became aware of the death.

The heirs may terminate the policy, in accordance with the procedures described in ARTICLE 29, paragraph 1, within three months and forty days of the death.

If the named vehicle is assigned as being the rightful property of one of the heirs or a legatee of the policyholder, the policy is maintained to the benefit of the latter. Such heir or legatee may, however, terminate the policy within one month of the day on which the vehicle is assigned to him.

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ARTICLE 33

In the event of transfer of ownership of the named vehicle, the following provisions apply:

1. With regard to the new vehicle

Cover remains for the insured:

- for 16 days as of the transfer of ownership of the named vehicle, with no formalities having to be carried out if the new vehicle is used, even illicitly, on the public highway with the licence plate from the transferred vehicle;
- upon expiry of the above-mentioned 16-day period, provided, however, the company has been notified of the replacement within this period. In this case, the insurance terms and charges in force on the last due date of the annual premium are applied, subject to the provisions of ARTICLE 37 pertaining to the indexation of premiums.

If, at the end of the above-mentioned 16-day period described in ARTICLE 33.1), the transferred vehicle has not been replaced or if the company has not been informed of such replacement, the policy shall be suspended and the provisions of ARTICLE 34 shall apply.

This suspension of the policy can be used to justify refusal to indemnify the wronged party. The premium due remains the property of the company prorata temporis, until the company is informed of the transfer of ownership.

2. With regard to the transferred vehicle other than a moped

For 16 days as from the transfer of ownership and provided no other insurance covers the same risks, cover:

- remains for the policyholder, his/her spouse and children residing with him and who are legally old enough to drive, if the transferred vehicle is used, even illicitly, on the public highway with the licence plate it had prior to the transfer;
- is no longer effective, except with regard solely to the wronged party, if the damage is caused by an insured other than as listed above, and if the transferred vehicle is used, even illicitly, on the public highway with the licence plate it had prior to the transfer.

At the end of the 16-day period referred to in ARTICLE 33.2), cover shall expire unless the benefit of the policy has been transferred, with the written agreement of the company, to the new owner. Termination of this cover can be used to justify refusal to indemnify the wronged party.

3. With regard to mopeds

In addition to ARTICLE 33.1), cover is provided, but only for the wronged party and provided no other insurance covers the same risk, for damage caused by any moped with a provincial licence plate, with the authorisation of its owner, issued with an insurance certificate from the company, provided the event which generated the claim occurred before this licence plate's annual validity expires.

The policy may not be transferred to the new owner of the transferred moped without the written agreement of the company.

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4. In the event of a rental contract on the named vehicle

The rules stipulated in (1), (2) and (3) also apply in the event of termination of the policyholder's rights to the named vehicle, which he/she received in execution of a rental or other similar contract, in particular a lease contract.

ARTICLE 34

In the event that the policy is suspended, the policyholder who brings the named vehicle or any other vehicle into circulation must inform the company thereof.

The policy shall be reinstated under the insurance terms and charges applicable on the last due date of the annual premium, subject to the provisions of ARTICLE 37 pertaining to the indexation of premiums.

If the policy is not reinstated, it shall end on the next annual premium payment date. However, if the suspension of the policy takes effect within three months prior to the next annual premium date, the policy shall end on the following annual premium date.

The fraction of the premium not absorbed is reimbursed at the end of the policy. If the policy ends before the cover has run for one full year, the reimbursement shall be reduced by the difference between the annual premium and the premium calculated at the rate for policies of less than one year.

The policyholder is still entitled to request in writing that the policy not be terminated.

ARTICLE 35

If for any reason, other than those listed above, the risk were removed, the policyholder must inform the company without delay; otherwise the premium paid or due prorata temporis remains the possession of the company up to the time that such notification is actually given.

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CHAPTER IX: INDEXATION

ARTICLES 36 AND 37

Superseded by ARTICLE 5 of the Royal Decree of 16 January 2002 amending the Royal Decree of 22 February 1991 laying down general rules for the control of insurance companies and the Royal Decree of 14 December 1992 concerning the model policy for compulsory insurance for motor vehicle liability.

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CHAPTER X: BONUS-MALUS SYSTEM

ARTICLE 38

Superseded by ARTICLE 6 of the Royal Decree of 16 January 2002 amending the Royal Decree of 22 February 1991 laying down general rules for the control of insurance companies and the Royal Decree of 14 December 1992 concerning the model policy for compulsory insurance for motor vehicle liability.

The system described in the appendix applies. Where a provision of the policy refers to ARTICLE 38, this refers to this appendix.

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CHAPTER XI: SPECIAL PROVISIONS FOR MOTOR VEHICLES FOR WHICH THE CHARGE IS SEGMENTED

ARTICLE 39 **Segmentation criteria**

If any one of the segmentation criteria known to the policyholder should be changed, the policy cannot be terminated.

The company shall adjust the no-claims premium if:

- the policyholder reports a change in one of these criteria;
- it ascertains that a criterion does not agree with the statements of the policyholder.

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CHAPTER XII: INDEMNIFICATION OF CERTAIN ROAD ACCIDENT VICTIMS

ARTICLE 40

1. With the exception of material damage, any damages resulting from personal injury or death caused to any road accident victim or their beneficiaries in which the insured motor vehicle is involved, are compensated by the company in accordance with ARTICLE 29a of the Law of 21 November 1989 on mandatory civil liability insurance for motor vehicles.

Damage caused to functional prostheses is regarded as personal injury.

Victims who have committed a grossly negligent act that was the sole cause of the accident may not refer to the provisions of the first paragraph.

Only wilful misconduct of extreme severity, which exposes, without valid reason, the person who committed it to a danger of which he/she should have been aware is deemed to be a grossly negligent act.

Proof of a grossly negligent act is not admissible in respect of victims below the age of 14.

This compensation obligation is fulfilled in accordance with the legal provisions pertaining to liability insurance in general, and liability insurance for motor vehicles in particular, provided this chapter does not derogate therefrom.

2. The driver of a motor vehicle and his/her beneficiaries may not benefit from the provisions of this chapter.
3. For the application of this chapter, a motor vehicle is considered to be any motor vehicle excluding motor-driven wheelchairs likely to be used by a disabled person.
4. All the chapters of the policy apply, with the exception of ARTICLES 1 to 3 and 5 to 8 of chapter I (Purpose and scope of the insurance).

As regards chapter VII (The company's right to seek recourse), the company has a right to seek recourse in the cases stipulated in ARTICLES 25.1a), 25.3b) and, with regard to compensation paid to transported persons, Article 25.3d). It also has the right of recourse in all the other cases stipulated in ARTICLE 25, but only if it can demonstrate, on the basis of the civil liability rules, the liability of an insured party and the extent to which the insured part is liable.

5. For the application of this chapter and notwithstanding ARTICLE 16, paragraph 1, the obligation to declare the accident is incumbent on the policyholder, even if he/she may not be liable, provided he/she is aware that the accident occurred.

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CHAPTER XIII: TERRORISM

ARTICLE 41 **Membership of TRIP**

The insurance covers acts of terrorism in certain cases. For this purpose, the insurance company is a member of the non-profit-making association TRIP, the registered office of which is at de Meeûssquare 29, 1000 Brussels. Under the law of 1 April 2007 on insurance against damage caused by terrorism, the performance of all obligations of all insurance companies which are members of the non-profit-making association, are limited to EUR 1 billion per calendar year in the case of damage caused by any events recognised as terrorist attacks during that calendar year. This amount is adjusted on 1 January each year based on changes in the consumer price index, taking the index for December 2005 as the basis. In the event of a legal or regulatory change to this basic amount, the amended amount shall automatically apply as from the next due date after the change, unless the legislator expressly provides for a different transitional arrangement.

If the total calculated or estimated compensation is greater than the amount specified in the previous paragraph, a rule of proportionality shall apply: the compensation payable shall be limited to the ratio of the amount stated in the previous paragraph or the funds still available for that calendar year to the compensation payable allocated to the calendar year in question.

ARTICLE 42 **Compensation to be paid**

Under the above-mentioned law of 1 April 2007, the Committee shall decide whether an event falls under the definition of terrorism. To ensure that the amount stated in the paragraph entitled 'Membership of TRIP' is not exceeded, the Committee shall decide on the percentage of the compensation to be paid by the insurance companies that are members of the non-profit organisation as a result of the event within six months of the event at the latest. The Committee may revise such percentage. By 31 December of the third year following the year of the event at the latest, the Committee shall take a final decision about the compensation percentage to be paid.

The insured or the beneficiary may only claim compensation from the insurance company when the Committee has determined the percentage. The insurance company shall pay the insured amount on the basis of the percentage determined by the Committee.

In derogation from the above, if another percentage is laid down by Royal Decree, the insurance company shall pay out in accordance with that percentage. If the Committee lowers the percentage, the reduction in compensation shall not apply to compensation which has already been paid out, or to compensation which has not yet been paid out, but for which the insurance company has already announced a decision to the insured or the beneficiary.

If the Committee increases the percentage, the increase in the compensation shall apply to all the declared claims made as a result of the event recognised as terrorism. If the Committee decides that the amount referred to under 'Membership of TRIP' is insufficient to cover all damage suffered or does not contain sufficient elements to be able to establish whether such amount is sufficient, the damage shall be reimbursed according to priority.

Non-pecuniary compensation shall be paid after all other compensation.

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Any limitation, exclusion and/or spread in the time allowed for the insurance company to comply with its obligations as defined by Royal Decree shall apply in accordance with the procedures set out in that Royal Decree.

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APPENDIX: BONUS-MALUS SYSTEM

1. Area of application

The following provisions apply to the premiums for passenger vehicles for tourism and goods purposes or for mixed use and motor vehicles intended for the transportation of goods with a maximum permissible total weight of 3.5 tonnes, with the exception of motor vehicles with a commercial registration plate, vintage motor vehicles, special vehicles and machines, and their trailers.

2. No-claims levels and corresponding premium levels

Level	Premium level compared base level 100
22	200
21	160
20	140
19	130
18	123
17	117
16	111
15	105
14	100
13	95
12	90
11	85
10	81
9	77
8	73
7	69
6	66
5	63
4	54
3	54
2	54
1	54
0	54
-1	54
-2	54

This document is a translation and for consultation purposes only. In case of unclarity or discussions the original French or Dutch version will prevail.

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3. Entry to the system

Entry to the system takes place at level 14 on the scale, with the exception of limited use of a motor vehicle for tourism and goods purposes or for mixed use, in which case entry takes place at level 11.

Limited use is understood to mean:

- for private purposes and for commuting to and from work (moving between two places of work is regarded as professional use), excluding any professional use not referred to below;
- for professional purposes but solely:

1. by persons who are in full-time paid employment and who do not form part of the field sales force of the company or organisation by which they are employed (persons whose professional activity involves systematic field sales assignments are regarded as part of the field sales force);
2. by self-employed people who perform a full-time sedentary job;
3. by ministers of a religion recognised by the law;
4. by agriculturalists and vegetable growers who regularly take part in the company's manual labour.

4. Method of calculation of claim-free years

The premium changes on every annual premium due date in accordance with the scale set out above, depending on the number of claims and in accordance with the rules set out below.

The no-claims level is only affected by claims for which the company covering the risk at the time of the claim has paid, or will have to pay, compensation to the wronged parties.

Claims relating to ARTICLE 29a of the Law of 21 November 1989 on compulsory civil liability insurance for motor vehicles are not eligible.

The observed insurance period ends each year at the latest on the 15th of the month preceding the month in which the annual premium falls due. If this period is, for whatever reason, shorter than 9-and-a-half months, it shall be added to the following observation period.

5. How the system works

Changes to the levels are made as follows:

- a) for every observed insurance period with one or more claim: an increase of five levels per claim;
- b) for every observed insurance period: an unconditional drop by one level.

6. Special features of the system

Once no-claims level -2 is reached, the five-level increase per claim referred to in 5a) above does not apply.

In addition, the company is only obliged to consider a remedial measure as a result of a claim or claims in the following cases:

- in the event of a third accident in the wrong, which has given rise to payment of compensation under civil liability cover, or;

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- in the event of an at-fault claim involving a driver in an intoxicated or similar state resulting from the use of substances other than alcoholic beverages or in a state of alcoholic intoxication rendering him/her liable to prosecution, or;
- if the accident was caused deliberately, or;
- in the event of an accident involving a hit-and-run offence, or;
- if, as a result of an at-fault claim giving rise to the suspicion that the driver is unfit to drive, a driver over 75 years of age is declared unfit to drive by a specialist independent organisation.

7. Improvement in the no-claims level

If it transpires that a policyholder's no-claims level has been wrongly calculated or changed, the correct level shall be calculated and any ensuing changes in the premium shall either be refunded to the policyholder or payment from the policyholder shall be requested by the company. If an improvement in the no-claims level is calculated more than one year after the wrong level is allocated, statutory interest shall be added to the amount refunded by the company. Such interest shall accrue from the time when the wrong premium was collected.

8. Change of vehicle and/or use of motor vehicle

A change of vehicle has no effect on the no-claims level. If the use of the vehicle changes from limited to unlimited use or vice versa, the no-claims level shall be adjusted by three levels.

9. Re-entry into force

If a suspended policy is reinstated, then the no-claims level existing at the time of the suspension shall continue to apply.

10. Change of company

If the policyholder was insured by another insurer prior to concluding the policy with the company, the policyholder is obliged to inform the company of any claims which have occurred in the period between delivery by the other insurer of the No-Claims Certificate and inception of the new policy.

11. Certificate at the end of the policy

As specified by Royal Decree of 16 January 2002, the company shall hand over the No-Claims Certificate to the policyholder within 15 days of the end of the policy.

12. Policy concluded in another country of the European Community

If the policy is concluded by a person who has already concluded a policy during the last five years in accordance with the legislation of another Member State of the European Community, the level of the no-claims premium shall be calculated by taking into account the number of claims per insurance year for which the foreign insurer has had, or will have to pay compensation for the benefit of wronged parties during the last five insurance years. The policyholder must submit the relevant evidence.

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EXTENSION OF YOUR BA MAX MOTOR VEHICLE CIVIL LIABILITY INSURANCE POLICY

The cover is acquired on the date stated in the special terms.

Scope of the cover

Compensation for damage suffered by the beneficiaries resulting from a personal injury sustained by the insured and/or resulting from his/her death as a result of an accident. Compensation for damage to clothing worn by the insured is also paid.

The insured

The following are insured:

- any authorised driver driving the named vehicle or a replacement vehicle as described in ARTICLE 4.1a) of the motor vehicle civil liability insurance policy;
- the main driver named in the policy as the driver of any passenger vehicle for "tourism and goods purposes or for mixed use or any delivery vehicle intended for transporting goods up to 3.5 t" (the so-called "Bob add-on").

Beneficiaries

- In the event of personal injury: the insured, excluding any third-party payment system;
- In the event of death: the beneficiaries of the insured who have suffered damage as a result of this death, excluding any third-party payment system.

Claim

Any traffic accident involving an insured party.

Scope of the cover

Compensation is calculated in accordance with the customary rules of Belgian common law and in the same way as an accident that has occurred in Belgium. The amount of the pay-out is limited to EUR 250,000 per claim.

Subrogation

The company is subrogated in the rights and legal actions of the beneficiaries against the third parties liable for the accident up to the amount of the compensation paid.

Third-party payment systems

The compensation is acquired by the beneficiaries after deduction by third-party payment systems, taking into account their performance.

Performance by third-party payment systems means:

- payments by the insurance institutions of the sickness and disability insurance;
- statutory payments by employers and/or social and similar institutions;
- payments by public social welfare centres.

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Exclusions

This cover does not apply to:

- accidents not covered by this policy and those events specified in ARTICLE 25 of this policy;
- accidents caused by an insured in a state of alcoholic intoxication rendering him/her liable to prosecution or a similar state caused by substances other than alcoholic beverages;
- failure on the part of the insured to comply with the laws governing the wearing of seat belts.