



COMMERCIAL PROPERTY AND BUSINESS INTERRUPTION INSURANCE

Terms and conditions No. 0802.N2
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bta

VIENNA INSURANCE GROUP

BTA Branch in Lithuania and the Policyholders shall enter into Commercial Property and Business Interruption Insurance Contracts on the basis of these Terms and conditions.

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GENERAL REGULATIONS

1. DEFINITION OF AN INSURANCE CONTRACT

Insured – a person whose interests shall be covered:

- a) In case of property insurance – the owner of property covered by the insurance contract or other person named in writing in the contract;
- b) In case of third party liability insurance – a person whose property interests arising from third party liability are covered;
- c) In case of person's insurance – a natural person indicated in the insurance contract, whose health, life or physical condition is covered under the insurance contract.

Policyholder – a person who has applied to BTA to contract for insurance or to whom BTA has offered to enter into an insurance contract, or who has signed an insurance contract with BTA for own benefit or for benefit of other persons.

Insurer – AAS BTA Baltic Insurance Company, represented by its Lithuanian Branch, hereinafter – BTA.

Insurance premium – an amount of money set in the insurance contract which is payable by the Policyholder to BTA under the terms and conditions of the insurance contract for the insurance cover.

Insurance interest – the interest of the Insured not to incur losses upon occurrence of the insured risk.

Insurance benefit – an amount of money payable upon occurrence of the event insured or delivery of services if so is stipulated in the insurance contract.

Insurance object – property interests relating to human life and/or health, property or third party liability.

Insurance risk – a probability for the event insured to occur in future beyond control of the Policyholder and/or Insured.

Sum insured – a sum of money specified in the insurance contract or a sum of money calculated in the procedure described in the insurance contract which is the limit of indemnity (insurance benefit).

Insurance policy – a document confirming the entering into insurance contract and covering the terms and conditions of the insurance contract agreed by BTA and the Policyholder.

Parties to the insurance contract – the Policyholder and BTA.

Insurance contract – an agreement between BTA and the Policyholder according to which the Policyholder undertakes to pay the insurance premium of the agreed by the time limit fixed in the insurance contract and to fulfil other obligations stipulated in the insurance contract, and BTA undertakes to pay the benefit upon occurrence of the insured event in accordance with the terms and conditions of the insurance contract.

Event insured (risk covered) – incidents stipulated in the insurance contract upon occurrence of which BTA is obliged to pay the insurance benefit.

Double insurance – cases when the Policyholder signs several insurance contracts with different insurance undertakings to cover the same risks. In such case, the Policyholder must notify BTA in writing of other insurance contract concluded by him and to specify the sums insured and other contractual terms and conditions. Otherwise, the Insurer, having paid the insurance benefit, shall become entitled to recover the respective part of the paid insurance benefit.

Deductible – a portion of insurance benefit stipulated in the insurance contract and not indemnified by BTA. The deductible shall be defined as a specific amount of money and/or as percentage unless the insurance policy specifies otherwise. Where the insurance contract provides for several types of deductible in respect of the same risk, the largest of them shall always apply.

Compensation principle – insurance principle, according to which insurance indemnity is calculated on the basis of the amount of loss sustained in an insured event.

Beneficiary – a person named in the insurance contract or a person appointed by the Policyholder or, in cases stipulated in the insurance contract, by the Insured and entitled to receive insurance benefits.

Non-insured event – an occurrence in respect of which BTA does not pay the insurance benefit.

Underinsurance – cases when the established sum insured is less than the value of insurance. In such cases, upon occurrence of the event insured BTA shall indemnify a portion of the benefit in proportion to the ratio of the sum insured and the value of insurance.

Additional insurance – cases when only a portion of the value of property or risk is insured. In such cases the Policyholder shall be entitled to enter into an additional insurance contract with the same or any other insurer. However, the total sum insured under all insurance agreements shall not exceed the value of insurance.

Application to contract for insurance – a document in the form established by BTA for the Policyholder to provide with information required for the entering into the insurance contract. The application shall not be required, if the Policyholder provides BTA with information which BTA considers sufficient to assess insurance risks. Acceptance of the application to contract for insurance does not obligate BTA to sign the insurance contract.

Written document:

- a) a document executed in writing and containing all necessary particulars, including signature affixed in accordance with valid legislation of the Republic of Lithuania;
- b) transmitted by telegraph, facsimile or other telecommunications terminal equipment, provided that the protection of the text is ensured and it is possible to identify the signature, including an e-message.

Persons related to the Policyholder and/or the Insured, who are also bound by the fulfilment of obligations established for the Policyholder:

- a) Persons living together with the Policyholder or the Insured;
- b) Persons responsible for insurance object pursuant to an agreement with the Policyholder or the Insured;
- c) Persons sharing insurance interests together with the Policyholder or the Insured, or other persons named in the insurance contract;
- d) Persons related to the Policyholder or the Insureds under employment, service delivery or other legal relationships and bound to act in conformity with the safety requirements.

Third party – in the case of civil liability insurance – a person who has suffered losses due to the Policyholder's or/and Insurer's acts or omissions and who is eligible to receive the insurance benefit in accordance with the terms and conditions of the insurance contract.

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

2. VALIDITY OF INSURANCE COVER

2.1. A period of insurance means a period when insurance cover is in force.

2.2. The insurance cover shall come into force at 00:00 o'clock on the date indicated in the insurance contract, but not earlier than the premium or its first instalment is paid down, if:

- 2.2.1.** the date of payment of the insurance premium or its first instalment is not indicated in the insurance contract;
- 2.2.2.** the beginning of the insurance period coincides with the date of payment of the premium or its first instalment;
- 2.2.3.** the time limit for paying the premium or its first instalment precedes the beginning of the insurance period.

- 2.3.** Where the coming into force of the insurance cover is linked to the payment of the insurance premium or its first instalment, the insurance cover shall come into force on the next day at 00:00 following the receipt of payment, but not earlier than specified in the insurance contract.
- 2.4.** The insurance benefit shall not be paid if the event occurs before the entry into force of the insurance cover.
- 2.5.** Where the insurance contract stipulates that the premium should be paid after the first day of the insurance period, the cover shall come into force at 00:00 on the first day of the insurance period.
- 2.6.** The insurance contract shall expire at 24:00 o'clock on the last day of the insurance period specified in the insurance contract unless terminated earlier for other reasons.

3. POLICYHOLDER'S DUTY TO DISCLOSE

- 3.1.** Prior to signing the insurance contract, the Policyholder undertakes to provide BTA with true and complete information requested by BTA in relation to the insurance object and necessary for the assessment of insurance risks. Where the Policyholder knowingly conceals information necessary for the assessment of the insurance risk or knowingly provides incorrect or incomplete information, BTA shall be entitled to claim nullification of the insurance contract and retain the paid down insurance premium.
- 3.2.** When insurance contract regarding insurance of the same insurance object is concluded repeatedly immediately following the previous insurance contract and, the Policyholder or the Insured, when concluding the repeated insurance contract, do not specify that the information provided upon conclusion of the previous insurance contract has changed, BTA will assume that the previously provided information has not changed.
- 3.3.** The Policyholder is required to promptly notify of any changes which occur during the period of validity of the insurance contract and which are likely to increase the insurance risk. The changes required to be disclosed include:
 - 3.3.1.** significant changes relating to the insurance object;
 - 3.3.2.** changes in the manner/ways of using the insurance object.
 - 3.3.3.** other significant circumstances due to which the insurance risk increases.
- 3.4.** Where information provided to BTA about the insurance object and risks covered changes and this results in insurance risk increase, as well as in case BTA is misled by minor misrepresentations of the Policyholder, BTA shall be entitled to offer the Policyholder, within a period of 1 month from the date of getting aware, to amend the terms and conditions of the insurance contract, including the amount of the insurance premium.
- 3.5.** Where the Policyholder disagrees to the amendment of the terms and conditions of the insurance contract or fails to give any answer to BTA within 1 (one) month from the date of dispatch of the notice of the proposed amendments, BTA shall be entitled to terminate the insurance contract upon expiration of the time limit stipulated in this paragraph without any further notice.
- 3.6.** Where BTA proves that being aware of the risk increase, it would have not entered into the insurance contract, BTA shall be entitled to claim termination of the insurance contract within 2 months from getting aware of the risk increase.
- 3.7.** Violation of the Policyholder's duty to disclose information shall also incur other legal consequences entrenched in the legislation of the Republic of Lithuania.

4. INSURANCE PREMIUM AND PAYMENT PROCEDURE

- 4.1.** The Policyholder must pay insurance premium to BTA in the amount and by the time limit set 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 premium shall be deemed paid:

4.2.1. if the insurance premium is paid by bank transfer – from the moment of receiving the relevant amount to the bank account of BTA or its authorized insurance intermediary.

4.2.2. if the insurance premium is paid using other payment methods – from the date specified in the particular document supporting the fact of payment. For obtaining the list of payment methods please visit internet website www.bta.lt, or call us by phone (8 5) 2600 600;

4.3. In case of failure to pay the premium by the time limit set in the insurance contract, the Policyholder shall pay BTA a default interest in the amount of 0.02 % for each day overdue. However, the total amount of the penalty may not exceed 10 % of the outstanding insurance premium amount. The above-indicated default interest shall not apply in the following cases:

4.3.1. the premium is paid as a lump sum;

4.3.2. in respect of the first payment, if the premium is paid in instalments.

4.4. Should the Policyholder fail to pay the premium or any part thereof by the deadline fixed in the insurance contract (with the exception of case when the coming into force of the insurance contract is linked to payment of the insurance premium or its part), BTA informs the Policyholder in writing that in the event of the failure to pay in the insurance premium or its part within 30 days of receipt of the notice, the insurance contract will be terminated.

5. CONTRACTING FOR INSURANCE BY MEANS OF TELECOMMUNICATION TERMINAL EQUIPMENT

5.1. Insurance contract can be concluded by means of distance communication, i.e., by means of post, internet, electronic mail, telephone or other means of information exchange.

5.2. When insurance contract is concluded by a Policyholder, who is a consumer, then such insurance contract shall be subject to the Guidelines for the composition of non-life insurance contracts, which are publicly available on BTA's website www.bta.lt. Guidelines for the composition of non-life insurance contracts, among other things, describes the procedure of exercising the withdrawal rights, i.e., the rights to withdraw from the concluded insurance contract.

5.3. Consumer is a natural person, concluding an insurance contract for a purpose unrelated to its business or professional activity.

6. EXPIRATION AND AMENDMENT OF THE INSURANCE CONTRACT

6.1. The insurance contract shall expire at 24:00 on the last day of the insurance period unless otherwise agreed by the Policyholder and BTA.

6.2. The Policyholder shall be entitled to terminate the insurance contract at any time giving a 15 days' notice to BTA in writing. In this case, the insurance contract shall be deemed terminated as of the date indicated in the notice, but not earlier than on the 15th day after receipt of the notice of termination.

Such being the case:

6.2.1. where there was no payment of insurance benefit effected and no claims were lodged within the period of validity of the insurance contract, the Policyholder shall be repaid, within 20 calendar days

from the receipt of the Policyholder's notice, the insurance premium, less costs of conclusion and performance of the insurance contract (30% of the sum to be repaid);

6.2.2. if during the period of validity of the insurance contract the insurance benefit was paid and/or reserved or claims were filed, within 20 calendar days of receipt of the Policyholder's notice, BTA shall repay to the Policyholder the part of the premium which is equal to the difference between the unused portion of the premium for the remaining period of the contract and the insurance benefit paid, having deducted the costs of conclusion and performance of the insurance contract (30% of the repayable amount).

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 modified or amended only upon a written agreement between BTA and the Policyholder.

6.4. The insurance contract may be terminated on other grounds stipulated in the insurance legislation of the Republic of Lithuania governing legal relationships in insurance contracts.

7. GENERAL EXCLUSION CLAUSE

7.1. Unless the insurance contract stipulates otherwise, BTA shall not pay insurance benefits for:

7.1.1. terrorist acts (the acts involving the use of, or threatening to use, force or violence, committed by a group of persons acting independently or on behalf of any organization or government, committed for political, religious, ideological or ethnic ends for the purpose of putting in fear or exerting influence on the government, public or any section of the public); losses incurred in relation to the prevention of terrorist acts shall not be compensated either;

7.1.2. war, invasion, hostile acts of foreign countries or other operations attaining the same level, such as civil war (whether or not the war is declared), riots, strikes, rebels, commotions, revolution, military situations, marauding, vandalism, sabotage; strike, lockout, public disorder attaining the level of a coup or riot, seizure of property, nationalization, when this is caused or authorized, whether legally or not, by the public authorities; other political risks and any other losses or costs directly or indirectly sustained in relation to the prevention of such acts shall not be compensated either;

7.1.3. direct or indirect nuclear explosion, nuclear power or impact of radioactive substances; direct or indirect radioactive contamination;

7.1.4. malicious acts by the Policyholder, Insured or Beneficiaries.

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;

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. INSURER'S OBLIGATIONS UPON OCCURRENCE OF THE INSURED RISK

- 8.1.** In order to become eligible to the insurance benefit upon occurrence of a insured risk, the Policyholder or the Insured must:
- 8.1.1.** immediately, but no later than within 3 working days (unless specified otherwise in the special terms and conditions of the Regulations) notify BTA of the occurrence of a potential insured event in accordance with the procedure laid down in the special terms and conditions of the Regulations. If the Policyholder or the Insured notifies BTA of the occurrence of the insured risk with delay, the Policyholder or the Insured must prove that it was impossible to notify in good time;
 - 8.1.2.** to immediately report to competent authorities (e.g., medical establishments, the Fire and Rescue Department, the police, emergency services, etc.);
 - 8.1.3.** to follow all instructions given by BTA and to take all and any measures to mitigate the damage and prevent its occurrence or increase;
 - 8.1.4.** to make it available for BTA to inspect the scene of the event, to investigate it and examine witnesses so that BTA would be able to identify the causes and size of damages;
 - 8.1.5.** to provide with any information and documents requested by BTA, including commercial secrets, if any, known to the Policyholder or the Insured so that BTA would be able to identify the causes and size of damages;
 - 8.1.6.** unless instructed by BTA otherwise, to preserve, where possible, the scene unchanged while waiting for BTA's representative. This paragraph shall not apply in as much as it is necessary to fulfil the requirements in paragraph 8.1.3 above;
 - 8.1.7.** if the insurance object cannot be preserved without changing its condition after the accident due to the fulfilment of the obligations referred to in paragraph 8.1.3 of these Terms and Conditions or other legal and justified reasons, to ensure that the pictures of the damaged insurance property are taken as soon as possible or the damaged insurance object is filmed so that its damages are registered and submit the pictures or the video recording to BTA by e-mail zalos@bta.lt or in another way approved by BTA.
- 8.2.** Where the Policyholder, Insured or Beneficiary deliberately or by gross negligence fails to fulfil the obligations stipulated in the Regulations, BTA shall be entitled to reduce or disallow payment of the insurance benefit.

9. INSURANCE BENEFITS

- 9.1.** The insurance indemnity is paid down within 15 days after receipt of all information required for the establishment of the fact, circumstances and consequences of the event insured as well as for the identification of the amount of insurance benefit.
- 9.2.** If theft or robbery of the insurance object has taken place, whereby the insurance indemnity is paid and then the insurance object is found, then BTA shall be entitled to request and be refunded the disbursed insurance indemnity or to acquire the property rights to the insurance object. If BTA has made a decision not to keep the found insurance object, but the found insurance object is damaged, then, when refunding the received insurance indemnity to BTA, the Insured shall deduct the expenses necessary for the repair of the found damaged insurance object in the amount agreed upon with BTA.
- 9.3.** If the event is the risk covered, but the Policyholder and BTA fail to agree as to the amount of benefit, on the Policyholder's request BTA pays down an amount equal to the benefit indisputable by the parties, if definite establishment of the amount of damage lasts for a period exceeding 3 months.

- 9.4.** Where BTA delays payment of the benefit for its own fault, BTA shall pay a default interest in the amount of 0.02% of the outstanding benefit for each day overdue. However, the total amount of the penalty may not exceed 10 % of the outstanding insurance indemnity amount.
- 9.5.** For the purpose of paying insurance benefits, all insurance premiums (for a current insurance year), which are mature on the date of paying the benefit, shall be accounted. Pending premiums can be also accounted if so agreed by the Policyholder. If the insurance object is killed, destroyed or lost as a result of the event insured, all premiums pending in accordance with the insurance contract shall be deducted.
- 9.6.** In case BTA is or will be unable to make a recourse claim by subrogation due to malicious intent or gross negligence of the Insured, BTA may opt for not paying the insurance indemnity in the amount for which a claim is not or will not be possible to be brought, or, if insurance indemnity has already been disbursed, demand its refund from the Insured.
- 9.7.** At the request of the person entitled to claim insurance indemnity, BTA will enable this person to study the documents, based on which BTA had made the decision of insurance indemnity payment or rejection, or issue copies of the documents for a fee not exceeding the costs of producing the document copies.
- 9.8.** BTA does not enable this person, entitled to claim insurance indemnity, to study the documents or issue copies of the documents, if:
- 9.8.1.** BTA has submitted documents to law enforcement institutions for criminal investigation of the insured risk occurrence circumstances;
 - 9.8.2.** the documents contain a trade secret of another person, which the person entitled to claim insurance indemnity is not entitled to obtain;
 - 9.8.3.** the documents contain a personal data, which the person entitled to claim insurance indemnity is not entitled to obtain.

10. COMPLAINT HANDLING AND DISPUTE SETTLEMENT PROCEDURE

- 10.1.** Procedure how BTA handles a complaint for being dissatisfied with insurance contract or insurance services submitted by the submitter of insurance application, the Policyholder, the Insured, the Beneficiary and another person entitled to claim insurance indemnity, is publicly available on BTA's website www.bta.lt.
- 10.2.** Any disputes arising between the parties to the insurance contract shall be settled by way of negotiations. In case of failure to reach agreement by way of negotiations, all disputes arising from and in relation to the violation, termination or invalidity of from the insurance contract shall be settled in compliance with legal acts of the Republic of Lithuania before courts of the Republic of Lithuania according to the place of registered office of BTA Lithuanian branch.

11. PROCESSING OF PERSONAL DATA

- 11.1.** BTA, as the personal data controller under, processes personal data of natural persons in compliance with personal data processing requirements defined in the 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) and other regulatory enactments.
- 11.2.** The principles of processing of personal data conducted by BTA are published on BTA's privacy policy at www.bta.lt.

12. SUBROGATION AND RIGHT OF RECOURSE

Upon disbursement of the insurance benefit, the Insurer shall acquire the right of claim to the amounts paid from the person responsible for the inflicted damage (subrogation or right of recourse). The Policyholder, the Insured or the Beneficiary must communicate to BTA all requested information necessary for the Insurer in order to be able to properly implement the right of claim transferred to him.

13. CONFIDENTIALITY

The parties undertake not to disclose any confidential information received on the basis of contractual or pre-contractual legal relationships to any third parties, and not to use such information in the manner which would infringe the interests of the other party to the insurance contract. BTA shall have the right to provide to independent experts and reinsurers all necessary information received on the basis of the contractual or pre-contractual relationships, and to store such information in BTA's databases. This duty shall not apply when the parties must disclose the information to competent public authorities in compliance with requirements of legal acts of the Republic of Lithuania.

14. MISCELLANEOUS

- 14.1.** Any notice to be communicated by the Policyholder or BTA to each other shall be delivered by the time limits set in the Regulations using one of the below specified methods:
- 14.1.1.** delivering to the Policyholder to the addresses specified in the insurance policy or other written documents or in the notifications of the parties on the change of addresses of their registered offices;
 - 14.1.2.** sending as a postal item by registered mail;
 - 14.1.3.** sending by e-mail, when this method of notification is provided for by the parties in the contract or when they express their consent to exchange the information in this manner by actions
- 14.2.** BTA is entitled to cede its rights and obligations to other insurance undertakings in the statutory procedure. If the Policyholder disagrees with the Insurer's intention to transfer its rights and obligations under the insurance contract, the Policyholder is entitled to terminate the insurance contract within one month from the cession of the rights and obligations. In this case the Policyholder shall be refunded the paid in premiums for the remaining period of the insurance contract validity.
- 14.3.** Contractual insurance relations shall be governed by the law of the Republic of Lithuania.
- 14.4.** The insurance contract shall be signed on the basis of the general and special terms and conditions. In case of any differences between the special and/or individual insurance terms and conditions, as stipulated in the insurance contract (policy), and the General terms and conditions herein, the special and/or individual insurance terms and conditions shall take precedence.
- 14.5.** The Policyholder, Insured, Beneficiary and other persons acquiring any rights on the basis of the insurance contract are required to fulfil the obligations stipulated in the Regulations.
- 14.6.** The Regulations are effective from the date of being approved by the BTA board unless it provides for another date for the Regulations to come into effect.
- 14.7.** In case of any differences or discrepancies between the languages, the wording in the Lithuanian language shall override.
- 14.8.** The Regulations are available on BTA's web site at <http://www.bta.lt>.
- 14.9.** Consumer disputes with the insurer are examined by the Supervision Service of the Bank of Lithuania, Žalgirio str. 90, LT09303, Vilnius, website: www.lb.lt.

SPECIAL TERMS AND CONDITIONS

1. SUBSTANTIAL FACTS OF THE INSURANCE CONTRACT

- 1.1.** The Insurance Contract is concluded on the basis of all the information provided by the Policyholder to the best of his knowledge about the facts likely to have a material impact on the assessment of the insurance risk. The Policyholder is responsible for the accuracy of the data provided.
- 1.2.** Substantial Facts means factual, correct information about the following:
 - 1.2.1.** the buildings sought to be insured or the buildings containing the equipment and/or inventories sought to be insured (construction, size, purpose, and activities (or non-activities) conducted in the building, protective measures, year of construction, reconstruction, repairs, other risk factors);
 - 1.2.2.** list of the insured equipment, and documentation (if required by BTA) justifying the value of the assets;
 - 1.2.3.** assets, fire, and other security systems;
 - 1.2.4.** the nature of the activities of the company;
 - 1.2.5.** loss and damage history;
 - 1.2.6.** use of flammable/explosive materials;
 - 1.2.7.** storing assets underground or outdoors;
 - 1.2.8.** buildings with reed, thatched, shingled, awning roofs and/or assets thereon;
 - 1.2.9.** other circumstances described in these Terms and Conditions or outlined in the contract application.
- 1.3.** The insurance contract is concluded on the basis of a verbal request by the Policyholder to conclude the contract, unless the Policyholder has made a written request.
- 1.4.** The insurance contract consists of the following: the terms and conditions of insurance, the insurance policy, the application for a contract (if any), photographs, and any documents or other attachments provided.
- 1.5.** During the term of the insurance contract, the policyholder must immediately report any changes in the substantial facts stated at the time of the conclusion of the contract, as well as any changes that have occurred during the term of the insurance contract and which may increase the likelihood of an insured event or the amount of the potential loss. Such changes include the following:
 - 1.5.1.** failure or deterioration of the assets and/or fire protection measures, or part of them, specified at the time of concluding the insurance contract;
 - 1.5.2.** a change in the activity or part of the processes, production techniques, or materials used, as specified at the time of concluding the insurance contract;
 - 1.5.3.** possession of flammable or explosive substances at the insured site if this was not specified when the insurance contract was concluded;
 - 1.5.4.** work involving temperatures above 100°C (welding, melting, enamelling, etc.);
 - 1.5.5.** change of use of the assets;
 - 1.5.6.** leaving the insured assets unattended, unused, not in use, i.e., not being visited by the persons using the assets for more than 14 days (specify);
 - 1.5.7.** other facts that were stated at the time of conclusion of the contract or at the time the insurance contract was concluded and that may affect the increase in the insurance risk.
- 1.6.** The consequences which may arise if the Insured fails to report changes in material circumstances or other changes which have occurred during the term of the insurance contract and which have increased the insured risk are specified in Clause 3 of the General Terms and Conditions and in Clause 9.1.2.1. of the Special Commercial property insurance Conditions.

- 1.7.** If the facts that increase the risk specified at the time of conclusion of the insurance contract have changed during the term of the insurance contract, the client may apply to BTA for a change in the terms and conditions of the insurance contract and in the insurance premium to take account of the reduced risk.

2. OBJECT OF INSURANCE (WHAT CAN BE INSURED)

- 2.1.** Under these Terms and conditions, the following assets may be insured:

- 2.1.1.** Assets owned by the Policyholder and recorded in the Policyholder's accounting and/or acquisition documents;
- 2.1.2.** assets acquired by the Policyholder on hire purchase, lease, or rental;
- 2.1.3.** assets transferred to the Policyholder under a written contract with the right to keep, sell, or use them, unless they are insured by the owner. Such assets are only covered if they are listed in the insurance contract.

- 2.2.** The insured assets are divided into the following groups in the insurance contract:

- 2.2.1.** Real estate ("buildings") means the structures named in the insurance contract: buildings, parts of buildings, premises, engineering structures, other structures, that are immovable by their nature and purpose. A building is a roofed structure firmly attached to the ground, the location of which cannot be changed without altering its use or reducing its value. When insuring an entire individual building, it shall be insured together with the installations and elements intended solely for the maintenance of that building which are immovable in nature and purpose: heating, plumbing, sewerage, ventilation and air-conditioning equipment, fixed assets and fire protection equipment, electrical installations, except for renewable energy installations, which shall be insured if they are listed in the insurance contract. The building also includes the engineering networks serving the building on the plot of land on which the building is built, up to the point where they connect to the common utility networks. If only part of a building is insured, the equipment used to service that part of the building is insured. Only buildings registered in the Real Estate Register or not yet registered, but constructed in accordance with the design documents and complying with the legislation of the Republic of Lithuania regulating construction, can be the subject of insurance.

- 2.2.2.** Objects of insurance may also include the following:

- 2.2.2.1.** fixed yard structures on the property, such as fences, yard and parking areas, ramps, flagpoles, benches, outdoor lighting, if they are specifically mentioned in the insurance contract;

- 2.2.2.2.** renewable energy installations attached to a building or installed within a fenced area: solar, wind, bioenergy, hydropower, hydroelectric, aerothermal, geothermal, if these are separately identified in the insurance contract;

- 2.2.3.** Movable assets ("equipment") is production equipment, storage equipment, tools, furniture, inventory, office and computer equipment, and other equipment used in the company's activities and intended for the development of its business; All of the Policyholder's equipment (except for the uninsurable assets listed in these Regulations) or according to the following list may be insured. If the Policyholder chooses to insure all the equipment, the sum insured of all the assets under Special commercial Property insurance Conditions Clauses 2.1.1 and 2.1.2 of these Regulations (excluding the non-insurable assets listed in these Regulations) shall be shown in the insurance policy. Unless the insurance policy specifically excludes and specifies cover for portable devices, such devices are only covered at the insured site indoors against the risks listed in the insurance policy (Portable devices are mobile phones, tablets and laptops)

- 2.2.4.** Stock are raw materials, supplies, work-in-progress, finished goods, merchandise, and other tangible assets. The insurance policy specifies the maximum value of reserves that the Policyholder can hold during the term of the insurance contract (on any one day).

- 2.2.5.** investments made in buildings and/or premises are documented expenses incurred by the

Policyholder in connection with the reconstruction, repair, and/or interior fitting out of buildings or premises used for the performance of the Policyholder's business, provided that this is specifically stated in the insurance contract.

2.2.6. Future investments are investments planned by the Policyholder during the period of insurance for the renovation of the building, premises or acquisition of new equipment.

2.2.7. Elements of well-being are fixed structures and installations which are connected by their characteristics with the building/s to be insured (unregistrable fences, barriers, yard areas, ramps, fixed irrigation systems, flagpoles, exterior lighting, permanently affixed billboards and antennas) located within the territory of the Insurer's undertaking in which the building/s are located, but which are located at a distance not greater than 50 m from the building/s to be insured. When insuring a building/s, these assets are automatically insured under first-risk insurance without any additional arrangements. The limit of the insurance benefit is 5% of the sum insured of the insured non-movable property up to a maximum of EUR 5 000.

2.2.8. Employee Belongings are personal belongings belonging to employees (other than those listed in Special corporate property insurance conditions Section 2.5) which are located at the insured site. Compensation is provided for losses incurred by employees as a result of damage to or loss of personal belongings stored at the insured site during an insured event. When insuring equipment, these assets are automatically insured under first-risk insurance without any additional arrangements. The limit of the insurance benefit is 5% of the sum insured for the facilities, up to a maximum of EUR 3 000 and a maximum of EUR 500 per employee.

2.2.9. The cost of cleaning up the insured site after an insured event; These are reasonable additional costs, agreed in advance with BTA, for reducing, avoiding, or eliminating the loss caused by the insured event. Additional and/or Acceleration Costs include the following:

2.2.9.1. Removal of debris;

2.2.9.2. Cleaning up the site, dismantling, or demolishing the damaged assets or part of them;

2.2.9.3. Temporary relocation of assets with dismantling and installation costs;

2.2.9.4. Temporary storage, both on-site and off-site, for a maximum of 6 months;

2.2.9.5. Other additional costs agreed with the Insurer.

2.2.9.6. The maximum limit of indemnity is 5% of the sum insured of the insured object of the victim, but the total sum insured shall not exceed the sum insured of the insured damaged object/s at the specific insured site. If there is a benefit limit for additional costs in the insurance contract, this limit does not apply.

2.3. The place of insurance for equipment and supplies is inside the building located at the specified address, unless otherwise agreed and specified in the insurance policy.

2.4. The following objects are not insured under these insurance Terms and conditions and shall not be covered by the insurance contract, unless BTA and the Policyholder have entered into a separate agreement to that effect:

2.4.1. buildings or parts of buildings that have been constructed without authorization or an approved building project, abandoned buildings in a state of disrepair, as well as equipment or inventories contained in such buildings;

2.4.2. temporary structures not designed for long-term use (tents, canopies, inflatable structures, etc.);

2.4.3. bridges, piers, wharves, structures, or installations on water;

2.4.4. animals, birds, plants, land, water bodies;

2.4.5. wells, water boreholes, and their pumps, drainage systems, and local water supply and sewerage systems installed without a permit;

2.4.6. building materials for construction or renovation work on the insured site;

- 2.4.7.** motorised land, air, and water vehicles of all kinds, including quadricycles, scooters, yachts, aeroplanes, drones, etc., as well as their components, fuels, and consumables, except in the case of inventories held in the warehouses or showrooms of a dealer;
- 2.4.8.** radioactive, explosive, narcotic, and psychotropic substances, firearms;
- 2.4.9.** software (other than legal software that is installed when you buy your computer), databases, and information contained on any type of data storage medium;
- 2.4.10.** cash, except where the insurance contract agrees to cover such an object;
- 2.4.11.** securities, credit cards, manuscripts, files, drawings, plans, account books, and documents;
- 2.4.12.** stamps, coins, jewellery, and objects made of precious metals, precious stones, pearls, works of art, musical instruments, antiques (antiques are defined as objects over 70 years old), objects of religious worship, cultural-historical treasures, collections;
- 2.4.13.** an asset that is of low value and is written off to expense when it is put to use, unless the insurance contract agrees to insure the object.
- 2.4.14.** assets received by the Policyholder from other persons for repair, recycling, processing, or similar purposes, or there is no written document substantiating the fact of transfer of such assets to the Policyholder.
- 2.4.15.** goods and stocks that were already of unsatisfactory quality, damaged, defective, unmarketable, illiquid, written off, or expired before the insured event.
- 2.5.** If insurance is arranged for any of the objects referred to in Clause 2.4, this fact about the object and its characteristics must be expressly stated in the insurance policy, otherwise the insurance cover for such object will not be valid and no insurance benefit will be payable in respect of such object.
- 2.6.** Each insured object must be specified in the insurance contract. If the object is not specified or its sum insured is 0, it is considered uninsured.

3. INSURANCE PROTECTION

- 3.1.** Buildings, equipment, or inventories are insured against sudden and unexpected damage, destruction, or loss due to the following insured events. BTA reimburses losses for the risks specified in the insurance policy:
- 3.2.** Fire:
 - 3.2.1.** fire is a fire (including arson) which originates in or escapes from a fireplace other than a dedicated fireplace and is capable of spreading spontaneously. Damages are also payable for losses caused during fire-fighting;
 - 3.2.2.** smoke and soot arising suddenly and unexpectedly from the scene of a fire or from a heating appliance;
 - 3.2.3.** a direct lightning strike on the insured object. Losses caused by trees or other objects struck by lightning falling on the insured assets are also covered (the insurance does not apply if the lightning strikes the insured object or object from an adjacent object or object struck by lightning);
 - 3.2.4.** an explosion (including blasting) is a change in the physical state of a substance which results in the release of a large number of suddenly heated and expanding gases or vapours which impact the surroundings with a large shock wave;
 - 3.2.5.** a controlled flying machine, its parts or cargo falling on the insured assets.
 - 3.2.6.** leakage of liquid from a sprinkler system.
- 3.3.** Water:
 - 3.3.1.** accident to the heating system, water supply, sewerage system, storm water drainage system inside

the building, ventilation, or air conditioning system is a sudden and unexpected eruption of a liquid or vapour from the permanently installed piping system in the insured object or from the equipment permanently connected to the pipe system. Losses due to sudden and unexpected breaks or freezing of water, sewerage, and heating pipes (including thawing and additional costs) are also covered if these pipes are located on the plot of land where the insured assets are located (i.e., on the company's territory) and are used for the operation of the insured assets;

3.3.2. ingress of water and vapours from premises adjacent to the insured site;

3.4. Natural forces:

3.4.1. a storm is a strong wind with a gust speed of 20 m/s or more. Losses caused by trees or other objects falling on the insured assets during a storm are also covered;

3.4.2. a downpour is a short period of heavy rain of 15 mm or more in a period of 6 hours or less;

3.4.3. hail is short-term precipitation of ice chunks, usually during the warm season;

3.4.4. snow pressure is a heavy snowfall of 20 mm or more in a period of 24 hours or less, producing a layer of snow at least 20 cm thick and breaking or damaging the insured assets by its weight, unless the snow mass has accumulated during a period during which the Insured could have taken reasonable measures to remove the snow or part of it;

3.4.5. unforeseen flooding is the flooding of a building or its assets due to the sudden and unforeseen overflow of surface waters (rivers, lakes, etc.). Puddles caused by melting snow or prolonged rainy weather are not considered surface waters. Unforeseen flooding is defined as flooding that has occurred in the area less than twice in the last 20 years;

3.4.6. compaction of soil is the natural compaction or subsidence of the ground due to karstic phenomena;

3.4.7. a landslide is a spontaneous, sudden, and unforeseen downward movement of soil down a slope under the force of the weight of the soil.

3.4.8. Only losses directly caused by natural forces are covered.

3.5. Where the quantitative parameters of a storm, downpour, hail, or snow pressure cannot be determined at the insured site, the measurements made by the meteorological service in that region or in the nearest region shall be used, and/or the facts that the listed natural forces have caused similar damage to similar buildings in good condition or to other similar objects of the same resistance in the region.

3.6. Intentional acts of third parties:

3.6.1. burglary is the theft of, damage to, or destruction of insured assets when a thief unlawfully enters premises or the enclosed area of a company by breaking the locks, disabling, breaking, or otherwise neutralising the alarm equipment, and/or breaks into a locked building by damaging its protective structures (doors, windows, roof, etc.), or by unlawfully entering the premises using the keys they have taken. Burglary using stolen keys will only be considered a prohibited event if the loss of the keys has been reported to the law enforcement authorities, an investigation has been launched, and there was no realistic possibility of replacing the locks or the alarm equipment;

3.6.2. robbery is the taking, damaging, or destroying of the insured property by threatening or using physical or psychological violence against the Policyholder or a person connected with the Policyholder at the insured site in order to prevent them from taking the insured assets; at the insured site, the taking of the insured assets from the Policyholder or a person connected with the Policyholder who is in a helpless condition due to an accident or other cause beyond their control and is unable to resist. The fact of the robbery must be confirmed by the police;

3.6.3. vandalism after a break-in. Damage to buildings, equipment, or inventories caused by burglary or attempted burglary, unless the damage is limited to breakage of a window or other external glass.

3.6.4. Malicious damage or destruction of the building (exterior), vandalism is any direct malicious damage

or destruction of the insured building caused by the intentional activity of third parties, including graffiti. For defacement/graffiti, a single payment is made during the insurance period. This risk does not include the risks of glass breakage and vehicle collision.

- 3.7.** Vehicle collision is damage to or destruction of the insured assets caused by a collision with a road vehicle driven by third parties.
- 3.8.** Electrical voltage fluctuations. Failure of insured electrical appliances and equipment due to sudden and unexpected fluctuations in the supply voltage, blackouts, and overvoltages directly affecting the insured electrical appliances and equipment. Surge damage shall only be compensated for when it is clearly visible, i.e., burnt out, broken fuses, and/or other parts have been affected by fire, heat, discolouration, visible charring, leakage, soot, melting, and the fact of the surge has been confirmed by a competent repairer. If business interruption insurance is agreed in the insurance contract, the cover for financial losses is subject to a combined limit for property and financial losses.
- 3.9.** Glass breakage is the breakage or shattering of the glass parts of windows, balconies, terraces, interior doors, glass partitions, sanitary fittings, or glass parts of the insured building or insured equipment, including damage to other property caused by breakage of glass. Glass is equivalent to glass substitutes such as polycarbonate, acrylic plastic, etc;
- 3.10.** An earthquake is a sudden and unexpected release of energy from the Earth's crust, causing seismic waves greater than 6 on the Richter scale;
- 3.11.** When the property is insured with the all-risks insurance option, An insured event is the destruction of or damage to the insured assets caused by a sudden and unexpected event occurring during the period of insurance cover and which is not caused by an uninsurable event listed in Section 4.

4. UNINSURABLE EVENTS

- 4.1.** BTA does not pay an insurance claim if the loss is caused by:
 - 4.1.1.** the uninsurable events referred to in Section 7 of the General Part;
 - 4.1.2.** wear and tear of natural assets and unavoidable natural processes (prolonged exposure to moisture and its effects, corrosion, mould, rot, decay, fungus, changes in temperature, shrinkage, loss of weight, change in texture, colour, or odour, etc.). No insurance benefit is payable for damage to or destruction of assets directly caused by these processes, but if an insured event occurs and other assets are damaged as a result, the loss to those assets is compensated;
 - 4.1.3.** defects or deterioration of the structure of the building or part of the building, or of a room (subsidence, decay, disintegration, collapse), as well as progressive compaction of the soil, settlement of foundations, erosion of the slope.
 - 4.1.4.** construction and/or installation work, testing of systems, or blasting, excavation, digging, excavation works, other than ordinary repairs, if such an extension of cover has been agreed at the time of the conclusion of the contract and is provided for in the insurance policy.
 - 4.1.5.** interruption of the supply of water, gas, electricity, heating or other energy resources
 - 4.1.6.** errors and defects in design, construction, installation, and the use of inadequate or defective materials, parts, or equipment;
 - 4.1.7.** direct damage to property caused by animals, insects, and rodents;
 - 4.1.8.** any computer viruses, incorrect data processing, or misuse of computer software. The cost of reproducing the data is also not reimbursed, even if this is due to an insured event;
 - 4.1.9.** errors, defects, or deficiencies for which the manufacturer, supplier, or builder is liable under the guarantee;
 - 4.1.10.** rain or melting snow, where water has entered through openings or leaks (i.e. leaking roofs, leaky

external walls, leaking joints in external structures, open windows or doors, etc.) which should not be present, including existing openings or leaks in the construction in progress, or those resulting from construction work, except where the openings are the result of a storm or any other insured peril;

- 4.1.11.** vehicle collisions, if third parties are hit and no accident declaration or police report is filed;
- 4.1.12.** the effect of fire or temperature on the property during the manufacturing process (e.g., ironing, welding, frying, smoking), unless the fire spreads and destroys or damages other insured property;
- 4.1.13.** exposure to groundwater;
- 4.1.14.** chronic water seepage through pipe joints, other leaks or accumulation of water;
- 4.1.15.** frost, bursting or rupture of equipment or piping in unheated buildings or outside the building;
- 4.1.16.** errors in the operation or processing of the assets during the manufacturing process;
- 4.1.17.** pollution or contamination, but the benefit is for damage caused by pollution or contamination that occurs to the insured assets as a result of a covered event that occurs to the insured assets.

4.2. BTA will not compensate for the following losses:

- 4.2.1.** theft, where the exact circumstances of the event cannot be established,
- 4.2.2.** fraud or extortion by deception, loss, or misappropriation of assets;
- 4.2.3.** theft, if there are no signs of burglary or use of the stolen key, or if the loss occurred in the period between the theft of the key and the time the key was reported to the police;
- 4.2.4.** theft by a person to whom the assets have been leased or loaned for use, during storage or repair;
- 4.2.5.** failure to activate or operate the security measures specified in the insurance contract or theft from unlocked premises;
- 4.2.6.** for lost items that are not immediately reported to the police;
- 4.2.7.** damage to the aesthetic appearance of the property (smudges, dents, scratches, cracks, etc.).
- 4.2.8.** For property insurance against the risks listed above, uninsurable events are any events that are not described as insured events.
- 4.2.9.** We do not reimburse for events that do not meet the definition of "sudden and unexpected".
- 4.2.10.** For glass breakage/shattering:
 - 4.2.10.1.** For dishes, vases, table lamps, floor lamps, decorative glassware, hand mirrors, lenses, glasses, and other movable objects;
 - 4.2.10.2.** For TV and computer screens;
 - 4.2.10.3.** For greenhouse glass, inventories;
 - 4.2.10.4.** When the glass surface is only scratched;
 - 4.2.10.5.** When glass breaks or shatters during transport, installation, or packaging.
 - 4.2.10.6.** Structures that are unfinished or undergoing construction, reconstruction, or repair work.

4.3. Unless additionally agreed and specified in the insurance policy, losses due to the following:

- 4.3.1.** Damage to or loss of equipment or inventories located outdoors, in sheds, structures covered with fabrics or film, unless such assets are, by their nature, designed for outdoor use or storage and are stored in a fully perimeter fenced area protected by physical security or by a perimeter alarm system connected to the security firm's response console.
- 4.3.2.** indirect lightning strikes, short circuits, and/or voltage fluctuations caused by electrical appliances, except in the case of fire or explosion.

4.3.3. internal damage to the assets, if the damage is not caused by external forces. Losses caused by internal failures of other assets are also excluded.

4.3.4. earthquake.

5. SUM INSURED AND INSURED VALUE

5.1. Sum Insured is the amount of money specified in the insurance contract, up to which BTA will indemnify for the loss suffered. The sum insured is determined separately for each object or group of objects.

5.2. Insured Value is the value of the insured asset on the basis of which the insurance benefit is calculated in the event of an insured event. The Policyholder is responsible for the correctness of the value of the insured object and the conformity of the sum insured with the insured value.

5.3. The insurance value of buildings can be the following:

5.3.1. Replacement/construction value is the amount of money it would cost to build/install a new building of the same purpose and construction, including all design and construction costs. Costs to improve the performance of the building or to restore the architectural/historical survival value or artistic details of the building are not included in the sum insured and are not covered in the event of a loss.

5.3.2. residual value is the value of a building or civil engineering structure calculated by deducting the depreciation of the building from the replacement (construction) value; the depreciation of buildings/engineering structures shall be determined in accordance with Annex 1 to these Regulations.

5.4. If the building structure is constructed of a non-typical material, it shall be depreciated at an annual percentage rate based on the nearest material in terms of its properties as listed in the table.

5.5. Improvements shall be deemed to be insured to the extent of the value of the main building at the address shown.

5.6. If the estimated depreciation percentage of buildings is greater than 80%, the building is considered to be at maximum depreciation and its value is 20% of its replacement value.

5.7. The insured value of equipment, assets held in trust can be the following:

5.7.1. Replacement/acquisition value is the amount of money that would be needed to acquire or produce equipment of the same physical and performance characteristics, for a similar purpose, and of the same type, including all transport, installation, adjustment, or other costs.

5.7.2. Residual value is the replacement/acquisition value after deducting depreciation at the date of the insured event. Depreciation is based on the age of the equipment, the intensity of its use, and the findings of property valuers.

5.7.3. If the insurance contract specifies a Replacement Value, the following is assumed:

5.7.3.1. Equipment (except for office computers, office equipment, mobile phones) is insured at replacement/acquisition value where the sum insured is based on the acquisition value of the equipment, the equipment was purchased new, and the equipment was at least 10 years old on the date of the contract.

5.7.3.2. Office computer equipment and mobile phones are insured at replacement/acquisition value, where the sum insured is based on their acquisition value, they were purchased new and were at least 3 years old on the date of the contract.

5.7.3.3. Where the equipment is not new or more than 10 years old, and office computers and mobile phones are more than 3 years old, they are deemed to be insured at residual value.

5.7.3.4. Furniture is always insured at its replacement/acquisition value, unless its acquisition value is included in the sum insured and the insurance contract states otherwise.

- 5.8.** The insurance contract may provide for a different method of determining the insurance value and depreciation.
- 5.8.1.** The insurance value of inventories is the amount of money that would be required to purchase or produce inventories of the same type and quality. The insurance value of employee belongings and investments is replacement value.
- 5.8.2.** Where the insurance policy or these Regulations state that the assets are covered by first-risk insurance, BTA shall indemnify the loss without the application of the underinsurance clause, but the sum insured shall not exceed the sum insured set out in the insurance contract.
- 5.8.3.** If the insured assets are rebuilt, the cover remains in force for the same sum insured, unless the assets are insured on a first-risk basis.

6. SECURITY REQUIREMENTS

- 6.1.** The Policyholder and its affiliates are obliged to manage and use the insured assets in accordance with the following safety requirements:
- 6.1.1.** to operate the property and conduct activities in accordance with the established regulatory enactments of the Republic of Lithuania, occupational safety rules, rules for the operation of the property, recommendations, and requirements of manufacturers or importers, BTA;
- 6.1.2.** to comply with the requirements of the fire safety rules and other regulations governing fire safety, as well as BTA recommendations, if any. Immediately comply with the instructions of the competent authorities or BTA to improve the fire safety situation;
- 6.1.3.** to ensure that the protective structures of buildings (roof, external walls, windows, doors, etc.), piping, and electrical installations are in good order, and that, in the event of any faults or signs of possible faults, they are rectified or repaired immediately;
- 6.1.4.** to protect pipelines from freezing, and to keep plumbing, heating, sewerage, ventilation, and air-conditioning systems empty in buildings that are not in use;
- 6.1.5.** to close windows, doors, and other openings in the building in such a way that the building cannot be entered without signs of forced entry;
- 6.1.6.** to ensure that all locks and alarm systems are in good working order and are in working order; in the event of loss of keys or alarm codes, locks must be replaced immediately;
- 6.1.7.** to ensure that safes and their keys are kept in more than one room;
- 6.1.8.** to anchor the safe to the floor/wall in concrete, reinforced concrete, masonry structures;
- 6.1.9.** to comply with all regulatory requirements when carrying out repair, reconstruction, or construction work;
- 6.1.10.** In the event of heavy snowfall of 20 mm or more in a period of 24 hours or less and a snow cover of at least 20 cm, to clear roof structures within 48 hours.

7. LOSS DETERMINATION

- 7.1.** Assets are considered damaged if it is economically feasible to repair them. If the assets cannot be repaired, or if the cost of repairing the assets exceeds the difference in value between the value of the same assets before and after the insured event, the assets are deemed to have been destroyed or, in case of theft, lost.
- 7.2.** The amount of the loss is the monetary value of the damage sustained that is necessary to repair or restore the insured assets to the condition it was in immediately before the insured event.
- 7.3.** In all cases, the repair, restoration, or acquisition of assets must be undertaken in the most cost-effective way at the lowest necessary cost.

- 7.4.** The loss shall be determined by BTA on the basis of the notification received from the Policyholder about the accident and the loss, the information obtained during the inspection, the documents obtained from the Policyholder and the relevant authorities necessary to determine the causes of the damage and the amount of the loss.
- 7.5.** BTA does not reimburse expenditure that may arise during the operation of the assets (e.g., maintenance costs, routine repairs), as well as additional costs incurred as a result of certain modifications and/or improvements to the insured assets following an insured event.
- 7.6.** If the buildings were insured at replacement/construction value and the insured event results in the following:
- 7.6.1.** destruction, the cost of constructing a new building similar to the one in the area is reimbursed.
- 7.6.2.** damage, the cost of repairs is covered.
- 7.7.** If the buildings were insured at their residual value and the insured event results in the following:
- 7.7.1.** destruction, the cost of constructing a similar building in the area, after deducting depreciation. Depreciation shall be determined in accordance with Annex 1 to these Regulations.
- 7.7.2.** damage, the cost of repairs is reimbursed after deducting depreciation. Depreciation is calculated only for the materials used and is not calculated for repairs or alterations, but the insurance benefit cannot exceed the sum insured for the building.
- 7.8.** If the equipment was insured at replacement/acquisition value and the insured event results in the following:
- 7.8.1.** destroyed or lost/stolen, the cost of acquiring new, similar equipment at the date of the insured event is reimbursed.
- 7.8.2.** damage, the cost of repairing the equipment is reimbursed.
- 7.8.3.** This method of reimbursement applies if the sum insured and the insured value specified in the insurance contract comply with the conditions set out in Special Commercial property insurance conditions Clause 5.7.
- 7.9.** If the equipment was insured at residual value or there are other circumstances described in Special commercial property conditions point 5.7 and the insured event results in the following:
- 7.9.1.** destruction or loss/theft of the equipment, the cost of the purchase of an identical, non-new piece of equipment on the date of the insured event shall be reimbursed.
- 7.9.2.** damage, the cost of repairs is reimbursed after deducting depreciation. Depreciation is calculated only for the materials used and is not calculated for repairs or alterations, but the insurance benefit cannot exceed the sum insured for the equipment.
- 7.10.** The amount of the loss is deemed to be the following:
- 7.10.1.** in the case of destroyed or lost/stolen stock, the cost of the stock immediately before the insured event, but in all cases the benefit is limited to the market value that could be obtained by selling the stock.
- 7.10.2.** in the case of damaged stock, the cost of repairs, cleaning, or the difference between the cost of the stock and its actual/residual value.
- 7.11.** BTA is not liable for slight discrepancies in colour or quality between the repaired part and the rest of the assets.
- 7.12.** Value added tax is only reimbursed if the value of the insurance was quoted inclusive of VAT and cannot be recovered from the state budget in the event of a loss.

- 7.13.** For buildings not in use for more than 14 days or for buildings under construction, under reconstruction, during the period of construction, major repairs, reconstruction or inactivity, the cover is limited to risks of fire and natural perils. Cover against natural forces is only valid if the main structures of the building are erected, the roof is covered and fully equipped, and all openings (windows, doors) are properly covered.
- 7.14.** The amount of the loss includes costs incurred to mitigate, avoid, or comply with BTA's instructions. Any such costs must be agreed with BTA.
- 7.15.** If the Policyholder decides not to restore the damaged or destroyed assets after the insured event, the insurance benefit is paid by applying depreciation to the materials and excluding indirect overheads (social security, overheads, VAT, and corporation tax).
- 7.16.** The Policyholder or BTA has the right to consult property valuers to determine the amount of the loss or the cause of the accident. The costs of such experts shall be borne by the party employing them, unless otherwise agreed.
- 7.17.** If the insured value of the assets on the date of the insured event exceeds the sum insured by more than 10%, the underinsurance clause applies and the loss is reimbursed in the same proportion as the ratio of the insured value to the sum insured. This does not apply if the assets have been insured with first-risk insurance.
- 7.18.** If the insured value of the assets is less than the sum insured (excess insurance), the sum insured is the amount of the loss, up to the cost of repairing or restoring the assets to their former condition.

8. PAYMENT OF INSURANCE PREMIUM

- 8.1.** The person who has suffered a pecuniary loss (i.e., who has a legitimate insurable interest) or who is named as a beneficiary in the contract is entitled to the insurance benefit.
- 8.2.** The insurance benefit shall be equal to the amount of the calculated loss, taking into account underinsurance, excess insurance, double insurance, insured value, and other conditions set out in these regulations and in the insurance policy, and after deduction of the deductible.
- 8.3.** The insurance benefit cannot exceed the sum insured for each object and cannot exceed the insured value of that object.
- 8.4.** If the loss or part of the loss has been reimbursed to the Policyholder by another person or by public authorities, BTA shall pay the insurance benefit after deduction of this part.
- 8.5.** If the Policyholder has recovered the assets after the insurance benefit has been paid, they must inform and return the insurance benefit or the recovered assets to BTA within 15 calendar days.
- 8.6.** If several insured objects located in one place and covered by a single insurance contract are damaged or destroyed as a result of the same insured event, only one maximum deductible applies.
- If several insurance objects, located in one place and covered by single insurance contract, are damaged or destroyed as a result to the same insured event, only one, the highest deduction from the applicable deductions for property insurance objects is applied. This condition does not apply to business interruption and/or machinery breakdown insurance objects.
- 8.7.** If the person responsible for the event is identified and proven to be at fault, and if there is a realistic prospect of recovering from the person at fault the amount paid out by the insurer, the insurance benefit is paid without deducting the excess.

9. GROUNDS FOR NON-PAYMENT OR REDUCTION OF INSURANCE BENEFITS

- 9.1.** The Insurer has the right to reduce or refuse to pay the insurance benefit in the following cases:
- 9.1.1.** the Policyholder has provided misleading information about the facts of the insured event, which had a bearing on the causes, circumstances, and/or the amount of the loss;

- 9.1.2.** the Policyholder fails to comply with the terms and conditions of the insurance contract or BTA's requirements, including but not limited to:
 - 9.1.2.1.** if, after the insured event, it appears that material information about the insured object was omitted or incorrect at the time of conclusion of the contract, or that changes in facts and/or increased risks were not communicated (points 1.2 and 1.6 of the Special Commercial property insurance Conditions);
 - 9.1.2.2.** the Policyholder has manifestly disregarded the safety requirements set out in Section 6 of the Special Special Commercial property insurance Conditions;
 - 9.1.2.3.** the Insured failed to report the event in time;
 - 9.1.2.4.** failure to report the incident to the relevant competent authorities (the Fire Department, the police, emergency service and others).
- 9.1.3.** the loss was caused by the Insured being under the influence of alcohol, drugs, or psychotropic substances;
- 9.1.4.** the loss was caused by a deliberate failure to take reasonable steps available to them to prevent or mitigate the loss;
- 9.1.5.** if the loss is due to the same recurring cause, provided that BTA has given written instructions to take specific measures to reduce the likelihood of the event happening;
- 9.1.6.** in other cases provided for in the insurance contract and/or by law;
- 9.1.7.** if the Policyholder has waived its right to claim against the persons who caused the damage or if the right to claim has become unenforceable due to the fault of the Policyholder, and if the insurance benefit has already been paid out, to demand the reimbursement of the insurance benefit already paid out.
- 9.2.** BTA has the right to refuse to pay the insurance benefit or to reduce it, taking into account the fault of the Policyholder, the extent of the breaches of the terms and conditions of the insurance contract, and the causal link to the insured event or the amount of the damage.

CONDITIONS FOR BUSINESS INTERRUPTION INSURANCE

10. OBJECT OF INSURANCE

10.1. The Object of Insurance is the financial loss incurred by the Policyholder as a result of the Policyholder being obliged to cease or reduce its business due to damage to or destruction of the insured property following the occurrence of an insured event under a property insurance contract. The following objects may be prohibited on the basis of these Terms and conditions:

10.1.1. Gross profit loss is the difference between income from the insured activity (production, trade, or services) and variable costs. In an insurance contract, the components of gross profit are net profit and fixed costs:

10.1.1.1. Net profit is the amount of money that would have been received by the Policyholder from the activities specified in the insurance contract if the business interruption had not occurred. Net profit is the difference between gross profit and fixed costs (or the net result of the Policyholder's insured activity derived from the turnover of the insured activity less all costs and taxes relating to that activity);

10.1.1.2. Fixed costs and expenses that remain unchanged after the occurrence of the insured event, irrespective of changes in the quantity of production or the volume of activities carried out; fixed costs are reimbursed if their payment in the future is economically justified.

10.1.2. Additional costs to mitigate damage and restore business activity. These costs are intended to enable the company to complete the business interruption period more quickly or to minimise losses (renting temporary premises, facilities, equipment, additional staff costs, etc.).

10.1.3. Rental income is income from insured rental activities;

10.1.4. Maintenance costs are the amount of money specified in the insurance contract that would be needed to maintain the insured activities specified in the insurance contract and to restore them as soon as possible (immediately) after an insured event. The insured expenses are those that would be required in the event of a business interruption, such as: rental of temporary premises, additional staff costs, and other similar expenses agreed between the Insurer and the Insured.

10.1.5. other items discussed and specified in the insurance contract.

10.2. The insurance contract shall not be valid in respect of the objects not insured under these insurance Terms and conditions, unless a separate agreement has been made between BTA and the Policyholder to that effect:

10.2.1. Variable costs that depend on the volume of activity performed are the cost of raw materials, production materials, or inventories, partially finished products, or goods, turnover-dependent wages of employees working in production (including taxes) and commissions of employees working in the trade or service sector;

10.2.2. Fixed costs and expenses that remain unchanged after the occurrence of the insured event, irrespective of changes in the quantity of production or the volume of activities carried out; fixed costs are reimbursed if their payment in the future is economically justified.

10.2.3. Additional costs to mitigate damage and restore business activity. These costs are intended to enable the Policyholder to complete the business interruption period more quickly or to mitigate losses (renting temporary premises, facilities, equipment, additional staff costs, etc.).

10.2.4. Profits and expenses not directly related to the insured person's business activities (e.g., interest income, property income, income from financial and investment activities, capital or land transactions);

10.2.5. Penalties, fines, forfeitures, debts, or other payments for failure to perform contracts on time;

10.2.6. Postage costs, shipping costs for products and/or services;

10.2.7. Costs caused by unexpected delays due to national or local government requirements, non-supply of energy or other resources, inability to supply them to the insured premises;

10.2.8. Turnover-based insurance contributions;

10.2.9. Costs associated with the liquidation or disposal of the company.

11. LIABILITY PERIOD

11.1. The Liability Period is the period of time specified in the insurance contract during which BTA undertakes to compensate the Policyholder for business interruption losses. The length of the Liability Period is specified in the insurance contract.

11.2. The Liability Period starts when the insured event specified in the insurance contract occurs and ends when the insured financial loss is no longer incurred.

11.3. If the business interruption period is longer than the liability period, BTA will fully compensate for business interruption losses during the liability period specified in the insurance contract.

12. INSURED EVENTS

12.1. BTA shall indemnify the Insured against financial loss suffered by the Insured if the business interruption is a direct consequence of the destruction or damage of the assets insured by the insurance contract.

13. UNINSURABLE EVENTS

13.1. BTA will not indemnify if the business interruption is the result of an event that is uninsurable under the those regulations or commercial property insurance policy.

13.2. BTA does not reimburse expenses arising from the following:

13.2.1. the failure of the Policyholder to comply with its contractual obligations;

13.2.2. breaching financial commitments;

13.2.3. non-compliance with contractual obligations of business partners;

13.2.4. losses are also not reimbursed in the following cases;

13.2.5. unforeseen delays caused by national or local government requirements;

13.2.6. incurred because the Policyholder does not have sufficient funds to rebuild the damaged or destroyed assets, which were not insured or were underinsured.

14. SUM INSURED AND INSURED VALUE

14.1. The sum insured is the amount of money, up to which BTA will indemnify for the loss suffered. The insurance benefit does not reduce the sum insured under the insurance policy if the business is restored after the insured event.

14.2. Insured value is the actual amount of profit and/or insured expenses that the Policyholder would have earned and incurred during the liability period if the insured event had not occurred to insured property and resulted in the interruption or partial interruption of the Policyholder's business.

14.3. The Insured Value is determined by the Policyholder on the basis of the results of the last preceding financial year, taking into account projected changes (growth or decline according to business plans).

14.4. It is the Policyholder's responsibility to provide BTA with the correct insurance value.

15. DEDUCTIBLE

15.1. The deductible is specified in the insurance policy and can be defined as a waiting period and/or an agreed sum of money or percentage of the loss.

- 15.2.** The waiting period is indicated in days and starts from the moment the business stops. BTA will not reimburse losses during this period.
- 15.3.** If the insurance policy specifies a monetary or percentage deduction, it is deducted from the compensation for the damage suffered.

16. POLICYHOLDER'S OBLIGATIONS AND RECORD-KEEPING

- 16.1.** The Policyholder must keep proper accounting records. Inventory records for the previous 3 years and financial reporting documents must be kept in a safe place and certified copies kept separate from the originals so that they are not destroyed simultaneously.
- 16.2.** The Policyholder is obliged to notify BTA of any business factors specified in the insurance contract that significantly affect and increase the risk.
- 16.3.** The Policyholder must immediately notify BTA of any damage to the assets that could lead to business interruption.
- 16.4.** In the event of an insured event, the Policyholder is obliged to allow BTA, its representatives, and auditors/experts to investigate the causes and extent of the damage and is obliged to provide BTA with all the necessary information, if requested.
- 16.5.** The Policyholder is responsible for limiting labour costs during the liability period and for implementing other necessary measures.
- 16.6.** The Policyholder must immediately notify BTA of factors that materially affect the business operations or the insurance value specified in the insurance contract (such as expansion of the business or acquisition of assets, use of additional premises or buildings, etc.).

17. CALCULATING THE LOSS AMOUNT, EXCESS INSURANCE, AND UNDERINSURANCE

- 17.1.** Business interruption losses under an insurance contract are those financial losses that arise from the disruption of production or activities in the course of a business process caused by an insured event specified in the insurance contract.
- 17.2.** The amount of the loss is equal to the financial loss incurred by the insured and the policyholder during the liability period. These are the following:
 - 17.2.1.** The loss of net profit from the insured business that the policyholder loses as a result of business interruption;
 - 17.2.2.** Fixed costs incurred that are unavoidable in the event of a business interruption;
 - 17.2.3.** Extra, economically justified, and necessary expenses incurred, if insured;
 - 17.2.4.** lost rental income, if their insurance was agreed upon when concluding an insurance contract;
 - 17.2.5.** Other insured and financial losses resulting from the insured event, as specified in the insurance policy.
- 17.3.** BTA's liabilities end at the end of the liability period or when the policyholder's turnover reaches the target turnover that would have been achieved had the property damage not occurred.
- 17.4.** In case of incomplete insurance, should an insured event occur, BTA will pay compensation for the loss suffered in proportion to the ratio of the sum insured to the insured value. The same ratio is applied to the reimbursement of additional costs. Incomplete insurance does not apply if the insurance value does not exceed the sum insured by more than 10%.
- 17.5.** In case of excess insurance, BTA will compensate the loss in the event of an insured event to the extent of the loss incurred.
- 17.6.** If the insurance benefit is reduced for asset insurance, BTA reduces the business interruption insurance benefit accordingly.

17.7. If, after the insured event, the policyholder decides not to restore the activity, even though its restoration is economically expedient, business interruption losses are not compensated.

ANNEX 1. DEPRECIATION OF REAL ESTATE

Purpose and design of the building/structure		Annual depreciation rate, %
Buildings and premises for administrative, office, hotel, commercial, and service purposes	Brickwork, monolith, bricks, blocks	0.8
	Metal, glass, plastic with frame	2
	Logs, plastered logs	1.5
	Timber framed, timber framed panels	2.5
Ancillary buildings, garages	Brickwork, monolith, bricks, blocks	1.2
	Metal, plastic with frame	2
	Logs, plastered logs	2
	Timber framed, timber framed panels	2.5
Buildings for manufacturing, industrial, storage purposes	Brickwork, monolith, bricks, blocks	1
	Metal, plastic with frame	2
	Logs, plastered logs	1.7
	Timber framed, timber framed panels	2.5
Engineering structures, other structures	Brickwork, monolith, bricks, blocks	1.5
	Metal, plastic with frame	4
	Logs, logs	3
	Timber framed, timber framed panels	4

ANNEX 2. MACHINERY BREAKDOWN INSURANCE CONDITIONS

If additionally specified in the insurance contract, the following insured and uninsured events apply to the equipment. Cover under this extension against business interruption is only valid if specifically stated in the insurance contract.

- 1.** An insured event is a sudden and unexpected damage or destruction of the insured equipment due to internal electronic and/or mechanical malfunctions not due to external causes and excluding the uninsurable events listed in points 2 and 3.
- 2.** Uninsurable events. BTA does not reimburse losses caused by the following:
 - 2.1.** Uninsurable events referred to in Section 7 of the General Part of the Corporate Property Insurance Regulations No. 004.1;
 - 2.2.** Uninsurable events referred to in Section 4 of the Special Part of the Corporate Property Insurance Regulations No. 004.1;
 - 2.3.** Events listed as insured events in Section 3 of the Special Part 3 of the Corporate Property Insurance Regulations No. 004.1;
 - 2.4.** Damages for which the manufacturer, seller, installer, repairer, or maintainer is liable by law or contract;
 - 2.5.** Misuse or use in a state of disrepair and/or in need of repair;
 - 2.6.** Infringement of the manufacturer's or importer's instructions or the rules governing the use of the assets;
 - 2.7.** continuous use, e.g., wear and tear, abrasion, erosion, corrosion, cavitation, prolonged exposure to chemical or atmospheric conditions, or caused by normal operations, as well as by the formation of poisons, sludges, etc., or due to disuse;
 - 2.8.** Breakdowns caused by defects which existed before the conclusion of the insurance contract or which the Policyholder knew or should have known about;
 - 2.9.** Any chronic exposure to water, moisture, or dust;
 - 2.10.** Deliberate overloading of electrical installations;
 - 2.11.** Repairing or adjusting functional defects, unless these defects are caused by the breakdown or loss of the insured machinery;
 - 2.12.** Aesthetic damage.
- 3.** BTA also does not reimburse the following:
 - 3.1.** Expenses related to the maintenance of the insured equipment;
 - 3.2.** Indirect losses of any kind;
 - 3.3.** Any kind of escalating loss or damage resulting from the continued use of defective equipment;
 - 3.4.** Losses due to equipment in buildings under construction and/or undergoing construction or repair works;
 - 3.5.** Damage to the parts or components of the equipment listed below:
 - 3.5.1.** Auxiliary and working materials that are consumed or replaced repeatedly (e.g., fuses, light sources, brighteners, reagents, coolants, fuels, filter cartridges, refrigerants, lubricants, cleaning agents, oils);
 - 3.5.2.** All types of replaceable tools (e.g., saws, milling cutters, punches, dies);
 - 3.5.3.** Parts that are prone to rapid wear and tear due to the nature of the work (e.g., conveyor belts, brushes, tyres, cables, chains, screens, etc.);
 - 3.5.4.** Glass, porcelain, or ceramic fittings;
 - 3.5.5.** Objects that have reached the end of their useful life.