

CARGO INSURANCE

Terms and Conditions No 013.2

Effective as of 01.01.2022

BTA and Policyholders enter into Cargo Insurance Contracts in accordance with these Terms and Conditions.

CONTENTS

GENERAL INSURANCE DEFINITIONS AND CONDITIONS	1
1. DEFINITION OF AN INSURANCE CONTRACT	1
2. THE VALIDITY OF INSURANCE COVERAGE	3
3. OBLIGATION OF POLICYHOLDER TO DISCLOSE INFORMATION	3
4. INSURANCE PREMIUM AND THE PROCEDURE OF PAYMENT THEREOF	3
5. CONCLUSION OF INSURANCE CONTRACTS WITH TELECOMMUNICATIONS TERMINAL EQUIPMENT	4
6. EXPIRY AND AMENDMENT OF THE INSURANCE CONTRACT	4
7. GENERAL RESERVATIONS	4
8. OBLIGATIONS OF THE POLICYHOLDER IN THE EVENT OF AN INSURED RISK	5
9. INSURANCE BENEFIT	5
10. COMPLAINTS AND DISPUTE RESOLUTION PROCEDURE	6
11. PERSONAL DATA PROCESSING	6
12. SUBROGATION AND THE RIGHT OF REGRESSION CLAIM	6
13. CONFIDENTIALITY	6
14. OTHER TERMS AND CONDITIONS	7
SPECIAL TERMS AND CONDITIONS	7
1. EXPLANATIONS REGARDING THE DEFINITIONS USED IN THE RULES	7
2. INSURANCE OBJECT	8
3. INSURANCE COVERAGE	8
4. THE PROCEDURE FOR ENTRY INTO FORCE AND DURATION OF THE INSURANCE CONTRACT	9
5. NON-INSURED EVENTS	9
6. INSURANCE AMOUNT	10
7. INSURANCE BENEFITS	10
8. OTHER TERMS AND CONDITIONS	11

GENERAL INSURANCE DEFINITIONS AND CONDITIONS

1. DEFINITION OF AN INSURANCE CONTRACT

Application for an insurance contract shall mean a document in the form prescribed by the BTA in which the Policyholder provides the necessary information for the conclusion of the insurance contract. An application may not be made if the Policyholder provides BTA with information that BTA considers sufficient to assess the risk of the insurance. Acceptance of an application for an insurance contract shall not oblige BTA to conclude an insurance contract.

Beneficiary shall mean the person specified in the insurance contract or the person appointed by the Policyholder and, in the cases specified in the insurance contract, also the person appointed by the Insured person who is entitled to the insurance benefit.

Compensation principle shall mean the principle of insurance that calculates the insurance benefit on the basis of the amount of losses incurred as a result of the insured event.

Deductions shall mean part of the insurance benefit, which is defined in the insurance contract, which shall not be indemnified by BTA. The deduction shall be defined in terms of a specific monetary amount and/or percentage of loss unless otherwise specified in the insurance policy. If the insurance contract provides for several types of deductions for the same risk, the higher of them shall always apply.

Double insurance shall mean cases in which a Policyholder has concluded several insurance contracts for the same insurance risks in several or the same insurance company. In this case, the Policyholder must notify BTA in writing of the conclusion of another insurance contract and indicate the insurance amount and other terms and conditions of the contract. Otherwise, upon payment of the insurance benefit, the Insurer shall acquire the right to recover the relevant part of the insurance benefit.

Insurance benefit shall mean the amount of money paid upon the occurrence of an insured event or the provision of services if provided for in the insurance contract.

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

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

Insurance interest shall mean the interest of the Insured person not to suffer the loss due to the insured event.

Insurance object shall mean property interests related to a person's life, health, property or civil liability.

Insurance premium shall mean the amount of money specified in the insurance contract which the policyholder pays under the insurance contract to the BTA for the insurance coverage.

Insurance risk shall mean the probability of an event that is possible in the future and which is independent of the will of the Policyholder and/or the Insured person.

Insured amount shall mean the sum of money specified in the insurance contract or calculated according to the method specified in the insurance contract which the insurance benefit may not exceed.

Insured event shall mean an event specified in the insurance contract upon occurrence of which the BTA must pay the insurance benefit.

Insured person shall mean a person whose property interests are insured:

- a) in the case of property insurance – pursuant to the insurance contract, the owner of the insured property or a person specified in the contract in writing;
- b) in the case of civil liability insurance – the person whose property interests arising from civil liability are insured;
- c) in the case of insurance of persons – the natural person specified in the insurance contract whose health, life or physical condition is insured by an insurance contract.

Insurer shall mean BTA Baltic Insurance Company AAS, represented by the branch in Lithuania, hereinafter referred to as the BTA.

Non-insured event shall mean a case where BTA shall not pay the insurance benefit.

Partial insurance shall mean cases where the insurance amount is less than the insurance value. In this case, in the event of an insured event, BTA shall pay the part of the benefit in proportion to the ratio of the insurance amount to the insurance value.

Parties to the insurance contract shall be the Policyholder and BTA.

Persons related to the Policyholder and/or the Insured person, who are also obliged to perform the obligations assigned to the Policyholder:

- a) persons who live together with the Policyholder or the Insured person;
- b) persons who are responsible for the insurance object under the agreement with the Policyholder or the Insured person;
- c) persons having an interest in insurance, together with the Policyholder or Insured person, or other persons specified in the insurance contract;
- d) persons related to the Policyholder or the Insured person in employment, provision of services or other legal relations, and have an obligation to act in accordance with safety requirements.

Policyholder shall mean a person who has either applied to the BTA in order to conclude an insurance contract or who has received an offer from the BTA to conclude an insurance contract or who has concluded an insurance contract with the BTA for his/her own benefit or for the benefit of others.

Supplementary insurance shall mean cases when only part of the value of the property or insurance risk is insured. In this case, the Policyholder shall be entitled to enter into a supplementary insurance contract with the same or another insurance company. In this case, the insurance amount under several insurance contracts may not exceed the insurance value.

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

Written document:

- a) concluded in written form and covering all necessary details, including a signature corresponding to the applicable legal acts in the Republic of Lithuania;
- b) transmitted by telegraph, facsimile or other telecommunications terminal equipment, provided that the safety of the text is ensured and the signature can be identified, including electronic mail.

2. THE VALIDITY OF INSURANCE COVERAGE

- 2.1.** The period of insurance shall be the period of time during which the insurance coverage shall be valid.
- 2.2.** Insurance coverage shall take effect on the date specified in the insurance contract at 00:00, but not before the insurance premium or first instalment thereof is paid, provided that:
 - 2.2.1.** the date of payment of the insurance premium or of the first instalment thereof is not specified in the insurance contract;
 - 2.2.2.** the beginning of the period of insurance shall coincide with the date of payment of the insurance premium or the first instalment thereof;
 - 2.2.3.** the date of payment of the insurance premium or of the first instalment thereof 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 the first instalment thereof, insurance coverage shall take effect on the next day at 00:00 after the day of the receipt of the money, but not earlier than the date specified in the insurance contract.
- 2.4.** The insurance benefit shall not be paid in the event of an insured event prior to the entry into force of the insurance coverage.
- 2.5.** If the insurance contract provides that the premium must be paid after the first day of the commencement of the insurance period, the insurance coverage shall take effect on the first day of the insurance period at 00:00.
- 2.6.** The insurance contract shall be valid until the last day 24:00 of the insurance period provided for in the insurance contract if the insurance contract does not expire other reasons.

3. OBLIGATION OF POLICYHOLDER TO DISCLOSE INFORMATION

- 3.1.** Before signing an insurance contract, the Policyholder undertakes to provide BTA with the correct and complete information requested by the BTA, which is related to the insurance object and is necessary to assess the risk of the insurance.

If the Policyholder intentionally fails to disclose information that is necessary to assess the risk of the insurance or deliberately provides false or incomplete information, the BTA shall have the right to claim nullity of the insurance contract. In this case, BTA shall not refund insurance premium.
- 3.2.** If the insurance contract for the same insurance object is extended immediately after the expiry of the previous contract, and the Policyholder or the Insured does not indicate that the information has changed since the conclusion of the previous insurance contract, the BTA shall consider that the information previously provided has not changed.
- 3.3.** During the period of validity of the insurance contract, the Policyholder shall notify in writing immediately of any changes during the period of validity of the insurance, which may increase the risk of the insurance. The changes to be notified shall be:
 - 3.3.1.** significant changes related to the insurance object;
 - 3.3.2.** changes in the manner in which the insurance object is used;
 - 3.3.3.** other material circumstances which increase the risk of insurance.
- 3.4.** If the information provided to the BTA on the insurance object and the insured risk changes, which increases the risk of the insurance, as well as where the BTA is misled as a result of a non-material mistake by the Policyholder, the BTA shall have the right to propose to the Policyholder to change the terms and conditions of the insurance contract, including the amount of the insurance premium, within one month from the day of becoming aware out about it.
 - 3.4.1.** If the Policyholder does not agree to change the terms and conditions of the insurance contract or does not reply to the BTA within 1 month from the date of dispatch of the notification of the proposed new terms, BTA shall be entitled to terminate the insurance contract at the end of the period referred to in this sentence without separate notification.
 - 3.4.2.** If BTA proves that knowing about the increased risk would not have entered into an insurance contract, BTA shall have the right to terminate the insurance contract within 2 months of becoming aware of the increased risk.
- 3.5.** Violation of the obligation of the Policyholder to disclose the information shall also cause other legal consequences established in the legal acts of the Republic of Lithuania.

4. INSURANCE PREMIUM AND THE PROCEDURE OF PAYMENT THEREOF

- 4.1.** The Policyholder shall be obliged to pay the insurance premium to BTA, within the prescribed amount and within the specified time limits, as provided for in the insurance contract.
- 4.2.** The insurance premium shall be deemed to have been paid:
 - 4.2.1.** in case the insurance premium is paid by wire transfer, from receipt of the amount of money to the

bank account of BTA or an authorized insurance intermediary;

4.2.2. in case the insurance premium is paid by other means of payment, from the date indicated in the document confirming the fact of payment of the money. You can find a list of payment methods by visiting our website www.bta.lt, or by calling (8 5) 2600 600;

4.3. If the Policyholder fails to pay the insurance premium at the time stipulated in the insurance contract, the Policyholder shall pay BTA 0,02 % default interest on each day of delay, but not more than 10% of the total insurance premium outstanding. The BTA shall not apply the above-mentioned default interest in cases where:

4.3.1. the insurance premium is paid in a single payment;

4.3.2. 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 at the time stipulated in the insurance contract (unless the entry into force of the insurance contract is linked to the payment of the premium or part thereof – in which case the insurance contract shall not enter into force and shall be cancelled without the individual insurer's notice 30 days after the payment deadline), BTA shall inform in a written document provided for in the contract that if the Policyholder fails to pay the insurance premium or a part thereof within 30 days from the date of sending the written document, the insurance contract will expire.

5. CONCLUSION OF INSURANCE CONTRACTS WITH TELECOMMUNICATIONS TERMINAL EQUIPMENT

5.1. The insurance contract may be concluded by means of telecommunications terminal equipment, i.e., mail, internet, e-mail, telephone and other means of exchange of information.

5.2. When an insurance contract is concluded by a Policyholder who is a consumer, the guidelines for concluding non-life insurance contracts, which are publicly available at www.bta.lt, shall apply to such a contract. The guidelines for the concluding non-life insurance contracts provide, inter alia, for a procedure for the right of withdrawal, i.e., the right to withdraw from the concluded insurance contract.

The consumer shall mean a natural person who concludes an insurance contract for purposes other than business or professional activity.

6. EXPIRY AND AMENDMENT OF THE INSURANCE CONTRACT

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

6.2. The Policyholder shall be entitled to terminate the insurance contract at any time by informing BTA in writing 15 days in advance. In this case, the insurance contract will be deemed to be terminated on the date specified in the notice, but not earlier than on the 15 day after the notice of termination has been received.

In this case:

6.2.1. If the insurance benefit has not been paid or the claims have not been made during the period of validity of the insurance contract, BTA shall return to the Policyholder part of the insurance premium, excluding the costs of the conclusion and execution of the contract (30% of the amount to be reimbursed) within 20 calendar days after the receipt of the Policyholder's notification.

6.2.2. If the insurance benefit has been paid and/or reserved or claims have been filed during the term of the insurance contract, BTA shall return to the Policyholder part of the insurance premium, which is equal to the difference between the unused part of the insurance premium for the period of validity of the insurance contract and the paid insurance benefit, excluding the costs of the conclusion and execution of the contract (30% of the amount to be reimbursed) within 20 calendar days after the receipt of the Policyholder's notification.

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

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

7. GENERAL RESERVATIONS

7.1. Unless otherwise provided in the insurance contract, BTA shall not pay the insurance benefit 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 collaboration with any organization or government in interest thereof, for political, religious, ideological or ethnic reasons and with intent to is to put the government or society or part of it at risk); losses resulting from preventive action against terrorist acts shall also not be indemnified;

7.1.2. war, invasion, hostile action by a foreign state, military or equivalent operations such as civil war (with or without the declaration of war), riot, 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 caused or sanctioned by state authorities, whether lawful or not; other political risks and any other loss or costs incurred directly or indirectly as a result of the prevention of such actions shall also not be indemnified;

- 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, the Insured person, or the Beneficiary.
- 7.2.** Regardless of any conditions contained in the insurance contract, BTA shall not be obliged to provide insurance coverage or to make any payments, or to provide services, or to provide benefit to persons or any third party, provided that such insurance coverage, payment, service, benefit and/or business or activity of the Policyholder, the Insured person or Beneficiary claiming insurance benefits, breach the enforceable sanctions, financial embargo or economic sanctions, laws or conditions that are directly implemented by the BTA. The enforceable sanctions shall mean national sanctions, established by the legislation of the Republic of Lithuania, European Union sanctions, United Nations sanctions, sanctions of the United States of America and/or other sanctions to be followed and enforced by the BTA in accordance with the requirements of the legislation.
- 7.3.** An insured event shall not be considered and losses shall not be indemnified if they have occurred directly or indirectly due to:
 - 7.3.1.** legislation issued by the State;
 - 7.3.2.** in the event of a declared extreme or emergency situation, as well no damages will be indemnified, that are directly or indirectly related to any measures intended to avoid an extreme or emergency situation;
 - 7.3.3.** epidemics or pandemics.

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

- 8.1.** In order for the Policyholder or the Insured to acquire the right to receive the insurance benefit in the event of the insured risk, he/she must:
 - 8.1.1.** immediately inform the BTA of the occurrence of any possible insured event within 3 working days (unless otherwise specified in the special terms and conditions of these rules) in accordance with the procedure laid down in the special terms and conditions of these rules. If the Policyholder or the Insured person informs the BTA of the occurrence of the insured risk late, the Policyholder or the Insured person shall prove that it was not possible to inform in time;
 - 8.1.2.** immediately inform the competent services (e.g., medical institution, fire and rescue department, police, emergency services, etc.);
 - 8.1.3.** comply with all the instructions given by the BTA and take all measures to minimize damage and prevent its occurrence or increase;
 - 8.1.4.** enable BTA to inspect the site of the event, to conduct an investigation and to interview witnesses in such a way that the BTA could determine the cause and amount of the loss;
 - 8.1.5.** provide all the information and documents requested by the BTA, including commercial secrets, if known to the Policyholder or Insured person, in order to enable the BTA to determine the causes of the occurred insured risk and the amount of the damage;
 - 8.1.6.** if it is possible to maintain the site of the event intact until the arrival of the BTA representative unless BTA has given other instructions. This clause shall not apply to the extent necessary to comply with the requirements of clause 8.1.3. of these General insurance definitions and conditions;
 - 8.1.7.** if the insurance object cannot be preserved without changing its condition after the event due to the fulfilment of the requirements of clause 8.1.3 of the General insurance definitions and conditions or due to other legal and reasonable reasons, take care that photos of damaged property are taken as soon as possible or the damaged property filmed in order to record losses, and send photos or video to BTA by e-mail: zalos@bta.lt or in another manner suitable for BTA.
- 8.2.** If the Policyholder, the Insured person or the Beneficiary, intentionally or negligently, fails to comply with the obligations laid down in the Rules, the BTA shall be entitled to reduce or refuse to pay the insurance benefit.

9. INSURANCE BENEFIT

- 9.1.** BTA shall pay the insurance benefit no later than 15 days after the date of receipt of all the information relevant to the determination of the fact, circumstances, consequences of the insured event and the amount of the insurance benefit.
- 9.2.** In the event of theft or robbery, when the insurance benefit has been paid and the insurance object has been subsequently found, BTA shall have the right to claim the refund of the insurance benefit or transfer of the right of claim to the insurance object. If BTA decides not to maintain the insurance object found but the

object found is damaged, then the Policyholder, when returning the insurance benefit received from BTA, shall deduct from it the costs agreed with the BTA necessary to restore the object to its original state.

- 9.3.** If the event is an insured event and the policyholder and the BTA disagree on the amount of the insurance benefit, at the request of the Policyholder, the BTA shall pay the amount equal to undisputed benefit by the parties, where determining an exact amount of damage takes more than 3 months.
- 9.4.** If the BTA delays the payment of the insurance benefit due to its own fault, the BTA shall pay 0,02% default interest from the amount of the insurance benefit due for each day of delay, however not exceeding 10% of the amount of the insurance benefit not paid in due time.
- 9.5.** The payment of the insurance benefit shall set off all insurance premiums (for the current year of insurance) for which the payment deadline has expired on the date of payment of the insurance benefit. With the consent of the Policyholder, premiums the payment term for which is not expired may be included. In cases when the insurance object is ruined, destroyed or lost as a result of the insured event, the payment of the insurance benefit shall be subject to the deduction of any premiums not paid under the contract.
- 9.6.** In the event that the BTA is unable to recover the refund of the benefit due to intentional acts or gross negligence on the part of the Insured person, the BTA may not pay the insurance benefit in the part where the claim is not possible or, if the insurance benefit has already been paid, claim the refund of the benefit from the Policyholder.
- 9.7.** Upon the request of the person entitled to claim the insurance benefit, the BTA shall provide such person with access to the available documents on the basis of which BTA has made a decision to pay the insurance benefit or refused to pay the insurance benefit or issue copies of documents for a fee not exceeding the cost of issuing copies.

BTA shall not grant access to documents available and shall not provide a copy of documents to a person entitled to claim insurance benefit if:

- 9.7.1.** BTA has submitted documentation to law enforcement authorities for investigation of the circumstances of the appearance of the insured risk;
- 9.7.2.** the documents contain a commercial secret of another person which person entitled to claim insurance benefit is not entitled to receive;
- 9.7.3.** the documents contain a personal data which person entitled to claim insurance benefit is not entitled to receive.

10. COMPLAINTS AND DISPUTE RESOLUTION PROCEDURE

- 10.1.** The procedure for examination of complaints by BTA regarding dissatisfaction with the insurance contract or the insurance services provided, filed by the person requesting the award of the insurance contract, the Policyholder, the Insured person, the Beneficiary or another person entitled to claim the insurance benefit, is publicly available at www.bta.lt.
- 10.2.** All disputes arising between the parties to the insurance contract shall be settled by negotiation. If the peaceful settlement is not reached, all disputes arising from the insurance contract and related to the breach, termination or invalidity of the insurance contract shall be settled in the court of the Republic of Lithuania in accordance with the laws of the Republic of Lithuania, in the courts of the Republic of Lithuania according to the address of the registered office of the BTA Lithuanian branch.

11. PERSONAL DATA PROCESSING

- 11.1.** As a processor of personal data, BTA processes the data of natural persons in accordance with the personal data processing requirements 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) and other legal requirements.

The principles of personal data processing and privacy policy implemented by BTA are published at www.bta.lt.

12. SUBROGATION AND THE RIGHT OF REGRESSION CLAIM

- 12.1.** The insurer who has paid the insurance benefit shall be entitled to claim the amounts paid from the person responsible for the damage (subrogation or right of recourse). The Policyholder, the Insured person, or the Beneficiary shall provide all the information requested by BTA so that the Insurer can properly exercise the right of claim transferred to it.

13. CONFIDENTIALITY

- 13.1.** The Parties undertake not to disclose confidential information obtained on the basis of an insurance contractual or pre-contractual legal relationship to third parties, nor to use such information in a manner that would infringe the interests of the other party to the insurance contract. BTA shall have the right to provide all necessary information to independent experts and reinsurers which was received on the basis of insurance

contractual or pre-contractual relations, as well as to store it in BTA databases. This obligation shall not apply when the parties, in accordance with the requirements of the legislation of the Republic of Lithuania, are obliged to provide information to the competent state authorities.

14. OTHER TERMS AND CONDITIONS

- 14.1.** Any notification which the Policyholder or the BTA must transmit to each other shall be made within the time limits specified in these rules in one of the following ways:
- 14.1.1.** by servicing to the Policyholder, at the addresses specified in the insurance policy or other written documents or in the notifications of the parties regarding the change of registered office addresses;
 - 14.1.2.** by sending the registered postal correspondence shipment;
 - 14.1.3.** by e-mail, where the parties have provided for this method of notification in the contract, or by tacit consent to the exchange of information in this way.
- 14.2.** BTA shall have 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. If the policyholder objects to the transfer of rights and duties under insurance contracts, he shall have the right to terminate the insurance contract within one month from the transfer of the rights and duties. In such a case, the Policyholder shall be reimbursed with the insurance premiums he has paid for the remaining period of the validity of the insurance contract.
- 14.3.** Legal acts of the Republic of Lithuania shall apply to contractual insurance legal relations.
- 14.4.** The insurance contract shall be concluded according to these general and special terms and conditions. If the special and/or individual terms and conditions of insurance specified in the contract (insurance policy) and in these General insurance definitions and terms and conditions differ, the special and/or individual insurance terms and conditions shall prevail.
- 14.5.** The Policyholder, the Insured person, the Beneficiary and other persons who acquire rights on the basis of an insurance contract shall comply with the obligations laid down in these Rules.
- 14.6.** These Rules shall enter into force on the date of approval by the BTA Board if the BTA Board has not indicated the other date of entry into force of the Rules.
- 14.7.** In case of contradictions or discrepancies between languages, the Lithuanian text shall prevail.
- 14.8.** These rules are published on the BTA website at the address <http://www.bta.lt>.

SPECIAL TERMS AND CONDITIONS

1. EXPLANATIONS REGARDING THE DEFINITIONS USED IN THE RULES

Cargo – The material object (the totality thereof) which is carried in a single transport unit, e.g., in a container, semi-trailer, trailer, wagons).

Cargo theft – Lack of cargo in the presence of traces of intrusion into a vehicle (torn shield, broken seal, damaged body of the vehicle or other damage to the vehicle, where the missing cargo could be removed through the damaged area), a container (broken seal or damaged housing, where the missing cargo could be removed through the damaged area), a box (damaged housing where the missing cargo could be removed through the damaged area) or the storage site (damaged windows, walls, gate or door lock, fence or other security elements where the missing cargo could be removed through the damaged area), where the fact and quantity of the lack of cargo is recorded in the consignment note or bill of lading in accordance with the legislation governing the carriage of the cargo. In the case of road transport, when the cargo is being carried without transshipment, where there are traces of intrusion into the box, but there is no trace of intrusion into the vehicle carrying the cargo, the lack of cargo shall not be considered to be the theft. Where there are traces of intrusion into the cargo storage area, but there is no trace of intrusion into the storage area where the cargo has been loaded or there is no trace of intrusion into the vehicle where the cargo has been loaded, such lack of cargo shall not be considered as the theft.

Damage, loss of cargo (part thereof) – a change in the quantity of cargo (part thereof), as well as a change in physical condition, due to which the cargo (part thereof) cannot be used for its direct purpose and is utilized or sold as a secondary raw material, etc., thereby reducing the extent of the damage.

Damage to the cargo (part thereof) – Any change in the physical condition of a cargo (part thereof) which reduces the value of the cargo (part thereof).

Disappearance of cargo – The disappearance of cargo in conjunction with the vehicle. The vehicle shall be considered to be disappeared in conjunction with the cargo if 60 days have passed since the time of its planned arrival and no knowledge of it has been received prior to the claim. If the disruption of communications could be caused by war, war-like events, civil war or uncertainty in the country, this time-limit shall be extended depending on these circumstances.

Explosion – A sudden increase in the volume of solid, liquid or gaseous substances which results in a large increase of the force of the air wave.

Fire – Uncontrolled combustion, i.e., the spread or burning of a fire in a vehicle or cargo storage area where the released fire or the high temperature destroys or damages the cargo.

General accident – Losses resulting from an unforeseen, but not accidental, purposeful and calculated action or sacrifice made for the purpose of rescuing a ship, freight and cargo from an imminent danger.

Natural disaster – Storm, vortex, rainfall, hail, lightning strike, earthquake, volcanic eruption.

Storm – strong wind with a speed equal to or greater than 20 m/s and rain with precipitation of 50 mm or more in 12 hours or less. Wave height of 3 m and more.

Vortex – a strong whirlwind wind with a creep speed of 10 m/s and greater, wind speed in the whirlwind of 50 m/s and more.

Rainfall – very heavy rain with 50 mm or more of precipitation in 12 hours or less.

Hail – short-term precipitation of ice cubes with ice-pieces diameter of 20 mm or more.

Lightning strike – a natural discharge of electricity occurring during a storm between clouds or between the ground and clouds. Lightning strike is considered only a direct lightning discharge to the cargo.

Part of the cargo – Part of the totality of one type (kind) of material items in one transport unit.

System – Computers (electronic counting machines), other computing, electronic and/or mechanical equipment connected to a computer, computer hardware, software, electronic data processing equipment and everything else whose operation depends wholly or partly on the integrated circuit system. The integrated circuit system consists of integrated circuits and micro-controllers.

Value of the cargo – The actual value of the consignment at the place of the dispatch.

2. INSURANCE OBJECT

2.1. The object of insurance shall be the property interests related to the damage, ruin, destruction, loss of cargo carried (transported) by all types of vehicles.

2.2. Carriage of cargo which has been damaged at the beginning of the transport may be insured if such damage will not result in the occurrence of the insured event and losses. In the event of an insured event, BTA shall only pay for loss of cargo or damage thereto, for which damage to the cargo at the beginning of transport has not affected the insured loss incurred during the insured transport.

3. INSURANCE COVERAGE

Insured event

3.1. Insured event shall mean an event specified in the insurance contract upon occurrence of which the BTA must pay the insurance benefit. The policyholder may, upon the agreement with the BTA, choose the following options for insurance coverage:

3.1.1. All risks insurance (A). Insurance against all risks of transport of cargo related to damage, destruction, theft and/or loss of cargo or part of cargo, except for the risks arising from causes, specified in section 5 "Non-insured events" of these rules.

3.1.2. Limited liability insurance (B) shall mean the damage and/or destruction of the carried cargo or part thereof, and/or the disappearance thereof due to the following insured events:

3.1.2.1. roll-over of vehicles, collision with rigid moving and stationary objects, roll-over from the road;

3.1.2.2. the fall of trees or aircraft and parts thereof;

3.1.2.3. collapse of bridges;

3.1.2.4. natural disasters;

3.1.2.5. fire, explosion;

3.1.2.6. accident during loading/unloading (if agreed in writing), during transshipment, during intermediate storage;

3.1.2.7. damage to the ship by ice, running aground, sinking or overturning;

3.1.2.8. entry of sea, lake, river water into the hold of the ship, the vehicle being transported by ship, the container, into the loading room of the insured object; heating system water supply accidents;

3.1.2.9. the fall of the cargo, washing it away from the deck during the storm;

3.1.2.10. falling of a cargo in an individual package during the loading, transshipment or unloading;

3.1.2.11. forced discharge of cargo overboard while rescuing a ship or cargo;

3.1.2.12. Losses due to the general accident.

3.1.3. Limited liability insurance (C) shall mean the destruction and/or disappearances of the transported cargo due to the following insured events:

- 3.1.3.1.** roll-over of vehicles, collision with rigid moving and stationary objects, roll-over from the road;
- 3.1.3.2.** the fall of trees or aircraft and parts thereof;
- 3.1.3.3.** collapse of bridges;
- 3.1.3.4.** natural disasters;
- 3.1.3.5.** fire, explosion;
- 3.1.3.6.** damage to the ship by ice, running aground, sinking or overturning;
- 3.1.3.7.** the fall of the cargo, washing it away from the deck during the storm;
- 3.1.3.8.** forced discharge of cargo overboard while rescuing a ship or cargo;
- 3.1.3.9.** Losses due to the general accident.

Territory of the validity of the insurance coverage

3.2. Insurance coverage shall be valid within the territory specified in the insurance policy. In case the place of loading/unloading of the cargo is outside this territory, the insurance coverage shall not apply to the whole carriage, unless insurance contract provides otherwise.

4. THE PROCEDURE FOR ENTRY INTO FORCE AND DURATION OF THE INSURANCE CONTRACT

A single contract for cargo insurance

4.1. The term of validity of a single contract for cargo insurance shall be determined in accordance with the application completed by the Policyholder for concluding the cargo insurance contract. The insurance contract shall enter into force upon the payment by the policyholder of the premium or the first part thereof specified in the insurance policy, however, not earlier than that specified in the insurance policy.

General (annual) cargo insurance contract

4.2. The term of validity of the general (annual) cargo insurance contract shall be determined in accordance with the request made by the Policyholder for concluding the cargo insurance contract. The commencement of such contract shall be calculated from the moment of the crediting of the premium or part thereof to the BTA's petty cash fund or bank account. The Contract may be continued upon the agreement of the Parties.

The duration of insurance coverage

4.3. The insurance coverage shall enter into force upon the shipment of cargo from the place of loading/storage specified in the insurance contract (the entry into force of the insurance contract before loading requires a separate written agreement between the Policyholder and the BTA), continues during normal carriage (including the necessary reloads);

4.4. The liability of the BTA shall end in the following cases:

- 4.4.1.** upon the delivery of the cargo to the final delivery/destination specified in the insurance contract, but no later than the expiry of the insurance contract (in the case of a single contract for cargo insurance);
- 4.4.2.** when intermediate storages, at the instruction of the Policyholder, is longer than 30 days; if the cargo stays in port for more than 30 days at the time of loading it to the ship; and if such carriage lasts for more than 90 days;
- 4.4.3.** when the cargo is sold out after the insured event and the Policyholder has recovered the total value of the cargo.

5. NON-INSURED EVENTS

5.1. The non-insured event shall mean the damage, ruin, loss or disappearance of the transported cargo (part thereof) due to:

- 5.1.1.** Inadequate or insufficient preparation of the cargo for transport (selection of goods according to order, packing, formation of the cargo unit, weighing, marking, grouping together in one consignment, etc.), loading, unloading, securing and positioning in the vehicle in violation of the ordinary standards and/or requirements of the manufacturer, customer.
- 5.1.2.** transport by unsuitable means of transport;
- 5.1.3.** delay of transport (if such delay has not been agreed in advance in writing with the BTA);
- 5.1.4.** deterioration, leakage, loss of weight or volume of the cargo, wear or tear of the cargo;
- 5.1.5.** the effects of normal humidity or temperature fluctuations in the area, moisture (wetting) of the cargo due to atmospheric precipitation, drying of the cargo;
- 5.1.6.** the natural internal characteristics of the cargo;
- 5.1.7.** damage or destruction by pests (insects, rodents, etc.);
- 5.1.8.** the lack of cargo, the difference in the weight of cargo during loading and unloading, in the case of

intact packing and/or undamaged seals;

- 5.1.9.** fire, explosion caused by the fact that, with the knowledge of the Policyholder, the consignor, the consignee or the carrier, but without the knowledge of BTA, self or fast igniting or explosive substances and objects were loaded and carried together with the cargo;
- 5.1.10.** the insolvency or financial default of owners, managers, carriers or carriage operators related to the carriage of cargo;
- 5.1.11.** in the case of limited liability insurance B and C - theft of the cargo or part thereof.
- 5.2.** BTA shall not indemnify losses arising from non-insured events and shall not be liable for damage caused by:
 - 5.2.1.** confiscation, seizure of cargo and consequences thereof;
 - 5.2.2.** delayed-action mines, controlled military missiles, or other war weapons of delayed-action.
- 5.3.** Unless otherwise provided in the insurance contract, BTA shall be exempted from paying the insurance benefit in all cases:
 - 5.3.1.** for direct or indirect damage to tangible assets and/or damage due to the cessation of production/business resulting from any failure of the system which causes (direct or indirect) damage to any such system or to any other insured property;
 - 5.3.2.** for any liability arising directly or indirectly from the failure of the system. System failure shall mean failure or inability of a system (owned or not by the Policyholder and/or the beneficiary):
 - 5.3.2.1.** to correctly identify and/or process any data relating to the date such as the calendar dates that the data should reflect;
 - 5.3.2.2.** to operate on any date using any command programmed in the system.
 - 5.3.3.** if the Policyholder fails to fulfil the obligation provided for in Clause 8.1 of the General terms and conditions of these rules by virtue of his contractual obligations or other actions.

6. INSURANCE AMOUNT

- 6.1.** The amount of insurance shall be determined on the basis of the actual value of the insured object on the date of conclusion of the insurance contract. The actual value of the insured object shall be specified by the Policyholder. The actual value of the insured object may be determined by means of acquisition documents, bills of lading or other documents indicating the actual value of the insured object. If international shipping terms **INCOTERMS 2010 CIF** and **CIP** are applied to the carriage of the insured object, the amount of the insurance may exceed the value of the insured object at the request of the Policyholder, taking into account the costs of transportation. Transportation costs can be indemnified up to 10% of the actual value of the insured object.

7. INSURANCE BENEFITS

- 7.1.** Procedure for calculation of insurance benefits:
 - 7.1.1.** the insurance benefit may not exceed the amount of insurance specified in the insurance contract;
 - 7.1.2.** In the event of damage to the cargo, the issue of sale of damaged products shall be coordinated with the BTA, and the sale shall not be made without the written consent of the BTA;
 - 7.1.3.** the cargo shall be considered to be destroyed if costs of its recovery, rescue and storage exceed the real cost of the sale of the cargo on the market. In this case, the Policyholder may claim a part of the amount of insurance that is due to him/her, after the deduction of the value of the items rescued (unless the contract provides otherwise);
 - 7.1.4.** If the lost cargo is returned to the Policyholder, he/she must refund the insurance benefit within 7 working days from the date of return of the cargo, after deduction of the cost of the recovery of the returned property, which are approved by the BTA;
 - 7.1.5.** the insurance benefit shall be paid after deduction of the amount of the unconditional deduction specified in the insurance contract. If the insurance contract is concluded for several carriages, the amount of the unconditional deduction shall be deducted for the damage caused during each carriage;
 - 7.1.6.** If the amount of insurance is less than the value of the cargo, BTA shall only indemnify for the losses in proportion to the amount of insurance and the value of the cargo.
- 7.2.** The right to claim the payment of the insurance benefit shall belong to the Policyholder and, in the cases provided for in the insurance contract, the beneficiary. If the payment of the insurance benefit is required by the Beneficiary or by a third party, the BTA shall be entitled to use all recourse, which it has against the Policyholder.
- 7.3.** The insurance benefit shall be paid to the Beneficiary. In case there is a written consent of the beneficiary or if there is no beneficiary – to the Policyholder.
- 7.4.** Cases of reduction or non-payment of insurance benefit.
 - 7.4.1.** The insurance benefit may be reduced or refused in the following cases:

- 7.4.1.1.** if the Policyholder or his representative infringes the obligations specified in these rules. When reducing the insurance indemnity, BTA shall take into account the fault of the Policyholder, the extent of the breach of the terms and conditions as well as obligations under the insurance contract, its causal connection with the insured event or the amount of damage.
- 7.4.1.2.** due to gross negligence of the Policyholder, his/her representative or the beneficiary;
- 7.4.1.3.** if the Policyholder has not taken reasonable measures available to him/her to reduce or prevent the damage;
- 7.4.1.4.** if the Policyholder has failed to perform the obligation to report the insured event within the prescribed time limit, except for cases when it is demonstrated that the Insurer has become aware of the event on time.
- 7.4.2.** The insurance benefit shall not be paid in the following cases:
 - 7.4.2.1.** if the Policyholder or his/her representative has waived his/her right to claim against the person responsible for the damage caused, or this right can no longer be exercised because the Policyholder has not provided all the necessary documents to the exercise of the subrogation right;
 - 7.4.2.2.** if the insurance contract is concluded after the event;
 - 7.4.2.3.** if the Policyholder misleads the Insurer by falsifying the facts which affect the determination of the basis and amount of the insurance benefit.
- 7.5.** If the Policyholder fails to comply or fails to comply with or breaches the obligations specified in Clause 7.4.1 of these rules, BTA shall be entitled to refuse to pay or reduce the amount of insurance benefit taking into account the fault of the Policyholder, the seriousness of the breach of the terms and conditions as well as obligations of the insurance contract, its causal connection with the insured event or the amount of damage.

8. OTHER TERMS AND CONDITIONS

Priority of documents

- 8.1.** If the insurance conditions specified in the insurance policy do not comply with the terms and conditions of these rules, the terms and conditions specified in the insurance policy shall be applied.