

# SURETYSHIP INSURANCE OF CONTRACTUAL OBLIGATIONS EXECUTION

## Terms and Conditions No. 15SILD.03

Valid from 28.10.2026

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VIENNA INSURANCE GROUP

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## WHAT YOU NEED TO KNOW ABOUT THIS INSURANCE

- This insurance provides cover for the Beneficiary's property interests related to the Policyholder's failure to fulfil or improper fulfilment of its obligations under the terms of the tender conducted by the Beneficiary or the contract signed between the Beneficiary and the Policyholder.
- Under suretyship insurance contracts, insurance coverage is provided only for the insured risks listed in the insurance contract.
- The insured amount stated in the insurance contract is the maximum amount the Insurer will pay to the Beneficiary for an insured event.
- The insurance contract comes into effect from the date specified in the insurance certificate and/or suretyship insurance letter, once the full insurance premium has been paid.
- The Policyholder is obliged to provide correct and complete information requested by the Insurer, both prior to the conclusion of the insurance contract and throughout its term, including information regarding any material changes relevant to the risk.
- In the event of a possible insurance claim under suretyship insurance contract, the Policyholder shall immediately notify the Insurer in writing about any claim or lawsuit filed by the Beneficiary regarding non-performance or improper performance of contractual obligations, take all reasonable and available measures to minimize the amount of losses, and submit the requested documents by the Insurer.
- The insurance contract is valid until 24:00 on the last day of the insurance period specified in the insurance contract, unless the insurance contract terminates earlier for other reasons.
- For any questions regarding suretyship insurance contract, please contact BTA.

## OUR CONTACT DETAILS

AAS BTA Baltic Insurance Company Lithuanian Branch, address: Laisvės pr. 10, 04215 Vilnius, Lithuania.



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## PLEASE TAKE THE TIME TO READ THESE INSURANCE TERMS AND CONDITIONS

## CONTENTS

GENERAL INSURANCE TERMS AND CONDITIONS ..... 3
1. TERMS USED IN THE INSURANCE CONTRACT ..... 3
2. VALIDITY OF INSURANCE COVERAGE ..... 4
3. OBLIGATION OF THE POLICYHOLDER TO DISCLOSE INFORMATION ..... 4
4. INSURANCE PREMIUM AND PAYMENT PROCEDURE ..... 5
5. CONCLUSION OF INSURANCE CONTRACTS VIA DISTANCE COMMUNICATION AND TELECOMMUNICATIONS EQUIPMENT ..... 6
6. TERMINATION AND AMENDMENT OF THE INSURANCE CONTRACT ..... 6
7. GENERAL CLAUSES ..... 7
8. OBLIGATIONS OF THE POLICYHOLDER IN THE EVENT OF INSURED RISK ..... 7
9. INSURANCE BENEFIT ..... 8
10. COMPLAINTS AND DISPUTE RESOLUTION PROCEDURE ..... 9
11. PROCESSING OF PERSONAL DATA ..... 9
12. SUBROGATION AND RIGHT OF RECOURSE ..... 10
13. CONFIDENTIALITY ..... 10
14. OTHER CONDITIONS ..... 10

SPECIAL TERMS AND CONDITINS OF INSURANCE ..... 12
1. WHAT IS WHAT? ..... 12
2. OBJECT OF INSURANCE ..... 12
3. INSURANCE COVERAGE ..... 13
4. INSURED EVENTS ..... 13
5. NON-INSURED EVENTS ..... 14
6. INSURED AMOUNT ..... 15
7. INSURANCE PREMIUM ..... 15
8. CONCLUSION AND VALIDITY OF THE INSURANCE CONTRACT ..... 15
9. RIGHTS AND OBLIGATIONS OF THE POLICYHOLDER AND THE INSURER DURING THE VALIDITY OF THE INSURANCE CONTRACT ..... 16
10. RIGHTS AND OBLIGATIONS OF THE POLICYHOLDER AND THE INSURER IN CASE OF AN INSURED EVENT ..... 17
11. CONDITIONS AND PROCEDURE FOR PAYMENT OF INSURANCE BENEFITS ..... 18
12. OTHER CONDITIONS ..... 18

## GENERAL INSURANCE TERMS AND CONDITIONS

## 1. TERMS USED IN THE INSURANCE CONTRACT

**Policyholder** – a person who has applied to the Insurer for the conclusion of an insurance contract, or to whom the Insurer has proposed to conclude an insurance contract, or who has concluded an insurance contract with the Insurer for his own benefit or for the benefit of other persons.

**Insurer** – AAS "BTA Baltic Insurance Company", represented by a branch in Lithuania.

**Insurance premium** – the amount of money specified in the insurance contract that the Policyholder must pay to the Insurer under the terms of the insurance contract.

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

**Insurance benefit** – the amount of money paid out upon the occurrence of an insured event or the provision of services, if provided for in the insurance contract.

**Insured event** – an event specified in the insurance contract, upon the occurrence of which the Insurer must pay an insurance benefit.

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

**Insurance risk** – the probability of an event whose occurrence in the future is possible and which is beyond the control of the Policyholder.

**Insurance contract** – an agreement between the Insurer and the Policyholder, under which the Policyholder undertakes to pay the insurance premium of the agreed amount within the due dates established in the insurance contract, to perform other obligations established in the insurance contract, and the Insurer undertakes to pay the insurance benefit to the person specified in the insurance contract upon the occurrence of an insured event, in accordance with the provisions of the insurance contract.

**Insured sum** – the amount of money specified in the insurance contract or calculated in accordance with the procedure established in the insurance contract, which the insurance benefit may not exceed.

**Insurance contract certificate (policy)** – a document confirming the conclusion of an insurance contract and containing the terms and conditions of the insurance contract agreed upon by the Insurer and the Policyholder.

**Parties to the insurance contract** – Insurer, Policyholder and Beneficiary.

**Double insurance** – cases where the Policyholder concludes several insurance contracts for the same insurance risks in several or in the same insurance company. In such a case, the Policyholder must notify the Insurer in writing about the concluded other insurance contract and indicate the amount insured and other terms of the contract. Otherwise, the Insurer, having paid the insurance benefit, acquires the right to recover the relevant part of the insurance benefit.

**Beneficiary** – the person specified in the insurance contract or the Policyholder, and in the cases specified in the insurance contract, entitled to receive the insurance benefit.

**Non-insured event** – a case where the Insurer does not pay the insurance benefit.

**Application for conclusion of an insurance contract** – a document in the form established by the Insurer, in which the Insurer provides the information necessary for concluding an insurance contract. The application may not be submitted if the policyholder provides the Insurer with information that the Insurer

considers sufficient to assess the insurance risk. Receipt of an application to conclude an insurance contract does not oblige the Insurer to conclude an insurance contract.

Written document:

- is drawn up in writing and includes all necessary details, including a signature that complies with the applicable legal acts of the Republic of Lithuania;
- is transmitted by telegraph, facsimile or other telecommunications terminal equipment, provided that the text is protected and the signature, including an e-mail, can be identified.

**Third party** – in the case of civil liability insurance – a person who has suffered losses due to the actions or inaction of the Policyholder and who is entitled to an insurance benefit in accordance with the terms and conditions of the insurance contract.

## 2. VALIDITY OF INSURANCE COVERAGE

**2.1.** The insurance period is the time during which insurance coverage is valid.

**2.2.** Insurance coverage takes an effect at 00:00 on the date specified in the insurance contract, but not earlier than the insurance premium or its first instalment is paid, if:

**2.2.1.** the date of payment of the insurance premium or its first instalment is not specified in the insurance contract;

**2.2.2.** the beginning of the insurance period coincides with the date of payment of the insurance premium or its first instalment;

**2.2.3.** the due date for payment of the insurance premium or its first instalment is earlier than the beginning of the insurance period.

**2.3.** In cases where the entry into force of insurance coverage is linked to the payment of the insurance premium or its first instalment, the insurance coverage enters into force on the following day at 00:00 after the date of receipt of the money, but not earlier than specified in the insurance contract.

**2.4.** The insurance benefit is not paid if an insured event occurs before the insurance coverage takes effect.

**2.5.** If the insurance contract provides that the insurance premium must be paid after the first day of the insurance period, the insurance coverage shall enter into force at 00:00 on the first day of the insurance period.

**2.6.** The insurance contract is valid until 24:00 on the last day of the insurance period specified in the insurance contract, unless the insurance contract terminates earlier for other reasons.

## 3. OBLIGATION OF THE POLICYHOLDER TO DISCLOSE INFORMATION

**3.1.** Before signing the insurance contract, the Policyholder undertakes to provide the Insurer with correct and complete information requested by the Insurer, which is related to the object of insurance and is necessary to assess the insurance risk. If the Policyholder intentionally fails to disclose information that is necessary to assess the insurance risk, or intentionally provides false or incomplete information, the Insurer has the right to demand that the insurance contract be declared invalid. In such a case, the Insurer shall not refund the insurance premium.

**3.2.** If the insurance contract for the same object of insurance is extended immediately after the expiry of the previous insurance contract, and the Policyholder does not indicate that the information has

changed since the conclusion of the previous insurance contract, the Insurer shall consider that the previously provided information has not changed.

**3.3.** During the term of the insurance contract, the Policyholder must immediately notify in writing of any changes during the term of the insurance contract that may increase the insurance risk. The changes that must be notified are:

**a)** significant changes related to the object of insurance;

**b)** changes in the ways in which the object of insurance is used.

**c)** other significant circumstances that increase insurance risk.

**3.4.** If the information provided to the Insurer about the object of insurance and the insured risks changes, which increases the insurance risk, as well as if the Insurer is misled due to a minor mistake of the Policyholder, the Insurer has the right, within one month from the date of learning, to propose to the Policyholder to change the terms and conditions of the insurance contract, including the amount of the insurance premium.

**3.4.1.** If the Policyholder does not agree to change the terms and conditions of the insurance contract or does not respond to the Insurer within 1 (one) month from the date of sending the notification about the proposed new terms and conditions, the Insurer has the right to terminate the insurance contract upon expiry of the period specified in this sentence without separate notice.

**3.4.2.** If the Insurer proves that it would not have concluded the insurance contract if it had known about the increased risk, the Insurer has the right to demand termination of the insurance contract within 2 (two) months from the date of learning about the increased risk.

**3.5.** Violation of the policyholder's obligation to disclose information also leads to other legal consequences established in the legal acts of the Republic of Lithuania.

## 4. INSURANCE PREMIUM AND PAYMENT PROCEDURE

**4.1.** The Policyholder must pay the insurance premium to the Insurer in the prescribed amount and within the prescribed terms, as provided for in the insurance contract.

**4.1.1.** Your 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 insurance premium is paid by transfer – from date of the receipt of the amount of money in the bank account of the Insurer or authorized insurance intermediary;

**4.2.2.** if the insurance premium is paid by other payment methods – from the date specified in the specific document confirming the fact of payment of money. You can find a list of payment methods on our website www.bta.lt,or by calling +370 5 2600 600;

**4.3.** If the Policyholder fails to pay the insurance premium within the time specified in the insurance contract, the Policyholder shall pay the Insurer a late payment interest at a rate of 0.02% for each day of delay, but not more than 10% of the total unpaid insurance premium. The Insurer will not apply the above-mentioned late payment interest in cases where:

**a)** the insurance premium is paid in one payment;

**b)** the insurance premium is paid in instalments – for the first payment.

**4.4.** If the Policyholder fails to pay the insurance premium or part thereof within the time specified in the insurance contract (except for the case where the entry into force of the insurance contract is associated with the payment of the insurance premium or part thereof, in which case the insurance contract does not enter into force and is cancelled without a separate notification from the Insurer 30 days after the payment due date), the Insurer shall inform the Policyholder in a written document provided for in the contract that if the Policyholder fails to pay the insurance premium or part thereof within 30 days from the date of sending the written document, the insurance contract will terminate.

## 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.** When an insurance contract is concluded by the Policyholder who is a consumer, such contract is an object to the guidelines for concluding non-life insurance contracts, which are publicly available at www.bta.lt. The guidelines for concluding non-life insurance contracts, among other things, provide for a right of withdrawal procedure, i.e. the right to withdraw from a concluded insurance contract.

**5.2.1.** The guidelines for concluding non-life insurance contracts, among other things, provide for a right of withdrawal procedure, i.e. the right to withdraw from a concluded insurance contract.

## 6. TERMINATION AND AMENDMENT OF THE INSURANCE CONTRACT

**6.1.** The insurance contract expires on the last day of the insurance period at 24:00, unless the Policyholder and the Insurer have agreed otherwise.

**6.2.** The Policyholder, upon providing the Insurer with the Beneficiary's written confirmation that under the insurance contract entered into and suretyship insurance letter issued thereunder, the Beneficiary has no claims and shall have no claims or demands against the Insurer, has the right to terminate the insurance contract at any time by notifying the Insurer in writing 15 days in advance. In such case, the insurance contract will be deemed terminated on the date specified in the notice, but not earlier than 15 (fifteen) days after the date of receipt of the notice of termination. If the Policyholder terminates the insurance contract prior to its expiry date, the paid insurance premium shall be non-refundable.

**6.3.** The terms of the insurance contract may be amended or supplemented only by a written contract between the Insurer and the Policyholder.

**6.4.** The insurance contract may also be terminated on other grounds established in the insurance legal acts of the Republic of Lithuania regulating insurance contractual legal relations.

## 7. GENERAL CLAUSES

**7.1.** Unless otherwise provided in the insurance contract, the Insurer shall not pay the insurance benefits due to:

**7.1.1.** Terrorist acts (acts involving the use of force or violence or threats of such acts by or on behalf of any third party acting individually or in association with any organisation or government, for political, religious, ideological or ethnic reasons and with intent to put the government or society or part of it in danger); losses resulting from preventive actions against terrorist acts are also not reimbursed;

**7.1.2.** War, invasions, hostile actions by a foreign state, military or equivalent operations such as a civil war (with or without declaration of war), riots, strike, insurrection, rebellion, revolution, state of war, marauding, vandalism, sabotage; strikes, lockouts, disturbances of public order amounting to a coup or riot, confiscation of property, nationalization, if it is caused or sanctioned by the state authorities, whether lawful or not; other political risks and any other losses or expenses incurred directly or indirectly as a result of the prevention of such actions shall also 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.** Intentional actions of the Policyholder or the Beneficiary.

**7.2.** BTA is not entitled to provide insurance and Isurer 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 Insurer 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 Insurer);

**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.** It shall not be considered an insured event, and the losses shall not be indemnified, if occurred directly or indirectly related to:

**7.3.1.** Regulatory enactments issued by the state;

**7.3.2.** State of emergency or exceptional state announced, moreover, no losses or expenses shall be indemnified, directly or indirectly related to any measures intended to avert the state of emergency or the exceptional state;

**7.3.3.** Epidemics or pandemics.

## 8. OBLIGATIONS OF THE POLICYHOLDER IN THE EVENT OF INSURED RISK

**8.1.** In order for the Policyholder to acquire the right to receive insurance benefits upon the occurrence of an insured risk, he must:

**8.1.1.** immediately, but no later than within 3 working days (unless otherwise specified in the special terms and conditions of these Terms and Conditions) to inform the Insurer about

the occurrence of a allegedly insured event in accordance with the procedure established in the special terms and conditions of these Terms and Conditions. If the Policyholder informs the Insurer about the occurrence of an insured risk with delay, the Policyholder must prove that it was not possible to inform in a timely manner;

**8.1.2.** immediately inform the competent services (e.g. medical institution, fire and rescue department, police, emergency services, etc.);

**8.1.3.** carry out all instructions given to the Insurer and take all measures to minimize damage and prevent its occurrence or increase;

**8.1.4.** provide the Insurer with the opportunity to inspect the scene of the incident, conduct an investigation and question witnesses so that the Insurer can determine the causes and extent of the loss;

**8.1.5.** provide all information and documents requested by the Insurer, including trade secrets, if known to the Insurer, in order for the Insurer to be able to determine the causes of the insured risk that occurred and the extent of the damage;

**8.1.6.** if possible, to keep the scene of the incident intact until the Insurer's representative arrives, unless the Insurer has given other instructions. This clause does not apply to the extent necessary to meet the requirements of clause 8.1.3. of these General Terms and Conditions of Insurance;

**8.1.7.** If the object of insurance cannot be preserved without altering its condition after the incident due to the requirements outlined in Clause 8.1.3 of the General Terms and Conditions of Insurance or other legal and justified reasons, ensure that photographs of the damaged property are taken as quickly as possible, or that the damaged object of insurance is filmed in order to document the losses, and send the photos or video footage to the Insurer via e-mail at: zalos@bta.lt or in another manner suitable for the Insurer.

**8.2.** If the Policyholder or Beneficiary intentionally or due to gross negligence fails to fulfil the obligations specified in these Terms and Conditions, the Insurer has the right to reduce the insurance benefit or refuse to pay it.

## 9. INSURANCE BENEFIT

**9.1.** The Insurer shall pay the insurance benefit no later than 15 days from the date on which all information relevant to determining the fact, circumstances, consequences and amount of the insured event is received.

**9.2.** In the event of theft or robbery, when the insurance benefit has been paid, and the object of insurance later reappears, the Insurer has the right to demand the return of the insurance benefit or the transfer of the right to claim the object of insurance. If the Insurer has decided not to keep the found object of insurance, but the found object of insurance is damaged, the Policyholder, when returning the insurance benefit received from the Insurer, shall deduct from it the costs agreed with the Insurer, necessary to restore the object of insurance to its original condition.

**9.3.** If the event is insured and the Policyholder/Beneficiary and the Insurer do not agree on the amount of the insurance benefit, at the request of the Policyholder/Beneficiary, the Insurer shall pay an amount equal to the insurance benefit undisputed by the parties, if the exact determination of the amount of the damage takes longer than 3 months.

**9.4.** If the Insurer delays the payment of the insurance benefit due to its own fault, the Insurer shall pay an interest at a rate of 0.02% on the amount of the insurance benefit payable for each day of delay, but not exceeding 10% of the insurance benefit not paid in a timely manner.

**9.5.** When paying the insurance benefit, all insurance premiums (for the current insurance year) whose payment term has expired by the date of payment of the insurance benefit shall be included. With the consent of the Policyholder, premiums whose payment term has not expired may be included. In cases where the object of insurance ceases to exist, is destroyed or lost due to an insured event, all unpaid insurance premiums under the contract shall be deducted when paying the insurance benefit.

**9.6.** In the event that the Insurer cannot recover the benefit through a regressive claim procedure due to the Policyholder's intentional actions or gross negligence, the Insurer may not pay the part of the insurance benefit for which it is not possible to make a claim, or, if the insurance benefit has already been paid, demand a refund of the benefit from the Policyholder.

**9.7.** Upon the request of a person entitled to claim an insurance benefit, the Insurer shall provide such person with access to the available documents on the basis of which the Insurer made a decision to pay the insurance benefit or refused to pay the insurance benefit or shall issue copies of the documents for a fee not exceeding the costs of issuing copies of the documents.

**9.7.1.** The Insurer does not provide the person entitled to claim insurance benefits with access to the available documents and does not provide a copy of the documents if:

**a)** The Insurer submitted documents to law enforcement authorities for investigation into the circumstances of the insured risk accident;

**b)** The documents contain a trade secret of another person, which the person entitled to claim insurance benefits is not entitled to receive;

**c)** The documents contain personal data that the person entitled to claim insurance benefits does not have the right to receive.

## 10. COMPLAINTS AND DISPUTE RESOLUTION PROCEDURE

**10.1.** The Insurer's complaint handling procedure for complaints of those dissatisfied with the insurance contract or the insurance services provided, submitted by the person requesting to conclude an insurance contract, the Policyholder, the Beneficiary or another person entitled to claim insurance benefits, is publicly available at http://www.bta.lt.

**10.2.** All disputes arising between the parties to the insurance contract shall be resolved through negotiations. If an amicable contract is not reached, all disputes arising from the insurance contract and related to the breach, termination or invalidity of the insurance contract shall be resolved in the courts of the Republic of Lithuania in accordance with the legal acts of the Republic of Lithuania, in the courts of the Republic of Lithuania according to the address of the Insurer's registered seat.

## 11. PROCESSING OF PERSONAL DATA

**11.1.** The Insurer, as a personal data processor, processes the data of natural persons in accordance with the requirements for the processing of personal data defined in Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons 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 other statutory requirements.

**11.2.** The principles of personal data processing and the Insurer's privacy policy are published at http://www.bta.lt.

## 12. SUBROGATION AND RIGHT OF RECOURSE

The Insurer, having paid the insurance benefit, shall be entitled to claim the amounts paid from the person responsible for the damage caused (subrogation or right of recourse). The Policyholder or Beneficiary must provide all information requested by the Insurer so that the Insurer can properly exercise the right of claim transferred to it.

## 13. CONFIDENTIALITY

The Parties undertake not to disclose confidential information received on the basis of insurance contractual or pre-contractual legal relations to third parties, and also not to use this information in a manner that would violate the interests of the other party to the insurance contract. The Insurer has the right to provide all necessary information received on the basis of insurance contractual or pre-contractual relations to independent experts and reinsurers and to store it in the Insurer's databases. This obligation does not apply where the Parties, in accordance with the requirements of the legal acts of the Republic of Lithuania, are obliged to provide information to competent state authorities.

## 14. OTHER CONDITIONS

**14.1.** Any notification that the Policyholder or the Insurer must transmit to each other has to be made within the time limits specified in these Terms and Conditions in one of the following ways:

**14.1.1.** by delivery to the Policyholder at the addresses specified in the insurance certificate or other written documents or in the parties' notifications of changes in registered office addresses;

**14.1.2.** by sending a registered mail item;

**14.1.3.** by e-mail, if the parties have provided for this method of notification in the contract, or by concluding actions express their consent to exchange information in this way;

**14.2.** The Insurer has the right to transfer its rights and obligations under the insurance contract to another or other Insurers in accordance with the procedure established by legal acts. The Policyholder, who does not agree with the transfer of rights and obligations under the insurance contract, has the right to terminate the insurance contract in accordance with the procedure established therein within one month from the transfer of rights and obligations. In such case, the Policyholder shall be refunded the insurance premiums paid by him for the remaining term of the insurance contract.

**14.3.** The legal acts of the Republic of Lithuania shall apply to contractual insurance legal relations. The insurance contract shall be concluded on the basis of these general terms and conditions and special terms and conditions. If the special and/or individual terms and conditions of insurance specified in the contract (insurance certificate) and these General Terms and Conditions of Insurance differ, the special and/or individual terms and conditions of insurance shall prevail.

**14.4.** The Policyholder, the Beneficiary and other persons who acquire rights on the basis of the insurance contract must comply with the obligations established in these Terms and Conditions.

**14.5.** These Terms and Conditions shall enter into force on the date of approval by the Board of the Insurer, unless the Board of the Insurer has specified another date of entry into force of these Terms and Conditions.

**14.6.** In case of contradictions or discrepancies between the texts in different languages, the Lithuanian text shall prevail.

**14.7.** These Terms and Conditions are published on the Insurer's website at http://www.bta.lt.

## SPECIAL TERMS AND CONDITINS OF INSURANCE

### 1. WHAT IS WHAT?

**Insurer** – AAS "BTA Baltic Insurance Company", represented by a branch in Lithuania.

**Policyholder** – natural or legal person (all types of companies and their divisions registered in accordance with the procedure established by law, operating both in the territory of the Republic of Lithuania and abroad).

**Beneficiary** – a natural or legal person to whom the Policyholder is obligated to fulfil its obligations in accordance with the procedure established by law, the terms of the tender conducted by the Beneficiary or a written contract.

**Object of insurance** – the Beneficiary's property interests related to the Policyholder's failure to fulfil or improper fulfilment of its obligations under the terms of the tender conducted by the Beneficiary or the contract signed between the Beneficiary and the Policyholder.

**Insurance contract** – a contract concluded between the Insurer and the Policyholder, under which the Policyholder undertakes to pay the insurance premium of the agreed amount within the due dates established in the insurance contract, to perform other obligations established in the insurance contract, and the Insurer undertakes to pay the insurance benefit to the Beneficiary upon the occurrence of an insured event. The insurance contract consists of: Surety insurance of contractual obligations execution Terms and Conditions, insurance certificate and its annexes, contract on the return of the insurance benefit, suretyship insurance letter, request for concluding a suretyship insurance contract and other additional documents, which the Insurer and the Policyholder agree on in writing.

**Suretyship insurance letter –** a liability document for the Beneficiary, which indicates the insurance conditions, confirms the Insurer's obligation to fulfil the assumed obligations if the Policyholder fails to fulfil part or all his obligations under the Contract within the amount specified in the suretyship insurance letter.

**Tender** – public procurement of goods, services or works carried out by contracting authorities (state or municipal institutions and enterprises), the purpose of which is to conclude a public procurement contract.

**Contract** – a written contract concluded between the Policyholder and the Beneficiary, which stipulates the Policyholder's obligations to the Beneficiary and the fulfilment of which is insured by the Insurer under the terms and conditions of these Terms and Conditions.

**Consequential damage** – damage arising as an indirect consequence of the Policyholder's failure to perform or improper performance of his obligations under the contract, i.e. subsequent damage arising from improperly performed or non-performed work.

### 2. OBJECT OF INSURANCE

**2.1.** The object of insurance is the Beneficiary's property interests related to the failure to fulfil or improper fulfilment of the Policyholder's obligations under the terms of the tender conducted by the Beneficiary or the contract signed between the Beneficiary and the Policyholder.

**2.2.** The object of insurance cannot be:

**2.2.1.** Any kind of credit, loan or guarantee of their repayment;

**2.2.2.** Any kind of mortgage and consumer suretyship insurance;

**2.2.3.** Any kind of financial guarantee;

**2.2.4.** Sanctions provided for by law for failure to fulfil or improper fulfilment of the Policyholder's obligation(s);

**2.2.5.** Indirect losses (lost profits, lost income);

**2.2.6.** Expenses incurred by the Beneficiary in proving the Policyholder's failure to fulfil or improperly fulfilment of its obligations under the terms of the tender or contract;

**2.2.7.** Legal expenses.

**2.3.** Penalties (fines, late payment interest) established in the contract with the Beneficiary due to non-fulfilment or improper fulfilment of the Policyholder's obligation are considered a object of insurance only if provided for in the insurance contract.

## 3. INSURANCE COVERAGE

**3.1.** Under suretyship insurance contracts, insurance coverage is provided only for the insured risks listed in the insurance contract.

**3.2.** At the request of the Beneficiary and the request of the Policyholder, insurance coverage may also apply to additional insurance conditions included in the suretyship insurance letter.

## 4. INSURED EVENTS

**4.1.** Insured Event – a claim made by the Beneficiary for losses incurred due to the failure to perform or improper performance of the Policyholder's obligations under the terms of the tender conducted by the Beneficiary or the Contract, if at least one of the following necessary conditions is met:

**4.1.1.** The Policyholder acknowledges the fact that the contractual obligations are not executed or have not been executed due to his fault and there is objective evidence that the Policyholder is unable to execute them;

**4.1.2.** The Policyholder does not agree with the claim, but there is a final court decision stating that the Policyholder has breached his contractual obligations and must indemnify the loss provided that the Policyholder himself is unable to do so due to objective reasons;

**4.1.3.** The Policyholder does not agree with the claim, but after investigating the event, the Insurer, having evaluated all the submitted documents, determines that the Policyholder has violated his contractual obligations. In this case, the Insurer has the right to pay the insurance benefit to the Beneficiary without the consent of the Policyholder.

**4.2.** An insured event under an insurance contract issued to secure **the proposal (tender)** in any of the following events:

**4.2.1.** The Policyholder withdraws his proposal during its validity term;

**4.2.2.** If the Beneficiary accepts the Policyholder's proposal, the Policyholder, during its validity term, avoids or refuses to sign the contract on the terms and conditions specified in the tender documents and at the time specified by the Beneficiary;

**4.2.3.** If the Beneficiary accepts the Policyholder's proposal, the Policyholder, during its validity term, avoids or refuses to submit the document of executing the obligations under the contract, as provided for in the terms and conditions of the tender;

**4.2.4.** If the Beneficiary accepts the Policyholder's proposal, the Policyholder, during its validity term, fails to fulfil other obligations stipulated in the terms and conditions of the tender and specified in the insurance contract.

**4.3.** An insured event under the insurance certificate (policy) issued **for performance** and the obligation document issued with the insurance certificate (policy) in any of the following events:

**4.3.1.** The work performed, services provided, goods supplied by the Policyholder do not comply with the requirements set out in the Contract;

**4.3.2.** The Policyholder has violated the deadlines for fulfilling the obligations set out in the Contract, except for cases where the deadlines for fulfilling the aforementioned obligations were violated through no fault of the Policyholder;

**4.3.3.** The Policyholder unlawfully refuses to continue to fulfil its contractual obligations under the Contract.

**4.4.** An insured event under an insurance contract issued **for advance payment** is an event when the Policyholder uses the advance provided by the Beneficiary for purposes other than those specified in the signed Contract.

**4.5.** An insured event under an insurance contract issued **for guarantee period** is an event when the Policyholder fails to fulfil its duties arising from its obligations under the Contract during the guarantee period provided for in the Contract. The Insurer does not cover losses related to defects in construction works that were obvious (objectively stated) upon acceptance of the construction works.

**4.6.** The events specified in clauses 4.2., 4.3., 4.4. and 4.5. of Special Terms and conditions are considered insured even if the Policyholder has failed to fulfil or improperly fulfilled its obligations under the Contract for the following reasons:

**4.6.1.** If the Policyholder becomes insolvent;

**4.6.2.** If bankruptcy proceedings are filed against the Policyholder or an extrajudicial bankruptcy procedure is initiated.

## 5. NON-INSURED EVENTS

**5.1.** Non-insured events include:

**5.1.1.** all cases in which the Insurer is not liable to the Beneficiary under the insurance contract;

**5.1.2.** where the Policyholder fails to fulfil or improperly fulfils his contractual obligations after the expiration of the insurance contract or before the insurance contract has entered into force;

**5.1.3.** where losses are incurred by third parties (not the Beneficiary);

**5.1.4.** where compensation for consequential damage is claimed;

**5.1.5.** where compensation is claimed for losses due to inadequate quality equipment or goods for which the manufacturer is responsible.

**5.2.** The Insurer has the right not to pay the insurance benefit if the Beneficiary:

**5.2.1.** provides the Insurer with incorrect or misleading information about the insured event or its causes;

**5.2.2.** does not provide the Insurer with documents confirming the occurrence of the insured event and the amount of losses incurred, except in cases where the insurance contract does not require it.

**5.3.** The Insurer has the right not to pay or reduce the amount of the insurance benefit if the Beneficiary has received full or partial compensation for the damage from the Policyholder or a third party responsible for the damage caused.

## 6. INSURED AMOUNT

**6.1.** The insured amount is the maximum possible amount of money specified in the insurance contract that is paid to the Beneficiary in the event of an insured event.

**6.2.** The insured amount is determined by mutual contract between the Insurer and the Policyholder, taking into account the requirements of the tender announced by the Beneficiary, the contract signed with the Policyholder, or the laws of the Republic of Lithuania.

**6.3.** The insured amount is non-recoverable: if the Insurer does not pay the Beneficiary the full insured amount specified in the insurance contract for one insured event, its obligation is reduced by the insured amount paid for other insured events.

## 7. INSURANCE PREMIUM

**7.1.** The insurance premium, when concluding an insurance contract, is calculated by the Insurer and depends on the amount of risk assumed, the insured amount, the period and other existing circumstances.

**7.2.** The insurance premium is paid in full at once within the time limit specified in the insurance certificate (policy).

## 8. CONCLUSION AND VALIDITY OF THE INSURANCE CONTRACT

**8.1.** The Policyholder, wishing to conclude an insurance contract, shall submit a request to conclude an insurance contract, terms and conditions of the tender or a Contract, which shall stipulate the Policyholder's obligations to the Beneficiary, financial statements and other documents requested by the Insurer, necessary for assessing the insurance risk and concluding an insurance contract. If they are not submitted, the Policyholder's request to conclude a contract may not be considered by the Insurer. The Policyholder is responsible for the accuracy of the submitted information and documents.

**8.2.** The insurance contract consists of: Surety insurance of contractual obligations execution Terms and Conditions, insurance certificate and its annexes, contract on the return of the insurance benefit, suretyship insurance letter, request for concluding a suretyship insurance contract and other additional documents, which the Insurer and the Policyholder agree on in writing.

**8.3.** The Insurance Contract may be amended by written contract between the Policyholder and the Insurer. When amending the terms of the effective insurance contract, the Beneficiary must provide written consent and/or a written notification that it has no claims regarding the Policyholder's performance of contractual obligations under the Contract prior to the amendment of the insurance contract.

**8.4.** Upon agreement between the Policyholder, the Beneficiary and the Insurer, the insurance contract may be terminated before the expiry of the time limit specified in the insurance certificate (policy), if the Beneficiary confirms in writing that it has no claims against the Insurer at the time of termination of the contract and will not have any in the future.

**8.5.** The insurance contract comes into effect from the date specified in the insurance certificate and/or suretyship insurance letter, provided that the full insurance premium has been paid.

**8.6.** The beginning and end of the validity of the insurance contract are indicated in the insurance certificate as a calendar date and hour, and in the suretyship insurance letter – as a calendar date, unless otherwise agreed between the Parties.

**8.7.** Conditions for the termination of the insurance contract:

**8.7.1.** The term specified in the insurance certificate and/or suretyship insurance letter expires;

**8.7.2.** The Beneficiary is paid the insured amount specified in the insurance contract;

**8.7.3.** The insurance contract is terminated early by contract between the Insurer, the Policyholder and the Beneficiary;

**8.7.4.** Upon receipt of the Beneficiary's written consent to the fulfilment of obligations under the Contract and that it has no claims under the issued insurance contract and is not aware of any alleged claims;

**8.7.5.** In other cases provided for by law.

## 9. RIGHTS AND OBLIGATIONS OF THE POLICYHOLDER AND THE INSURER DURING THE VALIDITY OF THE INSURANCE CONTRACT

**9.1.** Insurer's rights:

**9.1.1.** to familiarize itself with the Policyholder's documents related to the Contract, which set out the Policyholder's obligations to the Beneficiary;

**9.1.2.** to give mandatory instructions to the Policyholder regarding the reduction or avoidance of damage;

**9.1.3.** to independently investigate the circumstances of the insured event and/or hire appraisers, experts and other persons to investigate the circumstances of the insured event;

**9.1.4.** to refuse to conclude an insurance contract without giving a reason;

**9.1.5.** to verify the authenticity of the data provided by the Policyholder, including obtaining data from state registers, credit bureaus, banks, etc., necessary for assessing insurance risk and determining the insurance premium.

**9.2.** Insurer's obligations:

**9.2.1.** Not to publish information about the terms of the Policyholder's proposal where the Policyholder participates in a tender, or the terms of signed contract for which the Insurer is a guarantor;

**9.2.2.** Upon request of the Policyholder, to issue a duplicate of the insurance certificate;

**9.2.3.** to change the terms and conditions of the insurance contract and recalculate the insurance premium if, during the term of the contract, circumstances substantially change, resulting in a decrease/increase in the insurance risk;

**9.2.4.** Upon the occurrence of an insured event, the Insurer must investigate the circumstances of the event and only after determining that the event is insured, pay the calculated insurance benefit in accordance with the procedure established in the Law of the Republic of Lithuania on Insurance and these Terms and Conditions.

**9.3.** Policyholder's rights:

**9.3.1.** to familiarize itself with the Surety insurance of contractual obligations execution Terms and

Conditions and to obtain a copy thereof;

**9.3.2.** to receive information about the progress of the investigation of the insured event.

**9.4.** Policyholder's obligations:

**9.4.1.** to provide accurate, detailed information and all additional documents required by the Insurer to assess the risk for concluding an insurance contract;

**9.4.2.** to pay insurance premiums and the deposit on time;

**9.4.3.** in the event of circumstances that make it difficult or impossible to fulfil contractual obligations under the Contract, notify the Insurer in writing no later than within 24 hours (excluding weekends and holidays) and follow all its instructions in order to avoid possible damage;

**9.4.4.** to immediately inform the Insurer in writing about any claim or lawsuit filed by the Beneficiary regarding non-performance or improper performance of contractual obligations, regardless of the fact that the insured event has already been notified earlier;

**9.4.5.** to notify the Insurer in writing within 3 working days about insurance contracts concluded or intended to be concluded with other insurers for the same risk;

**9.4.6.** to coordinate in writing with the Insurer any amendments or additions to the Contract with the Beneficiary, and to inform it in writing about the termination of the Contract.

## 10. RIGHTS AND OBLIGATIONS OF THE POLICYHOLDER AND THE INSURER IN CASE OF AN INSURED EVENT

**10.1.** Insurer's obligations:

**10.1.1.** upon receipt of a notice or claim from the Beneficiary regarding the occurrence of damage due to the Policyholder's failure to fulfil or improper fulfilment of its contractual obligations under the Contract, specified in the insurance certificate (policy) issued by the Insurer, inform the Policyholder about the received notice or claim and request the provision of written evidence that they have been fulfilled or will be fulfilled, or other necessary information and documents required by the Insurer;

**10.1.2.** after paying the insurance benefit to the Beneficiary, the Insurer must send the Policyholder a written notification about the debt incurred, indicating the deadline for fulfilling the right of recourse (debt repayment).

**10.2.** Policyholder's obligations:

**10.2.1.** to take all reasonable and available measures to minimize the amount of losses;

**10.2.2.** to immediately, but no later than within 3 working days, submit the documents required by the Insurer, information related to the event, and follow all instructions given by the Insurer.

**10.3.** Insurer's rights:

**10.3.1.** to receive information and documents related to the insured event from the Policyholder;

**10.3.2.** If the Policyholder fails to fulfil the right of recourse (repay the debt) by the date specified in the Insurer's letter, he shall be charged late payment interest at a rate of 0.02% on the unpaid amount for each day of delay;

**10.3.3.** The Insurer is obligated only to the Beneficiary and only the Beneficiary has the right to

demand performance of the obligation from the Insurer. The Policyholder is not entitled to any financial or other claim.

## 11. CONDITIONS AND PROCEDURE FOR PAYMENT OF INSURANCE BENEFITS

**11.1.** The Insurer shall compensate, within the limits of the insured amount, for losses incurred by the Beneficiary due to the Policyholder's failure to fulfil or improper fulfilment of its contractual obligations or obligations under the terms of the tender for which the insurance contract was concluded.

**11.2.** The Insurer determines the amount of damage based on the investigation report of the insured event and other documents provided by the Policyholder and the Beneficiary: the Policyholder's and Beneficiary's Contract, the Beneficiary's written request to the Insurer, specifying the Policyholder's unfulfilled or improperly fulfilled obligations under the concluded Contract and the amount of the Beneficiary's incurred losses, as well as other administrative materials collected by the Insurer regarding the incident.

**11.3.** to receive the insurance benefit, the Beneficiary must submit the following documents to the Insurer:

**11.3.1.** A claim, which must indicate which obligations under the Contract concluded between the Beneficiary and the Policyholder the Policyholder has failed to fulfil or which obligations he has fulfilled improperly;

**11.3.2.** Documents proving that it has addressed the Policyholder with a request to fulfil its obligations under the provisions of the Contract, and attach the Policyholder's written response, if the Beneficiary has received one;

**11.3.3.** Documents proving the amount of losses suffered by the Beneficiary due to the Policyholder's failure to fulfil or improper fulfilment of the obligation.

**11.4.** The Insurer pays the insurance benefit if the risk insured by the insurance contract occurred during the term of the insurance contract, provided that the claim is submitted within the claim submission deadline specified in the suretyship insurance letter.

**11.5.** The Insurer shall not pay an insurance benefit if the claim is submitted to the Insurer after the expiry of the insurance contract due to an insured event that occurred after the expiry of the insurance contract.

**11.6.** The Insurer may postpone payment until the completion of the legal proceedings where a civil, administrative or criminal case has been initiated against the Beneficiary or the Policyholder or one of their representatives regarding the insured event, provided that a decision cannot be made on the recognition of the event as insured or on the amount of the insurance benefit without examining the above-mentioned cases.

**11.7.** If the Insurer pays part of the insurance benefit, its obligation under the same insurance contract remains valid for the remaining portion of the insured amount.

## 12. OTHER CONDITIONS

If the insurance contract contains insurance terms and conditions that do not comply with these Terms and Conditions, the terms and conditions specified in the insurance contract shall apply.