



AIRCRAFT OWNER'S (OPERATOR'S) AND CONVEYOR'S BY AIR CIVIL LIABILITY INSURANCE

Terms and Conditions No.11SAD.CA02

Effective as of 18.12.2025

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Date: 2025.12.02 14:35:10 EET

bta
VIENNA INSURANCE GROUP

BTA and Policyholders enter into Aircraft Owner's (Operator's) and Conveyor's by Air Civil Liability Insurance Contracts in accordance with these Terms and Conditions.

CONTENTS

GENERAL INSURANCE TERMS AND CONDITIONS	1
1. DEFINITION OF AN INSURANCE CONTRACT	1
2. THE VALIDITY OF INSURANCE COVERAGE.....	3
3. POLICYHOLDER DUTY TO DISCLOSE INFORMATION	3
4. INSURANCE PREMIUM AND PAYMENT PROCEDURE.....	4
5. CONCLUSION OF INSURANCE CONTRACTS VIA DISTANCE COMMUNICATION AND TELECOMMUNICATIONS EQUIPMENT	5
6. TERMINATION AND AMENDMENT OF THE INSURANCE CONTRACT	5
7. GENERAL CLAUSES	6
8. POLICYHOLDER'S OBLIGATIONS IN THE EVENT OF AN INSURED RISK	6
9. INSURANCE BENEFIT.....	7
10. COMPLAINTS AND DISPUTE RESOLUTION PROCEDURES.....	8
11. PROCESSING OF PERSONAL DATA	8
12. SUBROGATION AND RIGHT OF RECOURSE CLAIM.....	8
13. CONFIDENTIALITY	8
14. OTHER CONDITIONS	9
SPECIAL TERMS AND CONDITIONS	10
1. EXPLANATIONS OF TERMS USED IN THE TERMS AND CONDITIONS	10
2. SUBJECT MATTER AND INSURED EVENTS	11
3. CIVIL LIABILITY OF THE AIR CARRIER AGAINST THIRD PARTIES (OTHER THAN PASSENGERS AND CARGO OWNERS).....	12
4. CIVIL LIABILITY OF THE AIR CARRIER AGAINST PASSENGERS (EXCLUDING THIRD PARTIES AND CARGO OWNERS).....	13
5. CIVIL LIABILITY OF THE AIR CARRIER AGAINST THE OWNER OF THE CARGO (FOR THE CARGO)	13
6. NON-INSURED EVENTS.....	14
7. SUM INSURED, DEDUCTIBLE.....	15
8. INSURANCE PREMIUMS AND PAYMENT PROCEDURES	16
9. ENTERING INTO AND VALIDITY OF AN INSURANCE CONTRACT	16
10. AMENDMENT AND TERMINATION OF THE INSURANCE CONTRACT	17
11. RIGHTS AND OBLIGATIONS OF THE PARTIES	17
12. OBLIGATIONS OF THE PARTIES IN THE CASE OF AN INSURED EVENT.....	19
13. DAMAGE AND INSURANCE BENEFIT	20
14. THE PROCEDURE AND CONDITIONS FOR PAYMENT OF INSURANCE BENEFITS	20
15. DISPUTE SETTLEMENT PROCEDURE.....	21

GENERAL INSURANCE TERMS AND CONDITIONS

1. DEFINITION OF AN INSURANCE CONTRACT

Insured – the person whose property interests are insured:

- a) for property insurance, the owner of the insured property or the person named in writing in the contract;
- b) in the case of civil liability insurance, the person whose property interests arising out of civil liability are insured;
- c) in the case of personal insurance, the natural person named in the insurance contract whose health, life or physical condition is covered by the insurance contract.

Policyholder – a person who has applied to the insurer for the conclusion of an insurance contract or has been offered an insurance contract by the insurer or has concluded an insurance contract with the insurer.

Insurer – BTA Baltic Insurance Company AAS branch in the Republic of Lithuania.

Insurance premium – the amount of money specified in the insurance contract that Policyholder are obliged to pay BTA under the terms of the insurance contract.

Insured interest – the Insured's interest in not suffering a loss as a result of an insured event.

Insurance benefit – a sum of money paid out in the event of an insured event or for services rendered, if provided for in the insurance contract.

Object of insurance – is property interests relating to a person's life, health, property or civil liability.

Insurance risk – the probability of an event occurring in the future that is possible and beyond Policyholder and/or the Insured person's control.

Sum insured – the amount of money specified in the insurance contract or calculated in accordance with the procedure laid down in the insurance contract, which may not exceed the benefit.

Insurance contract certificate (policy) – a document confirming the conclusion of the insurance contract and covering the terms and conditions of the insurance contract as agreed between BTA and Policyholder.

The parties to the insurance contract – Policyholder and BTA.

Insurance contract – an agreement between BTA and Policyholder, under which Policyholder undertakes to pay the insurance premium of the agreed amount within the time limits set out in the insurance contract, to fulfil other obligations set out in the insurance contract, and BTA undertakes to pay the insurance benefit to the person specified in the insurance contract in the event of an insured event, in accordance with the provisions of the insurance contract.

Insured event – an occurrence specified in the insurance contract, in the event of which BTA is obliged to pay an insurance benefit.

Double insurance – where Policyholder enter into several insurance contracts for the same insurance risks with several or the same insurance company. In this case, Policyholder must notify BTA in writing of the conclusion of the other insurance contract, specifying the sum insured and the other terms of the contract. Otherwise, Insurer shall be entitled to recover the relevant part of the insurance benefit after having paid the insurance benefit.

Deductible – the part of the insurance benefit that is set out in the insurance contract and which BTA do not reimburse. The deductible is defined as a specific amount of money and/or a percentage of the loss, unless stated otherwise in the insurance policy. If an insurance contract contains several types of deductibles for the same risk, the higher of the two will always apply.

Compensation principle – an insurance principle whereby the insurance benefit is calculated on the basis of the amount of loss suffered as a result of the insured event.

Beneficiary – the person named in the insurance contract, or a person, specified by Policyholder and in contract-specified cases, a person appointed by the Insured who is entitled to receive the insurance benefit.

Non-insured event – is a case where BTA do not pay an insurance claim.

Underinsurance – where the sum insured is less than the insured value. In this case, in the event of an insured event, BTA will pay a proportion of the claim that is proportional to the ratio of the sum insured to the insured value.

Supplementary insurance – a type of insurance where only part of the value of the asset or the risk is insured. In this case, Policyholder have the right to conclude an additional insurance contract with the same or another insurance company. In this case, the sum insured under several insurance contracts cannot exceed the insurance value.

Application for conclusion of an insurance contract – a document in the form prescribed by BTA, in which Policyholder provide the necessary information to conclude an insurance contract. The application may be not submitted if Policyholder provide BTA with information that BTA consider sufficient to assess the insurance risk. Acceptance of an application for an insurance contract does not oblige BTA to conclude an insurance contract.

Written document:

- a) is a document in writing that contains all the necessary requisites, including a signature, in accordance with the legislation in force in the Republic of Lithuania;
- b) transmitted by other telecommunications terminal equipment, provided that the text is protected and the signature is identifiable, including an electronic message.

Security contribution – a legally prescribed monetary obligation to the state for the purpose of financing the State Defence Fund.

Persons related to the Policyholder and/or the Insured, as well as persons who are obliged to fulfil the duties imposed on the Policyholder:

- a) persons who live together with the Policyholder or the Insured;
- b) the persons who are responsible for the insured object according to an agreement with Policyholder or the Insured;
- c) persons who have an insurable interest jointly with the Policyholder or the Insured, or other persons specified in the insurance contract;
- d) persons related to the Policyholder or the Insured person by employment, service or other legal relationship, that have a duty to act in accordance with the safety requirements.

Third party – in the case of civil liability insurance, a person who has suffered a loss as a result of the acts or omissions of Policyholder and/or the Insured, and who is entitled to an insurance benefit in accordance with the terms of the insurance contract.

2. THE VALIDITY OF INSURANCE COVERAGE

- 2.1. The insurance period is the length of time during which the insurance cover is in force.
- 2.2. The insurance cover comes into force at 00:00 on the date specified in the insurance contract, but not before the payment of the premium or the first instalment thereof, provided that:
 - 2.2.1. the date of payment of the premium or the first instalment is not specified in the insurance contract;
 - 2.2.2. the start of the period of insurance coincides with the date of payment of the premium or the first instalment thereof;
 - 2.2.3. the due date for payment of the premium or the first instalment is earlier than the start of the period of insurance.
- 2.3. In cases where the insurance cover is linked to the payment of the premium or the first instalment thereof, the insurance cover shall come into force at 00:00 hours on the day following the date of receipt of the money, but not earlier than specified in the insurance contract.
- 2.4. No insurance benefit is payable in the event of an insured event before the insurance cover takes effect.
- 2.5. If the insurance contract stipulates that the premium is due after the first day of the start of the insurance period, the insurance cover shall take effect at 00:00 on the first day of the start of the insurance period.
- 2.6. The insurance contract is valid until 24:00 on the last day of the insurance period stipulated in the insurance contract, unless the insurance contract expires earlier for other reasons.

3. POLICYHOLDER DUTY TO DISCLOSE INFORMATION

- 3.1. Before signing the insurance contract, Policyholder undertakes to provide BTA with correct and complete information requested by BTA, which is relevant to the subject matter of the insurance and is necessary to assess the insurance risk. If Policyholder deliberately fails to disclose information necessary for the assessment of the insurance risk, or deliberately provides false or incomplete information, BTA has the right

to demand that the insurance contract be declared void. In this case, BTA will not refund the insurance premium.

3.2. If an insurance contract for the same subject matter is renewed immediately after the expiry of the previous contract and Policyholder or the Insured do not indicate that the information has changed since the conclusion of the previous insurance contract, BTA shall assume that the information provided previously has not changed.

3.3. During the term of the insurance contract, Policyholder is obliged to immediately notify in writing any changes during the term of the insurance contract which may increase the risk of insurance. Changes that should be notified include:

- a)** significant changes in the subject matter of the insurance;
- b)** changes in the ways in which the subject matter of the insurance is used;
- c)** other material circumstances that increase the risk.

3.4. If the information provided to BTA about the object of insurance and the insured risks changes and this increases the insurance risk, as well as if BTA is misled due to an insignificant mistake by Policyholder, BTA shall have the right to propose to the Policyholder, within one month from the date of becoming aware of it, to change the terms and conditions of the contract of insurance, including the amount of the insurance premium.

3.4.1. if the Policyholder do not agree to change the terms and conditions of the insurance contract, or do not respond to BTA within 1 month from the date of sending the notice of the proposed new terms and conditions, BTA have the right to terminate the insurance contract after the expiry of the period specified in this sentence without separate notice.

3.4.2. if BTA proves that it would not have concluded the insurance contract if it has been aware of the increased risk, BTA have the right to demand the cancellation of the insurance contract within 2 months of becoming aware of the increased risk.

3.5. A breach of Policyholder's duty to disclose information also entails other legal consequences, as provided for in the legislation of the Republic of Lithuania.

4. INSURANCE PREMIUM AND PAYMENT PROCEDURE

4.1. The Policyholder must pay the insurance premium to BTA in the amount and within the time limits specified in the insurance contract;

4.1.1. Policyholder's insurance premium consists of:

- a)** the premium for insurance coverage;
- b)** a 10% security contribution, as provided for in the Law on Security Contribution of the Republic of Lithuania.

4.1.2. If the full insurance premium is not paid, the portion corresponding to the security contribution shall be credited first, and the remaining amount shall be credited towards the premium for insurance coverage.

4.2. The insurance premium is considered paid:

4.2.1. if the premium is paid by bank transfer, from the date of receipt of the money in BTA bank account or an authorised insurance intermediary;

4.2.2. if the premium is paid by other means of payment, from the date stated in the specific document evidencing the payment. For a list of payment methods, please visit Our website www.bta.lt or call +370 5 2600 600.

4.3. If the Policyholder fail to pay the insurance premium on the due date specified in the insurance contract, Policyholder shall pay to BTA a late payment interest of 0.02% for each day of delay, but not more than 10% of the total unpaid insurance premium. BTA will not apply the above-mentioned interest in the following cases:

- a)** the premium is paid in one payment;
- b)** the premium is paid in instalments – for the first payment.

4.4. If the Policyholder fails to pay the insurance premium or any part thereof within the time limit specified in the insurance contract (except in the case when the entry into force of the insurance contract is linked to the payment of the premium or any part thereof, in which case the insurance contract shall not enter into force and shall be cancelled without a separate notification by the Insurer 30 days after the due date for payment of the premium), BTA shall inform the Policyholder by a written document as provided for in the contract, that the insurance contract shall be cancelled in the event of Policyholder failure to pay the premium or any part thereof within 30 days after the day on which the written document is dispatched.

5. CONCLUSION OF INSURANCE CONTRACTS VIA DISTANCE COMMUNICATION AND TELECOMMUNICATIONS EQUIPMENT

5.1. An insurance contract may be concluded by means of a distance communication and telecommunications equipment, i.e. post, internet, e-mail, telephone and other means of information exchange.

5.2. Where an insurance contract is concluded by Policyholder, who is a consumer, the contract is subject to the Guidelines for the conclusion of non-life Insurance contracts, which are publicly available at www.bta.lt. The Guidelines on conclusion of non-life insurance contracts, among other things, provide for a right of withdrawal procedure, i.e. the right to withdraw from an insurance contract.

5.2.1. A consumer is a natural person who enters into an insurance contract for purposes other than business or professional activities.

6. TERMINATION AND AMENDMENT OF THE INSURANCE CONTRACT

6.1. The insurance contract ends at 24:00 on the last day of the insurance period, unless otherwise agreed between Policyholder and BTA.

6.2. Policyholder have the right to cancel the insurance contract at any time by giving 15 days' written notice to BTA. In this case, the insurance contract will be deemed to have been terminated on the date specified in the notice, but not earlier than the 15 days after receipt of the notice of termination. In this case:

6.2.1. if the insurance benefit has not been paid or no claim has been made during the period of validity of the insurance contract, within 20 calendar days after receipt of Policyholder's notification, BTA shall refund to Policyholder a part of the insurance premium by deducting the costs of concluding and executing the insurance contract (30% of the amount to be refunded);

6.2.2. if an insurance benefit has been paid and/or reserved or claims have been made during the period of validity of the insurance contract, within 20 calendar days after receipt of Policyholder's notification, BTA shall refund a part of the premium equal to the difference between the unused part of the premium for the period of validity of the insurance contract and the insurance benefit paid, less the costs of conclusion and performance of the contract (30% of the amount to be refunded).

6.2.3. The refundable amount of the insurance premium is calculated based on the total amount of the insurance premium you have paid, including the 10% security contribution, as provided for in the Law on Security Contribution of the Republic of Lithuania.

6.3. The terms and conditions of the insurance contract may be supplemented or amended only by written agreement between Policyholder and BTA.

- 6.4.** The insurance contract may also be terminated on other grounds provided for in the insurance legislation of the Republic of Lithuania regulating insurance contractual legal relations.

7. GENERAL CLAUSES

- 7.1.** Unless otherwise stated in the insurance contract, BTA shall not pay any insurance benefit for:
- 7.1.1.** acts of terrorism (acts consisting in the use or threatened use of force or violence by or on behalf of any third party acting alone or in an organized fashion with or for the benefit of any organisation or government, which are carried out for political, religious, ideological or ethnic reasons, and which have the intention of placing a government or society or part of it in danger); losses resulting from preventive action against acts of terrorism are not covered either;
 - 7.1.2.** war, invasion, hostile acts by a foreign power, military or equivalent operations, such as civil war (with or without a declaration of war), riot, strike, insurrection, rebellion, revolution, martial law, marauding, vandalism or sabotage; strike, lockout, disturbance of public order amounting to a coup d'état or riot, confiscation of property, nationalisation, if caused or sanctioned by a public authority, whether lawful or not; other political risks and any other loss or expense incurred directly or indirectly as a consequence of the prevention of such acts, shall not be reimbursed;
 - 7.1.3.** direct or indirect nuclear explosion, exposure to nuclear energy or radioactive preparations, direct or indirect radioactive contamination;
 - 7.1.4.** Policyholder's, Insured person's or Beneficiary's deliberate acts.
- 7.2.** BTA is not entitled to provide insurance and BTA is not obliged to pay the Insurance Indemnity or provide benefits in accordance with the Insurance Contract, as long as provision of such insurance, Insurance Indemnity disbursement or provision of benefits:
- 7.2.1.** subjects BTA to sanctions, restrictions or limitations, established by the resolutions of the United Nations or trade or economic sanctions, regulatory enactments of the European Union, the Republic of Lithuania, the United Kingdom or the United States of America (upon condition that it does not violate any regulations or regulatory enactments, applicable to BTA);
 - 7.2.2.** subjects a reinsurance company, the whom the insurance contract is submitted for reinsurance, to sanctions, restrictions or limitations, established in accordance with the regulatory enactments of the reinsurance company's state of registration.
- 7.3.** An insured event will not be deemed to be an insured event and no compensation will be payable if the loss is directly or indirectly caused by:
- 7.3.1.** legislation issued by the state;
 - 7.3.2.** a declared state of emergency or national emergency, and, moreover, no compensation will be granted for any loss directly or indirectly related to any measures taken to avoid the state of emergency or national emergency;
 - 7.3.3.** epidemics or pandemics.

8. POLICYHOLDER'S OBLIGATIONS IN THE EVENT OF AN INSURED RISK

- 8.1.** In order to be entitled to receive an insurance benefit in the event of an insured risk, Policyholder or the Insured person must:
- 8.1.1.** inform BTA immediately, but not later than within 3 working days (unless otherwise specified in the Special Conditions of these Terms and Conditions), of the occurrence of a potentially insurable event in accordance with the procedure set out in the Special conditions of these Terms and Conditions. If the Policyholder or the Insured informs BTA of the occurrence of the insured risk late, the Policyholder or the Insured must prove that it was not possible to inform BTA in time;
 - 8.1.2.** immediately inform the competent authorities (e.g. medical facility, fire and rescue department,

police, emergency services, etc.);

- 8.1.3.** comply with all instructions given by BTA and take all measures to minimise the damage and prevent it from occurring or increasing;
 - 8.1.4.** provide BTA with the possibility to inspect the scene of the accident, investigate and interview witnesses so that BTA can determine the cause and amount of the loss;
 - 8.1.5.** provide all information and documents requested by BTA, including trade secrets, if known to Policyholder or the Insured, to enable BTA to determine the cause of the insured risk and the amount of the loss;
 - 8.1.6.** if possible, keep the scene intact until BTA representative arrives, unless otherwise instructed by BTA. This clause shall not apply to the extent necessary to meet the requirements of clause 8.1.3 of these General insurance terms and conditions;
 - 8.1.7.** if the insured object cannot be preserved without altering its condition after the event due to the fulfilment of the requirements contained in clause 8.1.3 of the General insurance terms and conditions or for other legal and reasonable reasons, arrange for photographs of the damaged property to be taken as soon as possible or for the damaged insured object to be filmed in order to record the loss, and to send the photographs or the video to BTA by e-mail: zalos@bta.lt or by any other means to be sent found appropriate by BTA.
- 8.2.** If the Policyholder, the Insured or the Beneficiary intentionally or through gross negligence fails to fulfil the obligations set out in the Terms and Conditions, BTA has the right to reduce or refuse to pay the insurance benefit.

9. INSURANCE BENEFIT

- 9.1.** The insurance benefit shall be paid by BTA no later than within 15 days from the date of receipt of all information relevant for determining the fact, circumstances and consequences of the insured event and the amount of the insurance benefit.
- 9.2.** In the event of theft or robbery, where the insurance benefit has been paid and the insured object has subsequently been recovered, BTA have the right to demand reimbursement of the insurance benefit or assignment of the right of claim to the object of insurance. If BTA have decided not to keep the found object of insurance, but the found object is damaged, then Policyholder shall deduct from the insurance benefit received from BTA, when returning it, the costs necessary to restore the object to its original condition, as agreed with BTA.
- 9.3.** If the event is insured and both Policyholder and BTA disagree on the amount of the insurance benefit, BTA will pay, at Policyholder's request, an amount equal to the indisputable insurance benefit of the parties, if the exact amount of the damage is delayed for more than 3 months.
- 9.4.** If BTA delay the payment of the insurance benefit due to our its fault, BTA shall pay a late payment interest of 0.02% of the amount of the insurance benefit due for each day of delay, but not exceeding 10% of the insurance benefit not paid on time.
- 9.5.** All insurance premiums (for the current policy year) that are due on the date of payment of the insurance benefit are credited towards the payment of the insurance benefit. With Policyholder's consent, premiums the terms of which are not due may be credited. If the insured object dies, is lost or destroyed as a result of the insured event, any outstanding premiums under the contract are deducted when the insurance benefit is paid.
- 9.6.** In the event that BTA is unable to recover the paid-out benefit by way of recourse due to the Insured Person's wilful act or gross negligence, BTA may not pay the benefit to the extent that no claim can be made or, if the benefit has already been paid out, may claim reimbursement of the benefit from Policyholder.

9.7. In accordance with the request of the person entitled to claim the insurance benefit, BTA shall give such person access to the documents in BTA possession on the basis of which BTA has decided to pay or refuse to pay the insurance benefit.

9.7.1. BTA shall not give the person entitled to claim the insurance benefit access to the documents in its possession and shall not provide a copy of the documents if:

- a)** BTA has submitted documents to the law enforcement authorities to investigate the circumstances of the insured risk;
- b)** the documents contain trade secrets of another person, which the person entitled to claim the insurance benefit is not entitled to receive;
- c)** the documents contain personal data that the person entitled to claim the insurance benefit is not entitled to receive.

10. COMPLAINTS AND DISPUTE RESOLUTION PROCEDURES

10.1. BTA complaints examination procedure for dissatisfaction with an insurance contract or insurance services provided by a person applying for an insurance contract, the Policyholder, the Insured, the Beneficiary or any other person entitled to claim an insurance benefit is publicly available at www.bta.lt. An interested person who believes that the Insurer has violated his rights or legitimate interests must apply to the Insurer in writing with a complaint, specifying the circumstances of the dispute and his requirements. The insurer must provide the client with an answer no later than 15 working days from the date of receipt of the complaint.

10.2. All disputes arising between the parties to the insurance contract shall be settled by negotiation. If no amicable settlement is reached, all disputes arising out of the insurance contract and relating to the breach, termination or invalidity of the insurance contract shall be settled in the courts of the Republic of Lithuania in accordance with the legislation of the Republic of Lithuania, according to the address of the registered office of the BTA branch in Lithuania.

11. PROCESSING OF PERSONAL DATA

11.1. As a processor of personal data, BTA processes the data of natural persons in accordance with the requirements for processing personal data as defined in Regulation (EU) 2016/679 of the European Parliament and of the Council on the protection of individuals with regard to the processing of personal data and on the free movement of such data and repealing Directive 95/46/EC (General Data Protection Regulation), as well as requirements of other legal acts.

11.2. The principles for processing personal data and BTA's privacy policy are available at www.bta.lt.

12. SUBROGATION AND RIGHT OF RECOURSE CLAIM

The Insurer who has paid out the insurance benefit is entitled to claim the sums paid from the person liable for the damage (subrogation or right of recourse claim). Policyholder, Insured or Beneficiary must provide BTA with all the information requested by BTA in order to enable the BTA to properly exercise the right of claim assigned to it.

13. CONFIDENTIALITY

The Parties undertake not to disclose to third parties any confidential information obtained on the basis of insurance contractual or pre-contractual legal relations, nor to use such information in a manner which would be prejudicial to the interests of the other party to the insurance contract. BTA have the right to provide all necessary information to independent experts and reinsurers obtained on the basis of insurance contractual or pre-contractual relationships, as well as to store such information in BTA data bases. This obligation does not apply where the parties are obliged to provide information to the competent state authorities in accordance with the requirements of the legislation of the Republic of Lithuania.

14. OTHER CONDITIONS

- 14.1.** Any notice which Policyholder or BTA are required to give to each other must be given within the time limits set out in these Terms and Conditions by one of the following methods:
- 14.1.1.** by providing it to the Policyholder, at the addresses specified in the policy or other written documents or in the parties' notices of change of address;
 - 14.1.2.** by registered mail;
 - 14.1.3.** by e-mail, where the Parties have provided for this method of communication in the contract, or by expressing their consent to the exchange of information in this way by means of an affirmative act.
- 14.2.** BTA have the right to transfer its rights and obligations under the insurance contract to another Insurer or Insurers in accordance with the procedure established by legislation. If the Policyholder object to the transfer of rights and obligations under the insurance contract, the Policyholder has the right to cancel the insurance contract in accordance with the procedure laid down in the contract within one month of the transfer of rights and obligations. In this case, Policyholder shall be reimbursed the premiums paid for the remaining period of the insurance contract.
- 14.3.** Contractual insurance legal relations are governed by the Laws of the Republic of Lithuania.
- 14.4.** The insurance contract is concluded on the basis of these General conditions and Special conditions. If the special and/or individual conditions of insurance specified in the contract (policy) and these General terms and conditions of insurance differ, the special and/or individual conditions of insurance shall prevail.
- 14.5.** The Policyholder, the Insured, the Beneficiary and other persons who acquire rights on the basis of the insurance contract shall comply with the obligations set out in these Terms and Conditions.
- 14.6.** These Terms and Conditions shall enter into force on the date of their approval by the Management Board of BTA, unless the BTA Management Board has specified a different effective date.
- 14.7.** In case of conflicts or inconsistencies between languages, the Lithuanian text takes precedence.
- 14.8.** These Terms and Conditions are published on the BTA website at <http://www.bta.lt>.
- 14.9.** Consumer disputes with the insurer shall be examined by the Supervisory Authority of the Bank of Lithuania, Žalgirio str. 90, LT-09128, Vilnius, website: www.lb.lt. A request to examine a dispute can be submitted to the Bank of Lithuania through the electronic dispute examination system using the following link: <https://www.lb.lt/lt/spreskite-ginca-su-finansiniu-paslaugu-teikeju>. In the event of questions regarding insurance, the complaint handling procedure is publicly available at www.bta.lt.

SPECIAL CONDITIONS

1. EXPLANATIONS OF TERMS USED IN THE TERMS AND CONDITIONS

Insurance Contract – Civil liability insurance contract for owners/operators of flying machines and air carriers, concluded between BTA and the Policyholder on the basis of these Terms and Conditions. The insurance certificate/policy confirms that the contract was concluded. The agreements, annexes and amendments between the Parties shall form an integral part of the civil liability insurance contract between the owners/operators of flying machines and air carriers.

Policyholder – Lithuanian or foreign legal and natural persons, who are owners and/or users or operators of flying machines, entering into contracts with BTA in order to protect their property interests related to the Policyholder's obligation under the Civil Code of the Republic of Lithuania to compensate for damages arising in connection with the operation of flying machines, which are caused to the health of persons and/or to property.

Flying Machine – Flying machines include passenger and transport aeroplanes, helicopters, helicopters, helicopters, special-purpose flying machines, gliders, hang gliders, hang gliders, dirigibles and balloons. For the purposes of these Terms and Conditions, all types of aircraft are referred to as flying machines (hereinafter referred to as "FMs").

Civil liability of air carriers – Civil liability of air carriers is the obligation of the owner, user or operator of an FM to compensate, by means of a claim or a court decision, for damage caused to natural or legal persons and/or their property as a result of the operation of the FM.

Accident – An event in which the insured FM is damaged or destroyed.

Incident – Any event or series of events caused by a single event.

Block, Assembly – A part or system of parts (including sub-systems) of an FM that has a finite service life or inter-assembly life, either individually or as a whole. The FM engine is considered as a single unit or assembly, even if its parts are removed for repair or replacement.

Capital Use or Inter-Repair Lifetime – This is the service life and/or calendar term defined in the operating documents, indicating when the unit/assembly needs to be repaired or replaced.

Value of Major Repairs or Renovations – This is the value of the work and materials to be used or to be used in the repair or replacement (if necessary) at the end of the useful life or in the unscheduled repair of a damaged unit/assembly.

Emergency Repair of an FM – An unscheduled repair carried out to restore the functioning of an FM assembly or FM components after damage caused by an external event (an event not included in the normative-technical documentation as normal operating conditions).

Private Flights for Own Pleasure – This includes flights for private and pleasure purposes, but not the use of FM for any business or professional purpose, and also under a contract of hire.

Business Flights – Means the same type of use as specified Private pleasure flights, as well as similar use of FM for any business or professional purpose, but not use of FM under a contract of hire.

Commercial Flights – Means the same type of use as specified in Private Flights for Own Pleasure and Business Flights, as well as the use of FM for the carriage of passengers, their baggage and freight, whether for remuneration or under a contract of hire.

Lease – The transfer by the Policyholder of the use of the FM under a rental, leasing or charter agreement to any person or organisation for the purpose of operating Private pleasure flights and Business flights when the management of the FM is no longer under the control of the Policyholder. Hire out for any other purpose is not covered under these Terms and Conditions, unless separately agreed with the Insurer by endorsing the policy as use of the FM for specialised hire.

Standard FM Use – When the FM is used for Private Flights for Own Pleasure, Business Flights, Commercial Flights and rentals.

Special FM Use – When FM is used for training, aerobatic, hunting, patrolling, fire-fighting, planning for dropping, spraying or launching any payload, experimental flights of any kind, participation in competitions, rescue flights, the transport of cargo by hanging it outside, night balloon flights and planned flights over the sea, any other use of FMs involving unusual risks. Where the contract also provides for such cover, this is detailed in the policy as a Special Use.

Flight – Means the period of time from the moment the FM starts to accelerate for flight or attempts to take off, includes the time it is in the air, and ends when the FM completes a full taxi after landing. For a balloon, the flight time shall be calculated from the moment the first burner is lit to inflate the balloon until it has been removed of hot air after landing and packaged for transport and storage, as specified in its technical documentation.

Taxiing – Means a state where the FM is moving, pushed by its engines, but not flying. A temporary stop of the FM does not mean that it has finished taxiing.

Mooring – In relation to a FM designed to descend and ascend on water, this means being on the surface of the water, but not ascending or moving through the water for that purpose, and includes the risks involved in lowering the FM into the water and bringing it to shore.

Land – Means the point at which the FM is not flying, taxiing or moored on the surface of the water.

Disturbance – This is an event that represents a disruption in the operation/performance of an object.

Event – An accident in the operation of an FM or the recurrent occurrence of conditions that cause damage (to the FM, to a person, to a legal entity) or that make normal operation of the FM impossible.

Hangar – Means an aviation compliant facility for the storage and servicing of aeroplanes, helicopters and other types of FM. The hangar's fitness for its intended use shall be certified by the appropriate state aviation authorities.

2. SUBJECT MATTER AND INSURED EVENTS

2.1. An insured event is a case where third parties make claims to the Policyholder for compensation for damage caused to them and/or their property during the operation of the flying machine specified in the insurance contract.

2.2. The maximum sum insured of the Policyholder is determined by the types of cover chosen by the Policyholder and the requirements binding on the Policyholder in the relevant flight area.

2.3. The sum insured specified in the insurance contract is the maximum amount that can be reimbursed during the entire period of validity of the insurance contract, in respect of all insured events occurring during that period.

2.4. The Insurer shall be liable in respect of all insured events occurring during the period of validity of the insurance contract, with the exception of the exclusions provided for in these Terms and Conditions and the applicable laws of the Republic of Lithuania.

If the insurance contract provides for the insurance of two or more FMs, the provisions of these Terms and Conditions shall apply separately to each FM.

2.5. Under the standard terms and conditions of insurance, the Insurer shall be liable for accidents arising out of flights of the FM on authorised routes, carrying passengers, cargo, baggage and mail for the purpose of the FM (except as provided in 2.6 below), including when the FM is transported to a repair shop or flown back to the base aerodrome after damage, provided that the Policyholder has complied with the rules of the operation of the aircraft during the flights and has obtained the Insurer's consent.

2.6. The supplementary clauses provide for the Insurer's liability for events that may occur to FM when it flies under special programmes, namely: test flights, record breaking, demonstration of aeronautical technology, pilot training, patrolling, fire fighting, spillage of substances or liquids, transportation of externally suspended loads, industrial or rescue operations, landing at unfamiliar sites, night flights or scheduled overflights (for balloons), other high-risk flights and transporting FM by any means of transport other than towing within the aerodrome boundaries. The additional cover is provided at an additional premium, the

amount of which is based on the list of risks specified in the application for insurance, with an endorsement in the policy.

- 2.7.** The Special Terms and Conditions of Insurance (supplementary to the Basic Conditions) shall extend to cover in the event of war, hijacking and other aviation perils, as well as to cover the risk of radiation and radioactive contamination or other risks which are excluded under the main or special (supplementary) conditions in the context of these Terms and Conditions.

The Special (Supplementary) Insurance Clause of FM are incorporated into the main policy conditions and apply in accordance with the requirements of such special or supplementary clauses of the Insurer.

- 2.8.** Subject matter of the insurance:

- 2.8.1.** civil liability of the air carrier or the owner/user/operator of the FM to third parties (excluding passengers and cargo owners);
- 2.8.2.** civil liability of the air carrier or the owner/user/operator of the FM to passengers;
- 2.8.3.** civil liability of the air carrier or FM owner/user/operator to the cargo owners (for the cargo);
- 2.8.4.** civil liability of the air carrier or the owner/user/operator of the FM under any combination of the provisions of Clauses 2.8.1 to 2.8.3.

- 2.9.** The Insurer shall be liable for all events occurring during the period of validity of the insurance contract, except as provided for in these Terms and Conditions and in the laws in force; moreover, the insurance contract may also provide for third-party liability insurance in the case of more than one FM. In the latter case, the provisions of these Terms and Conditions shall apply to each FM separately.

- 2.10.** Standard risks shall include damage to the FM's intended passenger and cargo flights on authorised routes, except as set out in Clause 2.6.

3. CIVIL LIABILITY OF THE AIR CARRIER AGAINST THIRD PARTIES (OTHER THAN PASSENGERS AND CARGO OWNERS)

- 3.1.** The Insurer undertakes to reimburse the Policyholder for the costs incurred by the Policyholder in compensating third parties (other than passengers and cargo owners) for damage to their health (bodily injury, fatal or otherwise) and property, which the Insurer was obliged to pay in accordance with a claim or a court decision, if such damage was caused by the FM or by any person or object falling from the FM.

- 3.2.** The Insurer shall not be liable for claims made against the Policyholder in respect of damage to health (bodily injury, fatal or otherwise) and property, if these are caused by:

- 3.2.1.** any of the Policyholder's employees or business partners in the performance of their duties;
- 3.2.2.** any member of the flight crew, service or technical personnel in the performance of their duties in connection with the operation of the FM;
- 3.2.3.** any passenger while on board the FM or while boarding or alighting, except as provided in Clause 2.8.2;
- 3.2.4.** any property owned, entrusted or controlled by the Policyholder.

- 3.3.** The Insurer shall not indemnify any claims made against the Policyholder which are directly or indirectly related to:

- 3.3.1.** noise (whether or not perceptible to the human ear), vibration, sonic boom or other natural phenomenon;
- 3.3.2.** any environmental pollution;
- 3.3.3.** electrical or electromagnetic interference;
- 3.3.4.** infringement of property rights, unless such actions against the Policyholder relate to damage caused by a catastrophe of the FM (explosion, plane crash, collision) or an emergency situation

recorded during the flight, which was the cause of abnormal operation of the FM.

4. CIVIL LIABILITY OF THE AIR CARRIER AGAINST PASSENGERS (EXCLUDING THIRD PARTIES AND CARGO OWNERS)

- 4.1.** The Insurer undertakes to reimburse the Policyholder for the costs incurred by the Policyholder in compensating passengers for damage which the Insurer was obliged to compensate for under the claims or the insurance contract (including if the Policyholder has paid an additional premium) in the event that:
- 4.1.1.** passengers suffer bodily injury or injury (including fatal injury) while on board or disembarking the FM;
 - 4.1.2.** passengers lose or damage items on board as a result of an accident caused by FM.
- 4.2.** The Insurer shall not be liable (only in the case of air carrier's civil liability insurance for passengers) in respect of actions brought against the Policyholder in respect of damage to health (bodily injury, death or other injury) and, in the event of such damage, to property:
- 4.2.1.** any of the Policyholder's employees or business partners in the performance of their duties while working for the Policyholder under an employment or any other contract;
 - 4.2.2.** any member of the flight crew, service or technical personnel in the performance of their duties in connection with the operation of the FM.
- 4.3.** Mandatory conditions for the Insurer to be held liable under this section (Air Carrier's civil liability to passengers):
- 4.3.1.** before passengers board, the Policyholder shall take all necessary measures to avoid or reduce the liability of the Insurer as provided for in Clauses 4.1.1 and 4.1.2 above and to keep it within the limits of the statutory liability of the air carrier in respect of the passengers;
 - 4.3.2.** if the measures taken in accordance with Clause 4.3.1 provide for the passenger to be issued with a ticket and a baggage receipt, these documents shall be duly processed and issued to the passenger before boarding the FM;
 - 4.3.3.** if the Policyholder has not been able to fulfil the requirements set out in Clauses 4.3.1 and 4.3.2, the liability of the Insurer, if any, shall be limited to the statutory liability of the Policyholder, which would still have been incurred irrespective of whether or not the Policyholder has fulfilled the conditions set out above.
- 4.4.** The Insurer shall not be liable for actions made against the Policyholder as far as it relates to damage to health (bodily injury, fatal or otherwise) and property, if these are caused by:
- 4.4.1.** any member of the crew (or any other crew) of a particular FM of the Policyholder, if the insured event occurred while they were operating or servicing the FM specified in the insurance contract;
 - 4.4.2.** any of the Policyholder's employees or business partners in the performance of their duties while working for the Policyholder under an employment or any other contract.

5. CIVIL LIABILITY OF THE AIR CARRIER AGAINST THE OWNER OF THE CARGO (FOR THE CARGO)

- 5.1.** The Insurer undertakes to reimburse the Policyholder for the costs incurred by the Policyholder in indemnifying the owner of the cargo for damage which the Insurer was obliged to indemnify by law or by the contract (subject to the payment of an additional premium by the Policyholder), in the event that:
- 5.1.1.** the damage occurs to property (cargo) for which the Policyholder is responsible under the contract for its carriage by air, or
 - 5.1.2.** in the absence of such an agreement, for the property (cargo) during its stay in the FM, and during loading and unloading from the FM, if the property has been declared at a specific value above the limit.

- 5.2.** This compensation is based on the sum insured and the excess stipulated in the insurance contract.
- 5.3.** The following conditions are required for the Insurer to become liable under this Section (Air Carrier's civil liability to the owner of the cargo (for the cargo)):
- 5.3.1.** before loading the cargo, the Policyholder shall take all necessary measures to avoid or reduce the liability of the Insurer as provided for in Clauses 5.1.1 and 5.1.2 above and to keep it within the limits of the statutory liability of the air carrier in respect of the cargo;
 - 5.3.2.** if the measures taken in accordance with Clause 5.3.1 provide for the issue of a consignment note or other document to the cargo owner, these documents shall be duly executed and issued to the cargo owner before the cargo is loaded onto the FM;
 - 5.3.3.** if the Policyholder has not been able to fulfil the requirements set out in Clause 5.3.1, the liability of the Insurer, if any, shall be limited to the statutory liability of the Policyholder, which would still have been incurred irrespective of whether or not the Policyholder has fulfilled the conditions set out above.
- 5.4.** Exceptions only apply to the air carrier's civil liability insurance for cargo owners. The Insurer shall not be liable for actions made against the Policyholder in respect of damage to the property if:
- 5.4.1.** damage to property belonging to any of the passengers;
 - 5.4.2.** it is caused by exposure to temperature, humidity or by the special and natural characteristics of the cargo, which may have caused it to perish or be damaged (drying out, soaking, rotting, spontaneous combustion, etc.);
 - 5.4.3.** the damage was caused by the lack of the cargo, with its external packaging intact;
 - 5.4.4.** damage caused by worms, rodents, insects, etc.;
 - 5.4.5.** the damage occurred during the delivery of the cargo to the loading point or after unloading from FM;
 - 5.4.6.** the damage was caused by a fall in the price of the cargo being transported.

6. NON-INSURED EVENTS

- 6.1.** No insurance benefit shall be payable if the insured event occurs when the FM:
- 6.1.1.** used for purposes prohibited by law or for purposes other than those specified in the insurance contract;
 - 6.1.2.** are outside the geographical limits specified in the insurance contract, unless the presence was due to an emergency or force majeure;
 - 6.1.3.** piloted or driven while on the ground by an unauthorised and/or unlicensed person;
 - 6.1.4.** transported by any type of vehicle, except for towing within the aerodrome boundaries;
 - 6.1.5.** take off from or land at an aerodrome/site whose parameters fail to meet the requirements for this type of FM, unless it is due to an emergency or force majeure;
 - 6.1.6.** overloaded and/or the total number of passengers exceeded the maximum number of passengers allowed on that FM, or when loading limits or FM balancing (centering) rules were violated;
 - 6.1.7.** is released for flight in a state of disrepair, unless such flight is permitted by the Regulations of the Air Navigation and agreed with the Insurer;
 - 6.1.8.** conducting test flights after overhaul or emergency repair.
- 6.2.** Standard and supplementary cover does not cover risks that are classified as exempt:
- 6.2.1.** according to the risks posed by exposure to radiation and radioactive contamination;

6.2.2. according to risks caused by war, hijacking and other aviation hazards.

Note: For the risks referred to in Clause 6.2, the civil liability of the air carrier may be insured under special terms and conditions, subject to the payment of an additional premium.

6.3. The insurance contract shall not be valid in respect of any liability assumed by the Policyholder or any rights asserted by them if such liability has been assumed under any agreement other than a passenger ticket, baggage voucher or bill of lading issued in accordance with the terms and conditions set out in these Terms and Conditions, unless such liability could have been assumed by the Policyholder in the absence of such agreement.

6.4. The following will not be considered an insured event:

6.4.1. when the Policyholder commits deliberate acts intended to cause an insured event;

6.4.2. when the Policyholder commits an offence that has a direct causal link to the insured event;

6.4.3. when the requirements of the Flight Operations Manual or other mandatory documents for flight and technical personnel are violated, if such violation was the cause of the insured event;

6.4.4. search and rescue costs for aircraft and/or passengers.

6.5. The Policyholder must take all reasonable steps to minimise or avoid any damage for which an insurance benefit may be payable under these Terms and Conditions. If the Policyholder person deliberately fails to take appropriate reasonable measures to mitigate or avoid the damage, the Insurer shall be released from the obligation to indemnify.

6.6. If circumstances are revealed which, under the law or these Terms and Conditions, result in the Policyholder losing the right to the insurance benefit, the Policyholder must reimburse the Insurer the amount of the insurance benefit received.

7. SUM INSURED, DEDUCTIBLE

7.1. An insurance contract may provide for:

7.1.1. Total insurance benefit, i.e. where the sum of all possible insurance benefits for all insured events during the entire duration of the contract cannot exceed that sum;

7.1.2. The sum insured for each insured event or series of events caused by it.

7.2. The sums insured are set out in the specific insurance contract. Insurance benefits for a single insured event or series of events caused by an insured event may not exceed the sums insured per event set out in that insurance contract.

7.3. Within the limits of the sums insured set out in the insurance contract, the Insurer shall reimburse any expenses incurred by the Policyholder, with its approval, in order to exempt or reduce the claims against it.

7.4. Within the limits of the sum insured set out in the insurance contract, the Insurer shall also reimburse the Policyholder:

7.4.1. all reasonable costs incurred to mitigate the damage caused by the insured event.

7.5. The necessary expenses incurred by the Policyholder in mitigating the damage or in carrying out the Insurer's instructions shall be reimbursed by the Insurer, irrespective of the fact that the relevant measures have not had a positive result. Such costs shall be reimbursed in proportion to the sum insured and the insured value, notwithstanding the fact that the costs, together with the amount of the damage, exceed the insured value.

7.6. The insurance contract may provide for separate limits of liability for:

7.6.1. damage to health (bodily injury, fatal or otherwise) sustained during the period of insurance by any one or more or all of the people who were together at the time of the accident as a result of one and/or more accidents;

7.6.2. pecuniary damage sustained during the period of insurance by one or more or all of the people involved in an accident together, as a result of one and/or more accidents.

7.7. The amount of the unconditional deductible under an insurance contract covering the air carrier's civil liability for cargo and passenger baggage shall be determined in the insurance contract in respect of each FM, taking into account that if the Insurer pays benefits in respect of several insured events occurring during the insurance period, the deductible shall be deducted in respect of each one of these.

7.8. The amount of the deductible in respect of the baggage of passengers or other persons staying in the FM shall be determined by the Insurer on the basis of international practice and is stated in the insurance policy (certificate).

A deduction is the uncompensated part of the damage.

8. INSURANCE PREMIUMS AND PAYMENT PROCEDURES

8.1. The premium is the monetary amount specified in the insurance contract that the Policyholder pays to the Insurer for the latter's obligations under that insurance contract.

8.2. The amount of the premium is defined in the insurance contract, taking into account the terms and conditions chosen by the Policyholder, the duration of the insurance contract, the degree of risk, the risks to be covered, and the sum insured.

8.3. The procedure for paying the premium is set out in the insurance contract by agreement between the parties.

8.4. The premium must be paid in full or in part by the Policyholder before the effective date of the insurance contract, and the second and subsequent premiums (if so stipulated in the insurance contract) shall be paid according to the schedule specified in the policy.

8.5. If the insurance contract provides that the insurance premium shall be calculated and paid on the basis of the completed transports, the Insurer shall calculate the insurance premium on the basis of the actual data provided by the Policyholder and the projected volumes for the defined period (month, quarter).

9. ENTERING INTO AND VALIDITY OF AN INSURANCE CONTRACT

9.1. The insurance contract shall be concluded on the basis of a written declaration by the Policyholder in the form prescribed by the Insurer, which shall contain the following essential particulars:

9.1.1. Name and legal address of the Policyholder;

9.1.2. aircraft listed, with their side (registration) and factory numbers and dates of manufacture;

9.1.3. the nature of the operations and the geographical operating areas of each aircraft;

9.1.4. additional data relevant to the determination of the level of risk (in accordance with the standard declaration form).

9.2. An insurance contract is concluded for any term agreed by the parties. It is evidenced by the issue of an insurance policy, which is signed by the Insurer or its authorised representative, stamped and delivered to the Policyholder. The application for insurance and these Terms and Conditions form the complete set of insurance contract documents.

9.3. The insurance contract shall come into force on the date stated in the policy 00:00 hours at the time of the Policyholder's registered office. Unless otherwise provided for in the insurance contract, it shall not come into force before the first premium is paid by the Policyholder, and the date of payment shall be deemed to be the date on which the specified sum of money is credited to the Insurer's bank account. The Insurer's liability ends at 24:00 on the date specified in the policy at the time of the Policyholder's registered office.

9.4. Amendments and additions to the Contract may be made during its term only by agreement of the parties. They shall be formalised in written bilateral agreements. In the event of a material change in the nature of

the risk and in the circumstances which increases or may increase the insured risk, the Policyholder must immediately inform the Insurer, who has the right to require a change in the terms of the insurance contract or an increase in the insurance premium. If the Policyholder wishes to postpone the payment of the insurance premiums, they must immediately inform the Insurer and the Insurer shall be entitled to increase the amount of the insurance premiums in connection therewith.

10. AMENDMENT AND TERMINATION OF THE INSURANCE CONTRACT

10.1. The insurance contract will expire if:

- 10.1.1.** the term of the contract expires or the Insurer fully completes its obligations towards the Policyholder;
- 10.1.2.** the Policyholder-legal person is dissolved or the Policyholder-physical person dies – except as provided for by the laws of the Insurer's State or these Terms and Conditions;
- 10.1.3.** an Insurer is being wound up (in accordance with the laws of its state), unless its insurance portfolio has been transferred to another Insurer;
- 10.1.4.** there are other grounds for invalidity of transactions provided for in the Civil Code of the Republic of Lithuania.

10.2. In the event of temporary suspension or permanent termination of insurance cover for any type of aviation perils, regardless of the reasons, the Policyholder must inform the relevant national regulatory authorities in accordance with the provisions of the laws in force in the Policyholder's state applicable to the air fleet.

10.3. In the event of early termination of the insurance contract by the Policyholder, the Insurer shall be entitled to a pro rata share of the insurance contribution for the period during which it covered or was required to cover the insured risk. The Insurer will refund the premiums for the unused period of insurance after deducting the costs of concluding the contract – 30% of the full amount of the insurance premium - and the sums paid out.

- 10.3.1.** If the Policyholder's claim is based on the Insurer's breach of the insurance conditions, the Insurer shall refund the premiums paid for the unused period;

10.4. If the Insurer's demand for termination of the insurance contract is caused by the Policyholder's breach of the material terms of the insurance, the Insurer shall not refund the premiums paid for the unused period.

11. RIGHTS AND OBLIGATIONS OF THE PARTIES

11.1. Before concluding the insurance contract, the Policyholder must provide the Insurer with all information known to the Insurer about the circumstances which may have a material impact on the probability of the occurrence of the insured event and the amount of the potential loss (insured risk), if these circumstances are not and must not be known to the Insurer.

11.2. The material circumstances of which the Policyholder is obliged to inform the Insurer shall be the circumstances specified in the written application to conclude the insurance contract, as well as the circumstances about which the Insurer has additionally requested the Policyholder in writing to provide information.

11.3. If the Policyholder has failed to provide in the application for conclusion of the insurance contract the information specified by the Insurer or the information which the Insurer has additionally requested in writing to be communicated or has provided such information incompletely, and the Insurer has concluded the insurance contract without taking this into account, the Insurer shall not be entitled to demand the termination of or to declare the insurance contract null and void on the grounds of the failure of the Policyholder to provide such information to it.

11.4. If after the conclusion of the insurance contract it is established that the Policyholder has provided the Insurer with a knowingly false information about the circumstances provided for in Clause 11.1, the Insurer shall be entitled to claim the invalidity of the insurance contract, unless the circumstances which the

Policyholder has concealed had disappeared prior to the occurrence of the insured event or had no influence on the insured event.

- 11.5.** If, after the conclusion of the insurance contract, it is found that the Policyholder has negligently failed to provide the information specified in Clause 11.1, the Insurer shall be obliged to offer the Policyholder to modify the insurance contract no later than within two months from the date on which the circumstances have come to their knowledge. If the Policyholder refuses to do so and does not respond to the offer made within one month, the Insurer has the right to terminate the insurance contract.
- 11.6.** If the Policyholder has negligently failed to provide the information specified in Clause 11.1, then in the case of an insured event the Insurer shall be obliged to pay a proportion of the insurance benefit which would have been payable if the Policyholder had fulfilled the obligation provided for in Clause 11.1, in the ratio of the agreed premium to the premium which would have been payable to the Policyholder had they fulfilled the obligation provided for in Clause 11.1. of this Article.
- 11.7.** At the time of conclusion of the insurance contract and during its validity, the Insurer (its authorised representative) must provide the Policyholder with the following information: The name of the Insurer, the type of the Insurer's company, its address, the procedure for settling disputes arising out of or in connection with the insurance contract, the Insurer's conduct in the event of the Policyholder's violation of the terms and conditions of the insurance contract, possible cases of increase of the insurance risk, the conditions and methods of termination of the insurance contract, the law applicable to the insurance contract if the parties to the insurance contract are free to choose the applicable law, the law which the Insurer proposes, the law proposed by the Policyholder, the provisions of Article 6.993(8) of the Civil Code of the Republic of Lithuania, non-insured events and other cases where the Insurer has the right to refuse to pay or to reduce the insurance benefit.
- 11.8.** Compliance with the terms and conditions set out in these Terms and Conditions and the Annexes hereto shall be an essential and necessary condition for the Insurer to pay the insurance benefits provided for in these Terms and Conditions.
- 11.9.** The policyholder must behave and act in such a way as to avoid or minimise any damage.
- 11.10.** The Policyholder shall comply with any requirements made by any competent authority to ensure the safety of navigation and operation of the FM in the air and shall ensure that:
- 11.10.1.** The FM shall be ready for flight before the commencement of each flight and shall not exceed the maximum permissible weight;
- 11.10.2.** all logbooks and other records of FM as required by the special standards are kept regularly and in a timely manner and are made available to the Insurer or its representatives when required;
- 11.11.** The Insurer's employees and agents must also follow the same procedures and requirements.
- 11.12.** If there is a change in the terms and conditions of the insurance contract or in the insurance risk, the Policyholder must notify the Insurer immediately (within 3 calendar days at the latest). A change in the insured risk is defined as a change in the use of the items specified in the application or the insurance certificate in FM. The Insurer notified of the increase in the risk has the right to require changes to the terms of the insurance contract or to increase the premium. If the Policyholder does not agree to change the terms of the insurance contract or to pay a higher premium in such a case, the Insurer shall have the right to apply to the court for termination or amendment of the insurance contract in the event of a material change in circumstances. If the Policyholder fails to notify the increase of the risk and other material changes in the circumstances provided for in the insurance contract within the time limit set out in these Terms and Conditions, the Insurer shall be entitled to demand termination of the contract and to indemnify for losses to the extent that they are not covered by the insurance premiums received. However, the Insurer shall not be entitled to require the cancellation of the insurance contract if the circumstances which could have led to the increase in the insurance risk have disappeared.

11.13. The rights and obligations of the parties under the insurance contract shall be governed by the relevant terms and conditions of the insurance contract/policy, these Terms and Conditions and the laws of the Republic of Lithuania.

11.14. The Policyholder may not assign their rights and obligations under the insurance contract to third parties, either wholly or in part, except with the written consent of the Insurer.

11.15. The Insurer shall not be entitled to disclose any information about the Policyholder and their financial situation, except in the cases provided for by the laws of the Republic of Lithuania.

11.16. The Policyholder is obliged to:

11.16.1. when concluding the insurance contract, to inform the Insurer of all circumstances known to the Insurer which are material for the purpose of assessing the insurance risk;

11.16.2. to inform the Insurer of other insurance contracts concluded or to be concluded in respect of the proposed subject matter of the insurance;

11.16.3. to notify the Insurer in a timely manner of any material changes in the risks covered by the insurance contract;

11.16.4. take all measures to prevent or minimise damage to the insured property during the term of the contract;

11.16.5. to enable the Insurer to take the necessary measures to conclude and perform the insurance contract throughout the term of the contract;

11.16.6. pay insurance premiums on time.

11.17. During the term of the insurance contract, the Insurer shall have the right to:

11.17.1. verify the information communicated by the Policyholder and his compliance with the requirements of the insurance contract; to enter the FM and other working premises and check that the logbook is regularly kept and that other entries are made in relation to the FM and as required by the special standards; to send enquiries to special bodies;

11.17.2. after the insurance contract has entered into force, to participate in the investigation of aviation accidents and incidents occurring on (or in) the insured objects, to check the Policyholder's compliance with the normative-technical documentation indications regarding operation.

11.18. The Insurer shall have the right to transfer its rights and obligations to another Insurer in accordance with the procedure established by the legislation of the Republic of Lithuania.

If the Policyholder does not agree to the assignment, the insurance contract shall be terminated and the insurance premium shall be refunded to the Policyholder for the unused period of the insurance contract.

12. OBLIGATIONS OF THE PARTIES IN THE CASE OF AN INSURED EVENT

12.1. In the case of an insured event, the Policyholder must:

12.1.1. take immediate steps to minimise the losses associated with the event, as this could lead to claims for damages;

12.1.2. to notify the Insurer immediately after becoming aware of it, within a day by telephone or e-mail, of an event which may give rise to a claim for compensation and to send or deliver to the Insurer, within 3 days, a written notice setting out all the circumstances of the event known to them;

12.1.3. report any further information about the insured event and provide the Insurer with the necessary assistance;

12.1.4. upon request, to inform the Insurer of the data relating to the insured event, including such data which constitute a commercial secret;

12.1.5. not to take any action against the interests of the Insurer, including: not to enter into any

commitment, not to admit liability, not to accept any offer, not to make any payment and not to promise any payment in connection with the insured event, except for the actions necessary for the organisation of the rescue work and for ensuring the implementation of the measures listed in Clause 12.1.1 of this paragraph;

12.1.6. to ensure that a representative of the Insurer is present during the investigation of the circumstances of the accident and to provide the Insurer with all information relating to the insured event.

12.2. The Policyholder is obliged in any case, irrespective of the decision on the payment of the insurance benefit, to keep the Insurer informed of the progress of the investigation of any accident or serious incident involving the insured FM and to provide the Insurer with a copy of the certified conclusion (report) at the end of the investigation.

12.3. The Policyholder must give the Insurer (at the latter's request) the power to settle claims by pre-litigation or judicial procedure, as appropriate.

13. DAMAGE AND INSURANCE BENEFIT

The amount of damage for which an insurance benefit may be paid under these Terms and Conditions shall be determined on the basis of the claim submitted to the Insurer, documents submitted by the competent authorities, expert reports, an agreement between the Policyholder and the Insurer, or a court decision.

14. THE PROCEDURE AND CONDITIONS FOR PAYMENT OF INSURANCE BENEFITS

14.1. The Insurer shall pay out the insurance benefit on the basis of a written claim and/or a court decision and on the basis of an insurance report (conclusion) drawn up by the Insurer. The Insurer shall not pay for payments made by the Policyholder without the prior written consent of the Insurer.

14.2. The insurance certificate shall be drawn up by the Insurer or a person authorised by it. If necessary, the Insurer has the right to independently investigate the causes and circumstances of the insured event.

14.3. The claim for payment of the claim must be accompanied by the following documents (original or certified copies thereof):

14.3.1. documents relating to the causes of the insured event, its circumstances, the amount of the loss, etc. (these may include the report of a state or departmental commission, justification of the amount of damage, etc.);

14.3.2. written claims, if any, from third parties or their successors in title to the Insurer, together with documents proving the fact of the insured event covered by the insurance contract;

14.4. The insurance benefit must be paid out within 7 days for a natural person and 7 days for a legal person - no later than 15 days from the date of receipt of all the information and documents relevant for establishing the fact, circumstances and consequences of the insured event and the amount of the insurance benefit. If the insurance contract provides for the payment of periodic insurance benefits, the first sentence of this paragraph shall apply to the first periodic insurance benefit. Unpaid premiums shall be deducted when the insurance benefit is paid.

14.5. In the event that the Policyholder has insured the FM with several insurance companies (double insurance), the Insurer shall pay the insurance benefit up to the amount of the portion of the cover to which it is entitled, calculated on the basis of the ratio between the sum insured provided for in the insurance contract concluded with it and the total amount of cover provided for in all the contracts of insurance concluded by that Policyholder with respect to the object covered by the contract.

14.6. Several claims arising from the same cause shall be considered as a single insured event.

14.7. If the insurance contract has an insurance benefit per event, if the Insurer has paid out an insurance benefit which is less than the insurance benefit per event, the insurance contract shall be renewed until the expiry

date with an insurance liability limit equal to the sum insured less the amount paid out or the contract shall be restated in accordance with the new conditions.

- 14.8.** In cases where the damage suffered is reimbursed by other persons, the Insurer will only pay the difference between the amount due under the contract and the amount received from other persons. The Policyholder must notify the Insurer of such amounts.

The Insurer shall be liable under the insurance contract only if the Policyholder has complied with these Terms and Conditions, insofar as this is not contrary to applicable law, but unintentional breaches of individual provisions of these Terms and Conditions, which are immediately remedied by the Policyholder upon discovery, shall not relieve the Insurer of its obligation to pay the insurance benefit.

- 14.9.** If the event is insured and the Policyholder and the Insurer do not agree on the amount of the insurance benefit, the Insurer must, at the Policyholder's request, pay an amount equal to the indisputable sum insured, if the exact amount of the damage is delayed for more than 3 months.
- 14.10.** The Insurer must prove the circumstances that exempt it from paying the insurance benefit or entitle it to reduce the insurance benefit.
- 14.11.** When refusing to pay or reducing the insurance benefit on the grounds that the Policyholder has breached the terms of the insurance contract, the Insurer must assess the culpability of the Policyholder, the seriousness of the breach of the terms of the insurance contract, its causal link with the insured event, and the amount of the damage caused by the breach.

15. DISPUTE SETTLEMENT PROCEDURE

- 15.1.** Disputes arising between the Insurer and the Policyholder shall be settled by negotiation and, in the event of failure to reach an agreement, tried in the courts of the Republic of Lithuania.
- 15.2.** In all other cases not regulated by these Terms and Conditions, international aviation reservations, norms, norms of laws and regulations of the Republic of Lithuania shall apply.