



# DIRECTORS AND OFFICERS LIABILITY INSURANCE

Terms and Conditions No.13.D&O.01

Effective as of 17.12.2024

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BTA and Policyholders enter into Directors and Officers liability Insurance Contracts in accordance with these Terms and Conditions, which can be found at [www.bta.ee](http://www.bta.ee).

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## 1. DEFINITIONS USED IN THE TERMS AND CONDITIONS

**Asset and Liberty Proceeding** – any action taken against any Insured Person by any Official Body seeking:

- to disqualify an Insured Person from holding office as a Director or Officer;
- confiscation, assumption of ownership and control, suspension or freezing of rights of ownership of real property or personal assets of an Insured Person;
- any sort of charge over real estate property, incl. inter alia pledge or easement, or personal assets of an Insured Person;
- a temporary or permanent prohibition on an Insured Person from holding the office of or performing the functions of a Director or Officer;
- a restriction of an Insured Person's liberty as an official detention, or to a specified domestic residence;
- deportation of an Insured Person following revocation of otherwise proper, current and valid immigration status for any reason other than such Insured Person's conviction of a crime.

**Cash Bail and Security Premium** – the reasonable and necessary premium (but not collateral) for any bond or other financial instrument to guarantee an Insured Person's contingent obligation for a specified amount required by a court of competent jurisdiction. Cash Bail is defined according to Code of Criminal Procedure and Security is defined according to Code of Civil Procedure.

**Claim** -

- a written demand for monetary, non-monetary or injunctive relief, including, but not limited to, any demand for mediation, arbitration or any other alternative dispute resolution process made or brought against an Insured Person alleging a Wrongful Act;
- a civil, regulatory, mediation, administrative, arbitration or other alternative dispute resolution proceeding including any counter-claim, seeking compensation or other legal remedy made or brought against an Insured Person alleging a Wrongful Act;
- Investigation;
- Derivative Suit;

**Company** – the Policyholder or any Subsidiary.

**Confiscation Order** – an order by any Official Body of confiscation, assumption of ownership and control, suspension or freezing of rights of ownership of real property or personal assets of any Insured Person in connection with an Asset and Liberty Proceeding.

**Control** – the securing of the affairs of an entity by means of:

- controlling the composition of the board of directors of such entity;
- controlling more than half of the shareholder or equity voting power of such entity;
- holding more than half of the issued share or equity capital of such entity;
- creation of such entity.

**Crisis Firm** – any public relations consultants approved by BTA.

**Defence Costs** –

- reasonable and necessary fees, costs and expenses incurred for representing an Insured, with the BTA prior written consent (except with respect to Emergency Costs), by or on behalf of an Insured after a Claim or

Asset and Liberty Proceeding is made in the investigation, defence, settlement or appeal of such Claim or Asset and Liberty Proceeding;

- b. reasonable and necessary fees, costs and expenses incurred for representing an Insured, with the BTA prior written consent, by or on behalf of an Insured of experts, retained through defence counsel to prepare an evaluation, report, assessment, diagnosis or rebuttal of evidence in connection with the defence of a covered Claim or Asset and Liberty Proceeding;
- c. Cash Bail and Security Premium in connection with any Claim or Asset and Liberty Proceeding.

Defence Costs shall not include Derivative Investigation Hearing Costs, Pre-Claim Inquiry Costs, the remuneration of any Insured Person, cost of their time or any other costs or overheads of any Company.

**Derivative Demand** – a written demand by any shareholder of a Company upon the board of directors (or equivalent management body) to commence a civil action on behalf of the Company against a Director or Officer of the Company for any Wrongful Act on the part of such Director or Officer.

**Derivative Investigation** – an internal inquiry or investigation undertaken by the Company or on behalf of the Company by its board of directors (or equivalent management body) or any committee of the board of directors (or equivalent management body) as to how the Company should respond to a Derivative Demand received by an Insured or a Derivative Suit received by a Director or Officer.

Derivative Investigation shall not include any routine or regularly scheduled regulatory or internal supervision, inspection, compliance, review, examination, production or audit, including any routine or regularly scheduled obligation of any Company to provide information, conducted in a Company's and/or Official Body's normal review or compliance process.

**Derivative Investigation Hearing Costs** – Reasonable and necessary external costs, charges, fees and expenses incurred by an Insured Person, with the BTA prior written consent, solely in connection with the Insured Person's preparation for and response to a Derivative Investigation in respect of that Insured Person.

Derivative Investigation Hearing Costs shall not include:

- a. the remuneration of any Insured Person, costs of their time or any other costs or overheads of any Company;
- b. the costs of complying with any formal or informal discovery or other request seeking documents, records or electronic information in the possession or control of any Company, the requestor or any other third party.

**Derivative Suit** – a civil action brought derivatively on behalf of a Company by a shareholder of such Company against a Director or Officer of the Company for any Wrongful Act on the part of such Director or Officer.

**Director or Officer** – any natural person who:

- a. was, is or during the Insurance Period becomes a duly elected or appointed director or officer of a Company (or equivalent position);
- b. has held, or during the Insurance Period holds a duly elected or appointed position in a Company organised and operated in an International Jurisdiction that is equivalent to an executive position listed in point a. above, or a member of the senior most governing body (including, but not limited to, a supervisory board).

**Discovery Period** – A period stated in policy immediately following the expiry of the Insurance Period during which written notice may be given to BTA of:

- a. a Claim first made against an Insured person during such period or the Insurance Period for a Wrongful Act committed in Retroactive period or Insurance Period;
- b. any other Insured Event which first arose during the Insurance Period.

**Employment Practices Violation** – any actual or alleged act, error or omission with respect to employment or prospective employment of past, present, future or prospective employee or Insured Person of Company.

**Insolvency** – In case of any legal person Insolvency shall be considered to exist within the meaning of the Bankruptcy Act .

**Insolvency Hearing Costs** – Reasonable and necessary fees, costs and expenses incurred, with the BTA prior written consent, to retain legal advisors for an Insured Person's preparation for and attendance at any formal or official hearing in connection with the investigation or inquiry into the affairs of a Company, or an Insured Person in his capacity as a Director or Officer where the facts underlying such hearing, investigation or inquiry may be expected to give rise to a Claim against such Insured Person.

In no event shall Insolvency Hearing Costs include the remuneration of any Insured Person, costs of their time or any other costs or overheads of any Company.

**Insured** – any Company or Insured Person.



**Insured Event** – any Claim, Pre-Claim Inquiry, Insured Person Extensions or General Insurance Extensions according to Sub-limits covered and mentioned in policy.

**Insured Person** – any natural person who was, is or during the Insurance period becomes:

- a. a Director or Officer, but not an externally appointed auditor, receiver, manager, administrator or liquidator of a Company;
- b. an employee of a Company:
  - i. while acting in a managerial or supervisory capacity of any Company;
  - ii. who is involved in a Claim alleging an Employment Practice Violation;
  - iii. named as a co-defendant with a Director or Officer of a Company in a Claim in which such employee is alleged to have participated or assisted in the commission of a Wrongful Act;
  - iv. named in connection with an Investigation;
- c. a prospective director named as such in any listing particulars or prospectus issued by a Company;
- d. a Senior Accounting Officer;
- e. a General Counsel or Risk Manager (or equivalent position) of the Policyholder, but only when, and to the extent, that such Insured Person is acting in such Insured Person capacity.

**Investigation** – any civil, criminal, administrative or regulatory investigation of an Insured Person:

- a. once the Insured Person is identified in writing by an Official Body as a target of an investigation that may lead to a criminal, civil, administrative, regulatory or other enforcement proceeding;
- b. commenced by the arrest and detainment or incarceration of an Insured Person by any law enforcement authority.

**BTA** – BTA Baltic Insurance Company AAS Estonian branch, the insurer within the meaning of the Insurance Activities Act.

**International Jurisdiction** – any jurisdiction other than Estonia.

Limit of Liability –

- a. Aggregate limit of liability – maximum Loss, which may be disbursed in regard to the insurance contract. Upon disburse of Loss, aggregate liability Limit shall be reduced less the amount of Loss disbursed.
- b. Limit of liability per any one occurrence – maximum indemnification for the Loss occurred resulting from a single Insured Event. Liability limit per any one occurrence may not exceed the aggregate limit of Liability Limit.

**Loss** – Defence Costs and any other amount, including, any awards of damages (including any court order to pay compensation for damage resulting from a contravention of any statute or legislative provision and, awards of costs or settlements (including claimant's legal costs and expenses), which an Insured is legally liable to pay resulting from a Claim.

Loss shall include Pre-Claim Inquiry Costs and any amount covered under any Insured Person Extensions or General Insurance Extensions according to Sub-limits mentioned in policy.

Loss shall not include:

- a. fines or penalties unless explicitly stated otherwise in policy;
- b. taxes unless explicitly stated otherwise in policy;
- c. remuneration or employment-related benefits;
- d. cleanup costs relating to hazardous materials, pollution or product defects.

In the event of a Claim alleging that the price or consideration paid or proposed to be paid for the acquisition or completion of the acquisition of all or substantially all the ownership interest in or assets of an entity is inadequate, Loss with respect to such Claim shall not include any amount of any judgment or settlement representing the amount by which such price or consideration is effectively increased, provided however this paragraph shall not apply to Defence Costs or to any Non-Indemnifiable Loss in connection therewith.

In no event shall Loss include amounts which BTA is prohibited from paying by law of the policy or the law of the jurisdiction where the Claim was made or where an Insured Event first arises.

**Mitigation Costs** – reasonable and necessary payments to a potential claimant to reduce the ultimate civil legal liability of an Insured Person. In no event shall Mitigation Costs include:

- a. payments arising from liability which is not otherwise covered under this policy;
- b. payments arising out of, based upon or attributable to an Investigation or Pre-Claim Inquiry;
- c. payments to a potential claimant to reduce the ultimate civil legal liability of a Company whether incurred by the Company or by an Insured Person on behalf of the Company.

**Non-Indemnifiable Loss** – Loss which a Company has not indemnified an Insured Person and is not permitted or required to indemnify such Insured Person pursuant to law or contract or the charter, bylaws, operating agreement or similar documents of a Company.

**Official Body** – any regulator, government body, government agency, parliamentary commission, official trade body, or any similar body having legal authority to investigate the affairs of an Insured.

**Personal Expenses** – The expenses set out below to be paid directly by BTA to a third party service provider of an Insured Person:

- a. schooling cost for dependant non-adults;
- b. monthly primary housing mortgage payments or rental cost;
- c. utilities cost, including but not limited to private water, gas, electricity, phone and internet services;
- d. personal insurance premiums, including property, life, and health policies.

Above mentioned expenses shall be covered provided that:

- a. the services were contracted by the Insured Person prior to the Confiscation Order and are owed by such Insured Person;
- b. the expenses are in excess of any personal allowance granted in connection with the Confiscation Order;
- c. the expenses fall due during the period beginning 30 days after the date of the Confiscation Order and ending when the Insured Person has obtained its discharge or revocation, but in no event shall such period be longer than 12 months.

Personal Expenses shall not include the remuneration of any Insured Person, cost of their time or any other costs or overheads of any Company.

**Policyholder** – Legal entity stated in policy concluding an insurance contract for the benefit of oneself or another person.

**Insurance Period** – the period specified in policy wherein the insurance coverage is effective.

Pre-Claim Inquiry -

1. a verifiable request for an Insured Person to appear at a meeting or interview or produce documents, records or electronic information that, in either case, concerns a Company or an Insured Person in their insured capacity, but only if the request is made by:
  - a. an Official Body, a Company, or, on behalf of any Company, by its board of directors (or the equivalent management body) or any committee of the board of directors (or the equivalent management body) or supervisory board and:
    - i. arises out of an inquiry or investigation by an Official Body concerning a Company or an Insured Person in their insured capacity;
    - ii. following a formal written notification to an Official Body by a Company, Insured Person or whistleblower informing them of an actual or suspected material breach of an Insured Person's legal or regulatory duties if and to the extent that such inquiry is requested by an Official Body;
2. a raid on, or on site visit to any Company by an Official Body that involves the production, review, copying or confiscation of documents, records or electronic information or interviews of an Insured Person.

Pre-Claim Inquiry shall not include any routine or regularly scheduled regulatory or internal supervision, inspection, compliance, review, examination, production or audit, including any request for mandatory information from a regulated entity, conducted in a Company's and / or Official Body's normal review or compliance process.

**Pre-Claim Inquiry Costs** – reasonable and necessary fees, costs and expenses incurred by an Insured Person, with the BTA prior written consent, solely in connection with his or her preparation for and response to a Pre-Claim Inquiry directed at such Insured Person, but excluding:

- a. any compensation of any Insured Person or cost of their time;
- b. the costs of complying with any formal or informal discovery or other request seeking documents, records or electronic information in the possession or control of any Company, the requester or any other third party.

In no event shall Pre-Claim Inquiry Costs include the remuneration of any Insured Person, costs of their time or any other costs or overheads of any Company.

**Professional Fees** – the reasonable and necessary fees, costs and expenses of appropriately qualified professionals appointed with the BTA prior written consent. In no event shall Professional Fees include:

- a. fees, costs and expenses which are not otherwise covered under this policy;
- b. costs attributable to an Investigation or Pre-Claim Inquiry.

**Prosecution Costs** – reasonable and necessary fees, costs and expenses incurred, with the BTA prior written consent, by an Insured Person, to bring legal proceedings for a declaration and/or an injunction.

Prosecution Costs shall not include the remuneration of any Insured Person, costs of their time or any other costs or overheads of any Company.

**Reputation Expenses** – Reasonable and necessary fees, costs and expenses incurred, with the BTA prior written consent, of a Crisis Firm retained by an Insured Person directly to mitigate the adverse effect or potential adverse effect on that Insured Person's reputation from:

- a. negative statements made during the Insurance period in any press release or published by any print or electronic media outlet regarding the alleged violation of fiduciary duties by such Insured Person;
- b. a Claim, by disseminating findings made in a judicial disposition of that Claim which exonerates the Insured Person from fault, liability or culpability.

Reputation Expenses shall not include the remuneration of any Insured Person, cost of their time or any other costs or overheads of any Company.

**Retention** – the applicable amount(s) specified in policy.

**Securities** – any security representing debt of or equity interests in a Company.

**Senior Accounting Officer** – a director or officer, or employee of the company, acting in a managerial or supervisory capacity, who has overall responsibility for the accounting systems.

**Senior Counsel** – a senior lawyer to be mutually agreed upon by the parties.

**Single Claim** – any one or more Insured Events to the extent that such Insured Events arise out of, are based upon, are in connection with or are otherwise attributable to the same originating cause or source, and all such Insured Events shall be regarded as a Single Claim regardless of whether such Insured Events involve the same or different claimants, Insureds or legal causes of action.

**Subsidiary** – any entity of which the Policyholder has or had Control on or before the inception of the Insurance Period either directly or indirectly through one or more of its other Subsidiaries.

An entity ceases to be a Subsidiary when the Policyholder no longer maintains Control of such entity directly or indirectly through one or more of its Subsidiaries.

With respect to any Subsidiary, BTA shall only be liable for Loss arising out of, based upon or attributable to a Wrongful Act occurring or any other Insured Event arising while an entity was or is a Subsidiary.

**Transaction** – any one of the following events:

- a. the Policyholder consolidating with or merging into another entity such that the Policyholder is not the surviving entity, or selling all or substantially all of its assets to any other person or entity or group of persons or entities acting in concert;
- b. any person or entity or group of persons or entities acting in concert acquiring Control of the Policyholder.

**Wrongful Act** - with respect to any Insured Person:

- a. any actual or alleged act, error or omission, breach of duty, breach of trust, misstatement, misleading statement or breach of warranty of authority by an Insured Person in any of the capacities listed in definition of Insured Person or any matter claimed against an Insured Person solely because of such listed capacity;
- b. an Employment Practices Violation.

## 2. INSURANCE COVERAGE

### 2.1. Management Liability

BTA will:

- 2.1.1.** pay the Loss of each Insured Person arising from a Claim against that Insured Person except to the extent that the Insured Person has been indemnified by the Company for the Loss (SIDE A);
- 2.1.2.** reimburse the Company for any Loss arising from a Claim against an Insured Person for which it has indemnified an Insured Person (SIDE B).

### 2.2. Pre-Claim Inquiry

BTA will pay the Pre-Claim Inquiry Costs of each Insured Person arising from a Pre-Claim Inquiry.

### 3. INSURED PERSON EXTENSIONS

#### 3.1. Assets & Liberty

BTA to each Insured Person will pay:

**3.1.1.** Defence Costs and Prosecution Costs with respect to any Asset and Liberty Proceeding;

**3.1.2.** Personal Expenses in the event of a Confiscation Order, subject to the Sub-Limit specified in policy.

#### 3.2. Reputation expenses

BTA will pay the Reputation Expenses of each Insured Person, subject to the Sub-Limit as specified in policy.

#### 3.3. Insolvency Hearing Cover

BTA will pay the Insolvency Hearing Costs of each Insured Person, subject to the Sub-Limit as specified in policy.

#### 3.4. Regulatory Enforcement

##### 3.4.1. Personal Liability for Corporate Taxes

BTA will pay unpaid corporate taxes of the Company where, and only to the extent that, personal liability for such non-payment of tax is established by law against an Insured Person in the jurisdiction in which the Claim is made, provided that the Company is not able to pay the tax either by reason of Insolvency or legal prohibition. The Loss of Companies unpaid corporate taxes shall not be covered if such Loss and personal liability arise from the intentional or deliberate acts of such Insured Person.

#### 3.5. Circumstance/Claim Mitigation

Subject to the Sub-Limit specified in policy, BTA will pay the Mitigation Costs, Prosecution Costs and Professional Fees incurred by an Insured Person, with BTA prior written consent, to minimise the risk of a Claim against an Insured Person provided that:

**3.5.1.** notification of the relevant circumstances in respect of potential Claim has been made to the BTA in accordance with these terms and conditions;

**3.5.2.** if the notified circumstances were to give rise to a Claim, that Claim would result in a civil legal liability of the Insured Person to the potential claimant, but no such Claim has yet been made by the potential claimant;

**3.5.3.** the Mitigation Costs are reasonably and necessarily incurred by the Insured Person and the Mitigation Costs are paid directly or indirectly to each potential claimant for the principal purpose of avoiding a Claim(s) being made by that potential claimant for a specific Wrongful Act;

**3.5.4.** the Professional Fees are reasonably and necessarily incurred by the Insured Person to negotiate and facilitate the payment of Mitigation Costs;

**3.5.5.** the Prosecution Costs are reasonably and necessarily incurred by the Insured Person for the principal purpose of avoiding a Claim(s) being made by that potential claimant for a specific Wrongful Act;

**3.5.6.** the liability of the BTA under this section shall not exceed the liability that would have existed under this policy if the Claim had been made against the Insured Person by the potential claimant.

In no event shall this section include the remuneration of any Insured Person, costs of their time or any other costs or overheads of any Company.

#### 3.6. Derivative Investigation Hearing

BTA will pay the Derivative Investigation Hearing Costs of an Insured Person, subject to the Sub-Limit specified in policy.

### 4. GENERAL INSURANCE EXTENSIONS

#### 4.1. New Subsidiary

The definition of Subsidiary will be automatically extended to include any entity of which the Policyholder acquires Control, either directly or indirectly through one or more of its other Subsidiaries, during the Insurance Period provided that such entity:

**4.1.1.** does not have any of its Securities listed on an exchange or market;

**4.1.2.** has, as at the date of the acquisition, total assets which are less than or equal to the amount specified in policy of the consolidated assets of the Policyholder as of the inception date of the policy.

At the Policyholder's request, cover may be extended to cover entity with total assets which are more than the amount specified in policy provided that the Policyholder provides BTA with sufficient details to permit the BTA to assess and evaluate its exposure with respect to such entity and Policyholder accepts any consequent amendments to the policy terms and conditions, including payment of any reasonable additional premium required by the BTA.

#### **4.2. Discovery**

**4.2.1.** The Policyholder shall be entitled to a Discovery Period as specified in policy if this policy is not renewed or replaced.

**4.2.2.** If a Transaction occurs, the Policyholder shall not be entitled to an automatic Discovery Period.

**4.2.3.** A Discovery Period under this extension is non-cancellable and shall not apply if this policy is avoided, rescinded or cancelled.

#### **4.3. Discovery period for Retired Insured Persons**

BTA will provide Discovery Period for 6 years for any Insured Person who retires or resigns, other than by reason of a Transaction or Insolvency, during the Insurance Period, provided that this policy is not renewed or replaced.

#### **4.4. Emergency Costs**

If BTA's prior written consent cannot reasonably be obtained before Defence Costs or Pre-Claim Inquiry Costs are incurred, then the BTA shall give retrospective approval for such costs, subject to the Sub-Limit specified in policy.

### **5. EXCLUSIONS**

BTA will not pay an insurance indemnity for Loss arising out of, based on or attributable to:

**5.1.** Conduct – the gaining of profit or advantage to which the Insured was not legally entitled or the committing of any deliberately dishonest or deliberately fraudulent act by the Insured in the event that any of before mentioned is established by final, non-appealable adjudication in any action or proceeding or by any formal written admission by the Insured.

#### **5.2. Prior Claims and Circumstances**

**5.2.1.** any facts alleged or the same or related Wrongful Acts alleged or contained in any circumstance or Insured Event of which notice has been given under any policy of which this policy is a renewal or replacement or which it may succeed in time;

**5.2.2.** any pending or prior civil, criminal, administrative or regulatory proceeding, investigation, arbitration, mediation, other dispute resolution or adjudication of which an Insured had notice as of the continuity Date stated in policy, or alleging or deriving from the same or essentially the same facts alleged in such actions;

**5.2.3.** any Insured Event that would otherwise constitute a Single Claim with any claim or other matter reported under any policy of which this policy is a renewal or replacement or which it may succeed in time;

**5.2.4.** The Exclusion 5.2. shall not apply to any circumstances which have been notified to the BTA under any earlier policy but were not accepted by the BTA as a valid notification, and where cover has been maintained continuously with the BTA from the inception date of such earlier policy until the expiration date of this policy.

#### **5.3. Bodily Injury / Property Damage**

Bodily injury, sickness, disease, death or emotional distress, or mental anguish of any natural person or damage to, or destruction, impairment or loss of use of any property.

This exclusion shall not apply to:

**5.3.1.** any Claim for emotional distress or mental anguish with respect to an Employment Practices Violation;

**5.3.2.** Defence Costs of any Insured Person including with respect to any Claim brought against an Insured Person:

**5.3.2.1.** for any alleged breach of occupational health and safety law;

**5.3.2.2.** for a gross breach of duty of care causing the death of another person.



**5.3.3.** Loss where and to the extent personal liability is established against an Insured Person, but only in circumstances where the Company has neither indemnified, nor is permitted or required to indemnify, the Insured Person pursuant to law or contract or the charter, bylaws, operating agreement or similar documents of the Company.

**5.4.** North America exclusion

Legal action or litigation which:

**5.4.1.** is brought or maintained within the jurisdiction of the United States of America ("USA") or Canada (or their territories or protectorates);

**5.4.2.** arises out of any legal action or litigation brought or maintained outside the jurisdiction of USA or Canada (or their territories or protectorates) to enforce a judgement of a USA or Canadian court;

**5.4.3.** is based upon any laws of the USA or Canada (or their territories or protectorates);

**5.4.4.** arises out of the activities of a Company in the USA or Canada (or their territories or protectorates).

**5.5.** Bribery, Corruption

**5.5.1.** payment, commission, gratuity, benefit or any other favour to or for the benefit of any full or part-time domestic or foreign government or armed services official, agent, representative, employee or any member of their family or any entity with which they are associated;

**5.5.2.** payment, commission, gratuity, benefit or any other favour to or for the benefit of any full or part-time official, director, agent, partner, representative, principal shareholder, or owner or employee, or Associated persons (as that term is defined in the Income Tax Act, including any officer, director, agent, owner, partner, representative, principal shareholder or employee of such Associated persons) of any customer of the Company or any member of their family or any entity with which they are associated;

**5.5.3.** political contribution, whether domestic or foreign;

**5.5.4.** breach of, or offence under, any law of any jurisdiction designed to prevent anti-trust or anti-competitive practices, abuse of dominant position, cartel or price-fixing activity or otherwise to protect competition.

**5.6.** Professional Indemnity

Performance of or failure to perform professional services or related back-office supporting services, or any act, error or omission relating thereto.

**5.7.** Prospectus exclusion

The actual or intended private placement or public offering of any Securities.

However, in the event of any private placement or public offering of any Securities, BTA may consider in its sole discretion the removal of this exclusion subject to the Policyholder:

**5.7.1.** providing BTA with such information as BTA may require to evaluate and assess any additional exposure; and

**5.7.2.** accepting any amendments to the terms and conditions of this policy and agreeing to pay any additional premium charged by the BTA.

**5.8.** Wrongful act committed after Transaction

A Wrongful Act made after the effective date of a Transaction.

**5.9.** Territory Restriction

There shall be no coverage afforded by this policy for any:

**5.9.1.** entity organized or incorporated pursuant to local law of the Specified Area, or headquartered in a Specified Area;

**5.9.2.** natural person during the time such natural person is located in a Specified Area;

**5.9.3.** Claim, action, suit or proceeding is made, brought or maintained in a Specified Area; or

**5.9.4.** loss of, theft of, damage to, loss of use of, encryption of, interruption to the operations or availability of, or destruction of any part of any property (tangible or intangible) located in a Specified Area, including, but not limited to, any computer system, data, digital assets, money or securities located in a Specified Area.

Specified Area means:

**5.9.5.** The Republic of Belarus; or

**5.9.6.** The Russian Federation (as recognized by the United Nations) or their territories, including territorial waters, or protectorates where they have legal control (legal control shall mean where recognized by the United Nations).

Where there is any conflict between the terms of this endorsement and the terms of the policy, the terms of this endorsement shall apply, subject at all times to the application of any Sanctions clause.

If any provision of this endorsement is or at any time becomes to any extent invalid, illegal or unenforceable under any enactment or rule of law, such provision will, to that extent, be deemed not to form part of this endorsement but the validity, legality and enforceability of the remainder of this endorsement will not be affected.

## 6. INSURANCE PREMIUM AND PAYMENT PROCEDURE

**6.1.** Policyholder shall pay the Insurance Premium according to the due date and amount specified in the insurance contract.

**6.2.** Insurance premium shall be considered paid:

**6.2.1.** if the insurance premium is paid upon payment to BTA - at the moment when BTA receives insurance premium payment;

**6.2.2.** if insurance premium is paid upon payment to insurance intermediary, authorized unequivocally by BTA to collect insurance premium - at the moment when the insurance intermediary receives insurance premium payment.

## 7. RIGHTS AND LIABILITIES OF THE POLICYHOLDER, THE INSURED AND BTA

**7.1.** The Policyholder and the Insured is obliged to:

**7.1.1.** both prior to insurance contract conclusion and throughout the entire insurance contract validity period provide BTA with complete and true information in regard with the insurance provided pursuant to the Insurance Contract

**7.1.2.** to store accurate reports on Insured person professional duties upon observance of binding regulatory enactments providing for procedure of storage of accounting and other documents.

**7.2.** The following shall be deemed as obligation of the Policyholder and the Insured upon committing an Wrongful Act, upon receiving a Claim or occurrence of a prospective Insured Event:

**7.2.1.** in order to avoid forfeiture of any right under this insurance, any Claim for insurance indemnification or other insurance cover must be reported to the BTA, in writing, as soon as practicable.

**7.2.2.** during the Insurance Period, notify the BTA of any circumstance reasonably expected to give rise to an Insured Event. The notice must include the reasons for anticipating such an Insured Event, and full relevant particulars with respect to dates, the Wrongful Act and the potential Insured and claimant(s) concerned.

**7.2.3.** upon coordination with BTA in writing, to undertake all possible reasonable measures in order to avert or reduce the Loss incurred or contingent, which might give occasion to Claims or other Insured Events;

**7.2.4.** immediately after receipt thereof, to submit to BTA all the documents related to the claim on indemnification for Loss received (claims, subpoenas and invitations to appear before the court or participate in the court proceedings, etc.), as well as to submit to BTA all the information available and information requested by BTA, which provides for estimation on the reasons, nature and amounts of the Loss;

**7.2.5.** to the extent possible, to provide BTA participation in determination of the reasons and amounts of Loss;

**7.2.6.** at the request of BTA, to grant BTA with rights to obtain the documents or copies thereof required by BTA and rights to represent the Policyholder of the Insured in court or other authorities;

**7.2.7.** to participate in the procedural investigative measures and the court proceedings.

**7.2.8.** all notifications relating to Claims or circumstances that might lead to a Claim or Insured Event must

be sent by e-mail to [bta@bta.ee](mailto:bta@bta.ee)

- 7.3.** Policyholder and the Insured are hereby obliged to provide the information in writing upon request by BTA, i.e., in writing or by form reproducible in writing.
- 7.4.** BTA is entitled to, however is not obliged to take over and to consider and handle any Claim on behalf of the Insured, or to settle by compromise at any stage of consideration or in any degree of jurisdiction, as well as to file a legal claim and to represent the interest of the Insured in court. BTA enjoys operational autonomy upon selection of the way and the strategy to handle the claim, while the Policyholder and the Insured is obliged to provide BTA with all the information required or help in regard with handling these processes.
- 7.5.** BTA is entitled at any stage of consideration of a Claim or Insured Event to advise the Insured or the person authorized thereby to settle a certain Claim at a fixed sum of money.
- 7.6.** Defence and Settlement
- 7.6.1.** All Insureds shall render all reasonable assistance to and cooperate with the BTA in the investigation, defence, settlement or appeal of an Insured Event or circumstance, and provide the BTA with all relevant information pertaining to any Insured Event or circumstance, as the BTA may reasonably require. In the event of any circumstance or Insured Event each Insured shall take reasonable steps to reduce or diminish any Loss.
- 7.6.2.** The failure of any Insured Person to give the BTA cooperation and information as required in the preceding paragraph shall not impair the rights of any other Insured Person under this policy.
- 7.6.3.** The Insured shall have the obligation to defend and contest any Claim made against them. The BTA shall be entitled to participate fully in the defence and in the negotiation of any settlement that involves or appears reasonably likely to involve the BTA making payment under the policy.
- 7.6.4.** The BTA will accept as necessary the retention of separate legal representation to the extent required by a material conflict of interest between any Insured Persons.
- 7.6.5.** If a Claim or Pre-Claim Inquiry is made against an Insured Person by the Company, the BTA shall have no duty or obligation to communicate with any other Insured Person or the Company in relation to that Claim or Pre-Claim Inquiry.
- 7.6.6.** The applicable Insured shall reimburse BTA for any payments which are ultimately determined not to be covered by this policy.
- 7.7.** Consent
- 7.7.1.** The Insured shall not admit or assume any liability, enter into any settlement agreement, or consent to any judgment or incur any amounts covered under this policy without the prior written consent (which shall not be unreasonably delayed or withheld) of the BTA. Only liabilities, settlements and judgments resulting from Claims defended in accordance with this policy or other Insured Events handled in accordance with this policy shall be recoverable as a Loss under this policy.
- 7.7.2.** If all Insured Events which are subject to a single Retention can be fully, finally and irrevocably disposed of for an amount (inclusive of Defence Costs) not exceeding that Retention, then the BTA consent shall not be required for such disposition.
- 7.7.3.** The reporting of matters to an Official Body without the BTA prior written consent shall not constitute a contravention of this section by the Insured, but only where the Insured is not legally permitted by the Official Body to make a request for such consent and provided that, as soon a legally permitted by the Official Body, the Insured will seek BTA consent in accordance with this section.

## 8. CLAIMS AND INSURANCE INDEMNITY

### 8.1. Related Insured Events or Circumstances

- 8.1.1.** If notice of an Insured Event or circumstance is given as required by this policy, then any subsequent Insured Event or circumstance, that constitutes a Single Claim with that Insured Event or circumstance shall be deemed to have first been made at the same time as that circumstance was first notified, Claim was first made, or other Insured Event first arose, and reported to the BTA at the time the required notices were first provided.

## **8.2. Allocation**

- 8.2.1.** If a Claim is made jointly against any Insured Person and any Company or any other person or entity or a Claim or other Insured Event involves both covered and uncovered matters or persons under this policy, then the Insured and the BTA shall use commercially reasonable efforts to determine a fair and equitable allocation of Loss covered under this policy, on the basis of established judicial allocation principles which shall take into account the legal and financial exposures, and the relative benefits obtained by the relevant parties.
- 8.2.2.** If BTA and the Insured cannot agree on allocation within 14 days of any allocation issue first notified in writing to the Insured by the BTA then they agree to refer the determination to Senior Counsel, whose decision shall be final and binding on all parties. Senior Counsel is to determine the fair and equitable allocation as an expert, not as an arbitrator. The Insured and the BTA shall be entitled to make written submissions to Senior Counsel. Senior Counsel is to take account of the parties' submissions, but Senior Counsel is not to be fettered by such submissions and is to determine the fair and equitable allocation in accordance with his or her own judgment and opinion. Senior Counsel's expenses in providing such determination will be borne equally by the Insured and the BTA and any such payments will not erode the Limit of Liability.

## **8.3. Advance Payment of Costs**

- 8.3.1.** Except to the extent that the BTA has denied cover, the BTA will advance to, or pay on behalf of an Insured, costs provided under the policy promptly after sufficiently detailed invoices, including time, expense and narrative detail satisfactory to the BTA, are received and accepted by the BTA.
- 8.3.2.** The BTA may not refuse to advance costs by reason only that the BTA considers that conduct specified in Exclusion 5.1 (Conduct) has occurred, until such time as the condition to that exclusion is satisfied.

## **8.4. Order of Payments**

- 8.4.1.** The BTA will pay Loss covered under this policy in the order in which such Loss is presented to the BTA for payment. Should the BTA, at its sole and absolute discretion, determine that the Limit of Liability will not be sufficient to cover all such Loss, the BTA shall pay Loss in the following order:
- 8.4.1.1.** Loss of an Insured Person where the Company has not indemnified such Insured Person;
  - 8.4.1.2.** thereafter, with respect to any remaining balance of the Limit of Liability, the BTA will request the Policyholder to elect in writing either to stipulate the order and the amounts in which Loss is to be discharged, or to receive such balance to be held on behalf of any Insured who has incurred such Loss.
- 8.4.2.** Payment pursuant to this section shall fully discharge the BTA from its obligations under this policy.

## **8.5. Subrogation**

- 8.5.1.** In the event of any payment under this policy, the BTA shall be subrogated to the extent of such payment to all of the Insureds' rights of recovery, contribution and indemnity and the Insureds will provide all reasonable assistance and will do nothing to prejudice such rights.
- 8.5.2.** BTA will not exercise its rights of subrogation against an Insured Person in connection with any Insured Event, unless BTA can establish that Exclusion 5.1 (Conduct), applies to that Insured Event and to that Insured Person.

## **8.6. Principle of indemnification of loss (Claims Made trigger)**

- 8.6.1.** For BTA to pay insurance indemnity for the Loss and Insured Events, all the below-mentioned preconditions are required to occur:
- 8.6.1.1.** Wrongful Act committed by the Insured Person in the Retroactive period or Insurance period;
  - 8.6.1.2.** Claim and other Insured Events is submitted to for the first time within Insurance Period or within the Discovery Period, if applicable and notified to BTA in accordance with these terms and conditions.
- 8.6.2.** The insurance indemnity for the Loss shall be paid by BTA in accordance with the terms of the insurance contract during the Insurance Period of which the Claim or other Insured Events was first submitted to the Insured Person.



## **8.7. Insurance indemnity disbursement procedure**

- 8.7.1.** To provide BTA with the opportunity to disburse the insurance indemnity, the Insured has to submit to BTA the following documents:
- 8.7.1.1.** Insurance indemnity application completed by the Insured;
  - 8.7.1.2.** Claim;
  - 8.7.1.3.** All the documents received in regard with the Claim or potential Insured Event;
  - 8.7.1.4.** Other documents requested by BTA.
- 8.7.2.** Policyholder or the Insured shall provide BTA with all the information and documents requested by BTA, so that BTA is able to determine the reasons of the possible Insured Event and the amount of Loss incurred.
- 8.7.3.** Upon calculation of the amount of insurance indemnity, BTA is entitled to reduce it by the unpaid part of insurance premium if the policy provides for insurance premium payment in instalments.
- 8.7.4.** If insurance indemnities disbursed by BTA shall reach the Limit of liability per any one occurrence or Aggregate limit of liability stated in policy, BTA shall reject all reported but yet unsettled insurance claim cases, as well as all new insurance Claims or other Insured events that had already occurred. In such case insurance contract shall be considered terminated.
- 8.7.5.** The decision on payment of the insurance indemnity or refusal to pay the insurance indemnity shall be made by BTA not later than within 15 days after receipt of all documents requested by BTA, which are necessary to establish the causes of the alleged insurance event and to determine the amount of the Loss.

## **9. LIMIT AND RETENTION**

### **9.1. Limit of Liability**

- 9.1.1.** The total amount payable by the BTA under this policy shall not exceed the Limit of Liability. The BTA shall have no liability in excess of all such limits, irrespective of the number of Insured Events, Insureds or amount of any Loss, including with respect to all Insured Events that constitute a Single Claim whenever first made or arising.
- 9.1.2.** Each Sub-Limit of Liability specified in the Policy is the maximum the BTA shall pay for the cover to which it applies and is part of the Limit of Liability.

### **9.2. Retention**

- 9.2.1.** The BTA will only pay for any amount of Loss which is in excess of the Retention. The Company will be liable for the Retention which will remain uninsured.
- 9.2.2.** If any Company is permitted or required to indemnify an Insured Person, but fails to do so within 30 days, then the BTA shall advance all Loss to the Insured Person and all Loss within the Retention will be repaid by the Company to the BTA immediately upon BTA's request.
- 9.2.3.** No Retention is applicable to the following:
- 9.2.3.1.** Non-Indemnifiable Loss;
  - 9.2.3.2.** Reputation Expenses.
- 9.2.4.** A single Retention shall apply to Loss arising from all Insured Events that constitute a Single Claim. In the event a Single Claim triggers more than one Retention, then, as to such Single Claim, the highest of such Retentions shall be deemed the Retention applicable to Loss arising from such Single Claim unless this policy expressly provides otherwise.

## **10. INSURANCE CONTRACT TERMINATION**

- 10.1.** Insurance Contract shall be terminated at 24:00 of the last day of the Insurance Period.
- 10.2.** If BTA or the Policyholder is entitled according to law to terminate the insurance contract then this must be by submitting a written notification to the other party, and:
- 10.2.1.** if within the operating time of the insurance contract no insurance indemnity is paid and no prospective Insured Event is claimed, then BTA shall pay back to Policyholder the part of the paid

Insurance Premium per each remaining day of the operating time of the Insurance Contract until the end of the term of the Insurance Contract, upon deduction of BTA expenses of 15% related to conclusion of Insurance Contract from the unused Insurance Premium, i.e. from the part of the Insurance Premium, which complies with the unused operating period of the Insurance Contract, but no more than from the Insurance Premium per one year, unless the parties have agreed otherwise;

- 10.2.2.** if within the operating time of the insurance contract insurance indemnity is paid and a prospective Insured Event is claimed, then BTA shall pay back to Policyholder the difference, if any, between the sum of the insurance Premium paid to BTA, which complies with remaining days of the operating time of the Insurance Contract until the end of the term of the insurance contract, and the sum of disbursed of insurance indemnity.

The above part of the premium shall be calculated in accordance with point 10.2.1 and shall be reduced by the insurance indemnity.

- 10.3.** If the Policyholder has not paid the Insurance Premium or the first instalment within 14 days of the due date stipulated on the Policy, BTA may withdraw from the Insurance Contract until the premium is paid. BTA is presumed to have withdrawn from the Insurance Contract if it does not file a claim for collection of the Insurance Premium within three months of the premium becoming collectible.
- 10.4.** BTA will be released of its performance obligation if the Insurance Premium or the first Insurance Premium that has become collectible has not been paid by the time when the Insured Event occurs.
- 10.5.** If an upcoming instalment of insurance Premium payment is not paid in full within the due date specified in the insurance contract and within the additional term either, then BTA is entitled to terminate the insurance contract upon prior notification thereupon.

## **11. OTHER PROVISIONS**

### **11.1. Insurance Territory**

This policy shall apply to any Claim made against an Insured in respect of Insured Event occurring in Insurance territory mentioned in policy.

### **11.2. Severable Nature of the policy**

**11.2.1.** This policy covers each Insured for its own individual interest.

**11.2.2.** No statements made by or on behalf of an Insured (including by an agent of the Insured) or breach of any term of this policy, or any information or knowledge possessed by an Insured, shall be imputed to any other Insured Person for the purpose of determining whether any individual Insured is covered under this policy.

**11.2.3.** In determining whether any of Exclusions 5.1 (Conduct) and 5.3 (Bodily Injury / Property Damage) apply, the Wrongful Acts of any Insured shall not be imputed to any other Insured Person.

### **11.3. Notice & Authority**

Except as provided in section 7.2 the Policyholder shall act on behalf of all Insureds in connection with all matters relevant to this policy unless the Policyholder is insolvent in which event each Insured shall act on their own behalf.

### **11.4. Assignment**

This policy and any rights under or in respect of it cannot be assigned without the prior written consent of the BTA.

### **11.5. Governing Law**

Any interpretation of this policy or issue relating to its construction, validity or operation shall be determined by the laws of Estonia without regard to its conflict of law principles. Any dispute related to the interpretation or execution of this policy shall be subject to Estonian law and the sole jurisdiction of the applicable court in Estonia.

### **11.6. Interpretation**

The descriptions in the headings and titles of this policy are solely for reference and convenience and do not lend any meaning to this policy. Words and expressions in the singular shall include the plural and vice versa. In this policy, words with capital letter have special meaning and are defined in the policy. Words that are not specifically defined in this policy have the meaning normally attributed to them.

## **11.7. Other conditions**

**11.7.1.** The insurance contract is executed in English and Estonian language. In the case of any uncertainty relating to provisions of this insurance contract or any necessity of interpretation of provisions of this insurance contract, the text in English shall prevail and shall be binding to the parties.

### **11.7.2. Economic and Trade Sanctions**

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:

**11.7.2.1.** 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 Estonia or the United States of America (upon condition that it does not violate any regulations or regulatory enactments, applicable to BTA);

**11.7.2.2.** 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.

**11.7.3.** In case of inconsistencies or disagreement between the documents of Insurance Contract, the documents shall be considered a priority and shall be applied according to the following sequence:

**11.7.3.1.** Annexes to policy (if any) to amend the Terms and Conditions of policy – successively depending on the effective date as of the newest to the oldest;

**11.7.3.2.** Policy;

**11.7.3.3.** These terms and conditions.

**11.7.4.** The Parties undertake not to disclose specific conditions of the Insurance Contract and the information received in the framework of Insurance Contract on participants of Insurance Contracts or Third Parties, as well as not use it contrary to interests of other participants of Insurance Contracts. Information received in the framework of Insurance Contract may be submitted to other persons upon occasions provided for in the effective regulatory enactments of the Republic of Estonia. BTA is entitled to provide experts and reinsurers with information related to the Insurance Contract, persons engaged by BTA for Insurance Contract performance, as well as to store it in BTA databases.

**11.7.5.** All disputes arising between the participants of the Insurance Contract shall be settled by means of negotiations. If no mutual agreement is reached, any dispute, disagreement or claim ensuing from the Insurance Contract that is related to it or its violation, termination or invalidity, shall be finally resolved in a court of the Republic of Estonia in accordance with the procedure set forth in the effective regulatory enactments of the Republic of Estonia, unless BTA and the Policyholder have agreed upon another dispute settlement procedure in the Insurance Contract.

**11.7.6.** Upon request by the Policyholder, the Insured 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 distant communication, in writing and free of charge.

**11.7.7.** 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.

**11.7.8.** Principles of personal data processing performed by BTA are published on BTA website [www.bta.ee](http://www.bta.ee)

**11.7.9.** The Terms and Conditions are published on BTA website [www.bta.ee](http://www.bta.ee)