



TOUR OPERATORS' PERFORMANCE BOND INSURANCE

Terms and Conditions No 15.T2
Effective as of 25.03.2024

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bta
VIENNA INSURANCE GROUP

Pursuant to the Terms and Conditions BTA shall conclude a Tour operators' performance bond insurance contract with Policyholder.

Insurance Contract shall hereby function as a bond in terms of the Tourism Law and the Cabinet of Ministers regulations issued on the basis thereof for repayment of all the payments received from travellers (Insured persons), which were received by a tour operator or a tourism service provider that contributes to the related tourism services.

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1. TERMS USED IN TERMS AND CONDITIONS

BTA – BTA Baltic Insurance Company AAS, the insurer within the meaning of the Insurance Contract Law.

CRPC – Consumer Rights Protection Centre, beneficiary in accordance with the Insurance Contract.

Insurance Contract – an agreement between BTA and Policyholder according to which Policyholder undertakes to pay Insurance Premium in the manner, time and to the amount specified in the Insurance Contract, as well as to fulfil all the other obligations under the Insurance Contract; in turn, BTA undertakes upon occurrence of an Insured Event to pay insurance indemnity to the Insured persons specified by the CRPC (Consumer Rights Protection Centre). BTA shall issue Insurance Policy as an acknowledgement for conclusion of an Insurance Contract.

Insurance Indemnity – sum payable for the Insured Event.

Insurance Period – time-frame, for which Insurance Premium is paid in accordance with the Insurance Contract and during which insurance is effective.

Insurance Policy – a document, which shall acknowledge Insurance Contract conclusion and encompass the Terms and Conditions of the Insurance Contract, whereupon the Policyholder and the Insured have agreed. If Insurance Policy lacks signatures of the parties, it will not affect the validity of the Insurance Contract.

Insurance Premium – the payment for the insurance specified in the Insurance Contract.

Insured – Policyholder's client that concluded a Tourism service contract with Policyholder and pursuant to the contract mentioned made an advance payment for the complex or related tourism service (including if the advance payment was made by another person on behalf of the Policyholder's client).

Insured Event – an event related to the insured risk through cause-and-effect relationship, upon occurrence of which Insurance Indemnity disbursement is envisaged in accordance with the Insurance Contract.

Policyholder – a person that concludes an Insurance Contract - tourism service provider, which provides complex tourism services or the related tourism services (tour operator, travel agent or tourism service provider that contributes to the related tourism services).

Sum Insured – limit of BTA's liability in pecuniary terms, Provided for in the Insurance Contract.

Tourism service contract – a complex tourism service contract or the related tourism service contract concluded by Policyholder and the Insured persons.

2. INSURANCE OBJECT

2.1. Advance payments made by the Insured persons to Policyholder in accordance with a Tourism service contract.

3. INSURANCE COVER

3.1. Insurance shall come to effect as of the first day of the Insurance Period specified in the Insurance Contract if Policyholder has paid the insurance premium to BTA in full amount according to payment term specified in the Insurance Contract.

3.2. Insurance shall be effective until 23.59 of the last day of the Insurance Period specified in the Insurance Contract.

4. INSURED RISK

- 4.1.** Failure to repay the advance payments received by Policyholder to the Insured, when Policyholder is unable to completely or partially provide the services envisaged by a Tourism service contract due to liquidity problems.

5. INSURANCE PREMIUM PAYMENT PROCEDURE

- 5.1.** Policyholder shall pay the Insurance Premium according to the due date and amount specified in the Insurance Contract.
- 5.2.** Insurance Premium shall be considered paid at the moment, when BTA received the payment at the account specified by BTA.
- 5.3.** By making insurance premium payment, Policyholder confirms having studied, fully understood and consenting with the Insurance Contract terms and conditions, incl. the individual terms set forth in the Insurance Contract, and that Policyholder undertakes to meet all the obligations under the Insurance Contract and agrees to enter into the Insurance Contract on such terms.

6. OBLIGATION TO PROVIDE INFORMATION

- 6.1.** Policyholder shall be obliged both prior to conclusion of the Insurance Contract (upon completion of an insurance application - a document of a template specified by BTA or in any other way), and over the entire effective period of the Insurance Contract, to provide BTA with complete and true information, requested by BTA, including the information about the Insurance Object and information required to assess the probability of occurrence of the Insured risk, information that is important for assessment of Policyholder's performance of the obligation referred to in Article 7.2 of the Terms and Conditions, information about all changes and circumstances, which have occurred over the effective period of the Insurance Contract and which can affect the probability of occurrence of the Insured risk or Policyholder's performance of the obligation referred to in Article 7.2 of the Terms and Conditions.

7. OBLIGATIONS UPON OCCURRENCE OF A POSSIBLE INSURED EVENT

- 7.1.** Policyholder is hereby obliged to:
- 7.1.1.** immediately, as soon as possible, to notify BTA about occurrence of the Insured Risk;
 - 7.1.2.** to take all required measures in order to prevent or reduce any negative consequences caused by the Insured Risk, as well as to follow all instructions provided by BTA in order to reduce the loss resulting from the occurrence of the Insured Risk;
 - 7.1.3.** Policyholder shall not object to BTA's demand to survey and establish the losses, assess their amount and occurrence circumstances, as well as BTA's demand to submit to BTA the documents describing the occurrence of the Insured Risk and the losses caused thereby. Policyholder shall also provide all the information at its disposal regarding the possible Insured Event upon BTA's request;
- 7.2.** If BTA disbursed the insurance indemnity to the Insured, Policyholder shall be obliged to:
- 7.2.1.** no later than within 10 days after receipt of a respective notification from BTA, to pay a compensation to BTA in the amount of the disbursed Insurance Indemnity without any objections;
 - 7.2.2.** to pay BTA a late payment penalty at the rate of 0.5% of the outstanding amount for each day of delay if Policyholder fails to pay, without any objections, the compensation to BTA pursuant to Article 7.2.1 of the Terms and Conditions;
- 7.3.** Having paid the compensation to BTA as provided for in Article 7.2, Policyholder shall become entitled to challenge the Insurance Indemnity claim by CRPC in order to receive the insurance indemnity or a part thereof disbursed by BTA.
- 7.4.** Upon receipt of Policyholder's demand, BTA will issue an acknowledgement on the disbursed insurance indemnity, as well as other information, if at disposal of BTA, which might contribute to Policyholder in exercising its rights by recovering the paid amount of money.

8. INSURANCE INDEMNITY

- 8.1.** Prerequisite for disbursement of insurance indemnity:
- 8.1.1.** In the course of Insurance period, pursuant to the procedure envisaged by the Tourism Law and Cabinet of Ministers regulations issues based thereupon there was a notice published by CRPC on CRPC website about the Policyholder's liquidity problems;
 - 8.1.2.** There was a request submitted to BTA by CRPC in writing about the repayment of the paid advance payment for tourism services, which are not provided due to the Policyholder's liquidity problems, which encompasses all the information envisaged by the Tourism Law and Cabinet of Ministers regulations issues based thereupon, incl. the amount of payments to be indemnified to each Insured and the transaction account number.
- 8.2.** BTA shall make a decision on insurance indemnity disbursement and disburse the insurance indemnity or make a decision to reject insurance indemnity disbursement within 30 days as of the day when a request in writing by the CRPC mentioned in article 8.1.2 is received.

8.3. BTA, upon having verified that prerequisites mentioned in article 8.1 are met, shall disburse the insurance indemnity to the Insured persons according to the amounts specified by CRPC in its request mentioned in article 8.1.2.

9. EARLY TERMINATION OF INSURANCE CONTRACT

9.1. Effective Insurance Contract may be early terminated upon receipt of a written consent by CRPC, except for the occasion if the Insurance Contract is terminated upon occasions envisaged by the regulatory enactments of the Republic of Latvia, when BTA is subjected to a prohibition to maintain the effective Insurance Contract, or the Insurance Contract is no longer effective upon occasions specified in the regulatory enactments.

9.2. Upon early termination of Insurance Contract:

9.2.1. if within the effective period of the Insurance Contract no insurance indemnity is paid and no probable insured event is claimed, then BTA shall pay back to Policyholder the part of the paid insurance premium per each remaining day of the effective period of the insurance contract until the insurance contract's expiry date, deducting BTA's expenses of 15% related to the insurance contract conclusion from the unused insurance premium, i.e. from the part of the insurance premium that corresponds to the unused effective period of the insurance contract;

9.2.2. if within the effective period of the Insurance Contract there was an insurance indemnity paid and a probable insured event was claimed, incl. a notification by CRPC was published that is laid down in article 8.1.1 of the Terms and Conditions and insurance indemnity is less than the difference between the paid insurance premium and the share of insurance premium for the remaining insurance period, then BTA shall repay the Policyholder the share of insurance premium, which is calculated pursuant to the provisions of article 9.2.1 of the Terms and Conditions, and from which insurance indemnity is deducted.

10. PERSONAL DATA PROCESSING

10.1. BTA as controller of personal data processing shall process personal data of natural persons upon observance of the regulation 2016/679 of 27 April 2016 by the European Parliament and the Council on protection of natural persons in regard to processing personal data and free movement of such data, thus invalidating directive 95/46/EK (General data protection regulation) and requirements to personal data processing provided for in other regulatory enactments.

10.2. Principles of personal data processing performed by BTA are published on BTA website www.bta.lv. Principles of personal data processing performed by BTA are published on BTA website www.bta.lv.

11. CONFIDENTIALITY OF INFORMATION

11.1. The parties undertake not to disclose the information received within the framework of the Insurance Contract on the parties of the Insurance Contract or third parties, as well as not to use it against the interests of other parties of the Insurance Contract, except for in the cases defined in the effective regulatory enactments of the Republic of Latvia. BTA is entitled to provide experts and reinsurers with information related to the Insurance Contract, persons engaged by BTA for the execution of the insurance contract, as well as to keep it in BTA databases.

11.2. insurance contract shall be regarded as a financial service involving credit risk within the meaning of definitions of the Credit Register Regulations of the Bank of Latvia, and:

11.2.1. include information on Policyholder and the obligations of Policyholder in the Credit Register within the term specified in the Credit Register Regulations of the Bank of Latvia as of the effective date of the insurance contract;

11.2.2. BTA shall provide periodic information on the balance of Policyholder's liabilities, as well as information on any breaches by Policyholder on payment obligations according to the insurance contract to the Credit Register in the amount and within the term specified in the Credit Register Regulations of the Bank of Latvia;

11.2.3. Policyholder may receive information about itself included in the Credit Register in accordance with the procedures specified in the Credit Register Regulations of the Bank of Latvia.

12. OTHER PROVISIONS

12.1. Notifications, requests and information related to insurance contract, BTA, as well as Policyholder, Insured persons and CRPC shall provide in writing or upon the use of durable medium or means of remote communication, upon the use of which the parties have agreed in the Insurance Contract.

12.2. In case BTA, during the effective period of the Insurance Contract, changes its legal form, company name, contact information and other similar information required for contractual liabilities of Policyholder, the Insured or CRPC, BTA shall immediately inform thereof by publishing this information on its website www.bta.lv.

12.3. Upon request by Policyholder, the Insured persons, CRPC or another person, entitled to claim the insurance indemnity, BTA shall provide the claimant with its notifications, requests and the information, provided upon

the use of website, durable medium or any other means of remote communication, in writing and free of charge.

- 12.4.** Regulatory enactments of the Republic of Latvia shall be enforced upon settlement of contractual relationships deriving from Insurance Contracts.
- 12.5.** The Terms and Conditions shall be applied to resolve the issues that are not covered by the Tourism Law and the Cabinet of Ministers issued based thereupon, incl. in regard to Policyholder's obligations to pay compensation to BTA in the amount of the disbursed insurance indemnity according to the procedure set forth on articles 7.2.1 and 7.2.2 of the Terms and Conditions.
- 12.6.** 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:
 - 12.6.1.** 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 United Kingdom, the Republic of Latvia or the United States of America (upon condition that it does not violate any regulations or regulatory enactments, applicable to BTA);
 - 12.6.2.** 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.
- 12.7.** All disputes arising between BTA and Policyholder with regard to the obligations of Policyholder referred to in Articles 7.2.1 and 7.2.2 herein shall be settled by means of negotiation. If no mutual agreement is thus reached, the dispute shall be finally resolved in the International Court of Arbitration of Commercial Transactions (Starptautiskā komercdarījumu šķīrējtiesa) (registration number: 40003764669) in accordance with its regulation, the proceedings shall be written, held in Riga, in Latvian, by 1 arbitrator assigned by the presidium of the court of arbitration, and applying the effective regulatory enactments of the Republic of Latvia.
- 12.8.** All disputes arising between BTA and the Insured persons or CRPC in regard to the Insurance Contract shall be settled by means of negotiation. In case no agreement is reached, the dispute shall be submitted for resolution in the court according to the procedure envisaged in the Republic of Latvia and having applied the regulatory enactments effective in the Republic of Latvia.
- 12.9.** In the event of any contradiction between the Terms and Conditions and the terms and conditions of the concluded Insurance Contract, the terms and conditions of the Insurance Contract shall be considered as a priority and be binding on the parties.
- 12.10.** The text of the Terms and Conditions in Latvian prevails over its translations into any other language.