Appendix 1

Memorandum of Understanding

Cooperation on Cross-border Motor vehicle Claim settlement services and Cross-border Insurance Underwriting

In order to adhere to the framework cooperation on claims management and Underwriting between the contracting parties, the parties shall follow the following.

Section 1 Definition and general condition

1. Definition and terms in this agreement and this appendix

1.1 **Compulsory Insurance**: means the minimum coverage required by Law with a minimum amount of liability insurance of each country.

In Thailand, Compulsory Insurance covers exclusively bodily injuries, loss of organs and loss of life. Compulsory Insurance in Laos covers bodily injuries, loss of organs, loss of life and property damages occurred to third party.

1.2 **Voluntary Coverage:** means the coverage which is complementary according to the customer wish with higher coverage or Third Party Liability.

1.3 **Insurance Policy**: means the insurance document in form of insurance contract that in accordance with type and category of insurance that the insurer of each country issue for the insured.

1.4 **ACMI Program**: means ASEAN Compulsory Motor Insurance program, the electronics program that used in managing cross border motor insurance information and claims settlement between parties.

1.5 **Blue card or Insurance Certificate**: means insurance document as an evidence of having cross border compulsory insurance for motor vehicle crossing between borders.

1.6 **Claim settlement service fee**: means the fee of which the parties agree to pay each other as resulting from providing claim settlement and compensation recovery services to one another on its behalf.

2. Commencement date and termination of the agreement

2.1 This contract shall commence on and be fully effective as from the commencement date and shall remain in force for a period of two years initial

term and be automatically renewed for one further year unless terminated by either party.

2.2 The parties or either company can abort the contract or exit this Agreement by giving a written notice to executive management officers of AGL and Thai General Insurance Association. Such notice shall be given not less than thirty days to be approved by both parties within 30 days of receipt of the "written notice".

2.3 In the event of termination of this agreement either party must further handle the service by its nature of which remains continuing in spite of its termination as long as eligibilities specified in policies held by customers are terminated.

3. Arbitration

3.1 All disputes is accordance with this agreement shall firstly be negotiated by senior management of AGL officers and Thai General Insurance Association officers to resolve a dispute through negotiation within 30 days after receiving a written "invitation to negotiation".

3.2 In the case of failure of negotiation specified in Clause 3.1 both parties agree to file the dispute into Arbitration in Lao PDR to consider matters if the dispute occurs within Laos territory or file the dispute into Thai General Insurance Association Arbitration if the dispute occurs within Thai territory under this Agreement

Section 2 Policy Issuing process

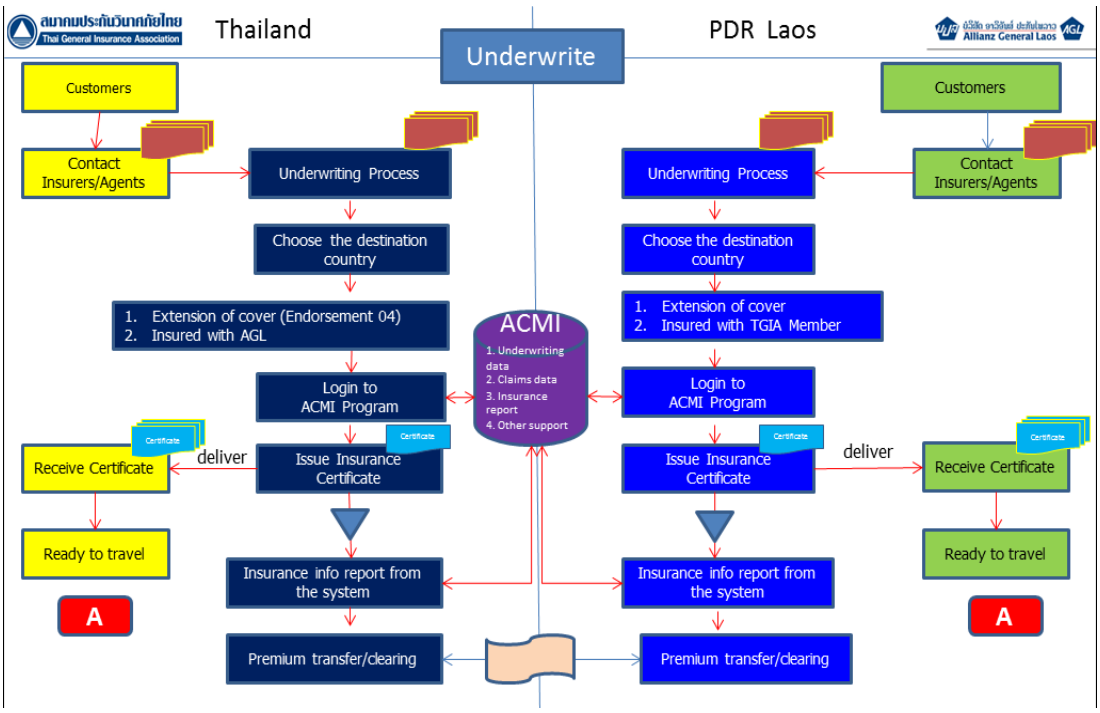
1. The company that signed in this Agreement agrees to co-operate on issuing policy on behalf of the other party as specified as following;

1.1 In the event motor vehicle crossing into Laos's territory: the company shall issue policy type AB 1 or AB 2 on behalf of AGL.

1.2 In the event motor vehicle crossing into Thai's territory: AGL shall issue policy on behalf of Thai's companies, in company's name order in the automated system by issuing insurance type CV 1 that is compulsory insurance and third party liability insurance.

1.3 Insurance cover period shall not be shorter than one month. Insurance premium and coverage shall be in accordance with the rate set by each country, based on the chosen coverage, type and category of insurance on 1.1 and 1.2 as appeared in the appendix of the agreement.

2. Online sales shall be used and must input data into the ACMI Program. Customers can purchase the insurance from any agent or company branch anywhere that online service is available.
3. Both parties must follow and operate based on this Workflow;



3.1 Advise a customer who wish to travel by motor vehicle crossing the border to purchase insurance at an agent or insurance company with the required documents as following;

- A copy of driving license and Identification card
- A copy of motor vehicle registration
- Insurance policy (in the case of coverage extension)

3.2 Sales officer or agents must consider underwriting motor vehicle insurance to extend coverage outside its territory and underwrite compulsory insurance or underwrite the insurance that covers compulsory insurance in accordance with cross-border motor vehicle insurance for the customer.

3.3 Underwrite insurance and input data into the system in order to issue insurance policy and the insurance certificate. Insurance companies and /or agents of both countries must underwrite online by inputting data into ACMI Program to issue the Blue card or insurance certificate.

3.4 Company employee or agent shall receive net premium from the customer before delivering the insurance policy.

3.5 By day 10th of the month, the company shall issue a monthly sales report from ACMI program for monitoring and verification between parties before transferring the insurance premium and other expense to each other.

3.6 Transfer insurance premium to the other party in accordance with the sales report within day 20th of the month. And use the agreed exchange rate as published monthly in the ACMI Program, insurance premium rate is based on the date of issue of the policy.

4. Policy cancellation

Customer shall contact Insurance policy Owner Company in each country to cancel the insurance policy.

Section 3 Claim settlement service

1. The agency responsible for providing claim settlement services are as follows
   Lao PDR: Allianz General Laos telephone number (021) 222-222
   Thailand: Road Accident Victims Protection Co., Ltd. Call Center 1791
2. Claim settlement services shall be on the basis of the agreed standard and principles of mutual benefit and integrity.
3. Claim shall firstly be made on local insurance policy of each country to indemnify based on the insurance contract without service charge.
4. In case of the compensation exceeding local insurance cover and additional cover is triggered from another party's policy, only then the local insurer where accident happened shall collect claim settlement service fee at the agreed rate on clause 6.
5. Claim settlement and negotiation in the case of exceeding coverage shall be approved by both parties before settling the claim.
6. Claim settlement services fee in case of exceeding local coverage (clause 2.) the party that provides claim settlement services shall collect the fee as follows.
   6.1 claim settlement service fee is THB 1,200 (fee is inclusive traveling cost and other expense)
   6.2 In case of the negotiation could not be settled within the 1st visit, fee for another required visit is THB 1,000.

6.3 Accommodation, Meals expenses shall vary according to the classification of locations. However, supporting document such as receipts shall be presented. The expenses are divided into three levels as follows;

A: Maximum THB 1,200 per night, Meal THB 150 per day

B: Maximum THB 1,000 per night, Meal THB 120 per day

C: Maximum THB 800 per night, Meal THB 100 per day

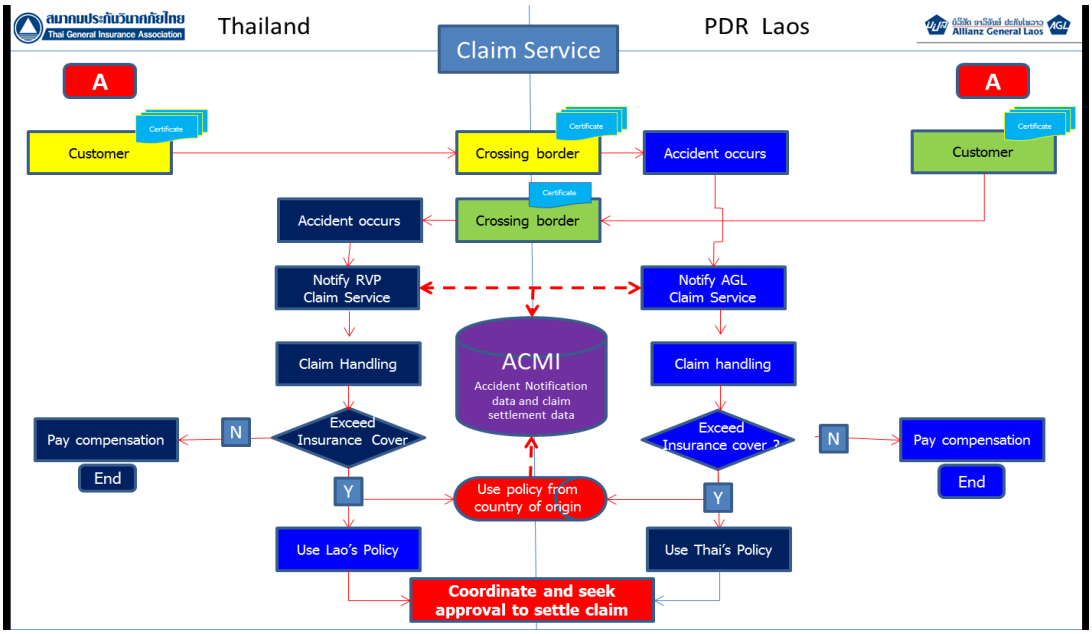
Expenses rates in different cities/provinces

Level	Thailand	Lao PDR
A	Chon Buri , Nakhon Ratchasima, Khon Kaen, Udon Thani, Chiang Mai, Chiang Rai, Surat Thani, Nakhon Si Thammarat, Phuket, Hat yai, Songkhla	Loungprabang, Pakse
B	Samut Prakan, Pathum Thani, Nonthaburi, Phra Nakhon Si Ayutthaya, Trat, Chachoengsao, Buri Ram, Ubon Ratchathani, Mukdahan, Sakon Nakhon, Nong Khai, Nakhon Phanom, Mae Hong Son, Lamphun, Lampang,Mae Sod, Nakhon Sawan, Phitsanulok, Phetchaburi, Kanchanaburi, Nakhon Pathom, Prachuap Khiri Khan, Phangnga, Chumphon, Krabi, Yala, Satun, Narathiwat, Trang, Pattani,	Vientaine Captial, Savannakhet
C	Other provinces	Other provinces

7. Claim settlement and the legal proceeding over the insurance shall be settled under the regulation and Jurisdiction of each country. The responsibility of the claim services provider is limited to only accident settlement and negotiation at the police office only.

Any case escalation up to arbitration, tribunal, and courts shall be the expense of the insured. The claim settlement service provider shall suggest a lawyer proceed the case for the insured and all other associated expenses shall be charged to the insured.

8. Both parties strictly abide by the claim settlement service proceeding and workflow as following.



8.1 When the insured crossed border and accident occurred in the country of destination, the insured shall contact Claim Call Center to file a claim

Lao PDR: AGL's Policy call (021) 222-222

Thailand: insurance Company's policy as signed in this agreement,

Call Road Accident Victims Protection Company Limited; Call Center 1791

8.2 When the company receives notification from a customer, the company shall provide assistance and claim services appropriately, communicate politely in timely manners.

8.3 Accident survey at the accident scene must be conducted as quickly as possible to ensure the customer's confidence with appropriate verbal communication.

8.4 Verify the validity of the insured vehicle, driver, and insurance coverage, inspect the damage and investigate liability for the damage caused.

8.5 If the insured vehicle is the party at fault, the claim shall be made on local policy to compensate the actual damage but not exceeding the insurance coverage and evidence documents shall be issued for the insured.

In the case the insured vehicle is victim, the claim service provider shall assess damages that approved by both parties in order to reimburse from the party at fault.

8.6 In the case of major accident which results in losses exceeding the coverage of the local policy, the claim service provider must seek approval to claim from

policy of the country of origin to settle the exceeding compensation and manage to end the matter.

8.7 The claim service provider shall provide claim reports, photographs of any damage and collect other relevant evidence documents that are necessary for claim settlement process and submit the claim report using the agreed template.

Both parties herein have read and agreed that it is in accordance with the intentions of both parties. Hence, the parties herein, signed this attachment.

Signature..... Signature.....

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Signature..... Signature.....

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