



NATURAL RESOURCES TAX PAYMENT BOND AND WASTE MANAGEMENT BOND INSURANCE

Terms and Conditions No 15.D1
Effective as of 07.03.2022.

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According to the terms and conditions BTA shall conclude natural resources tax payment bond or waste management bond insurance contracts with Policyholders.

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1. TERMS USED IN TERMS AND CONDITIONS

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

Insurable interest – the interest of the Insured not to incur losses upon occurrence of the Insured Risk.

Insurance Application – a document of a certain form, defined by BTA, or any other information, which Policyholder submits to BTA in order to inform about the insurance object, facts and circumstances required to conclude the Insurance Contract.

The information provided in the Insurance Contract regarding the insurance object, Policyholder and the Insured shall be considered as submitted by Policyholder.

Acceptance of the insurance application shall not impose any obligation on BTA to conclude an 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 person specified in the contract according to the provisions of the contract. BTA shall issue Insurance Policy as an acknowledgement for conclusion of Insurance Contract.

According to the Terms and Conditions the following contracts may be concluded:

- 1) Insurance contract as natural resources tax payment bond within the meaning of the Natural resources tax law and Regulations of the Cabinet of Ministers issued based thereupon, hereinafter in text - Natural resources tax payment bond;
- 2) Insurance contract as waste management bond within the meaning of the Waste management law and Regulations of the Cabinet of Ministers issued based thereupon, hereinafter in text - waste management bond.

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 – acknowledgement of conclusion of Insurance Contract, which includes Insurance Contract terms and conditions, whereupon Policyholder and BTA agreed, as well as information provided by Policyholder about the insurance object, Policyholder and the Insured.

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

Insured – a person having insurable interest and for the benefit of whom the Insurance Contract is concluded. Within the meaning of the Terms and Conditions - State Environmental Service.

Insured Event – an event related through causal relationship to the Insured Risk, upon occurrence of which payment of the Insurance Indemnity is provided for in accordance with the concluded Insurance Contract.

If Insurance Policy lacks signatures of the parties, it will not affect the validity of the Insurance Contract.

Insured Risk – an event specified in the Insurance Contract, the occurrence of which is possible in the future beyond the will of the Insured.

Policyholder – person that concludes the insurance contract and insures performance of its obligations, namely:

- 1) in case Insurance Contract is concluded as a natural resources tax payment bond, then natural resources tax payers, who require financial bond according to requirements of the Natural resources tax law;

- 2) in case Insurance Contract is concluded as a waste management bond, then waste manager within the meaning of the Waste management law.

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

2. INSURANCE OBJECT

- 2.1. If Insurance contract is concluded as Natural resources tax payment bond, then Insurance Object shall read as Policyholder's performance of its obligations to pay natural resources tax.
- 2.2. If Insurance contract is concluded as waste management bond, then Insurance Object shall read as Policyholder's performance of Waste management obligations.

3. INSURANCE COVER

- 3.1. Insurance shall come to effect as of 00:00 of the first day of the insurance period specified in the insurance contract on condition that Policyholder has paid the insurance premium to BTA in full amount according to the deadline specified in the insurance contract.
- 3.2. Insurance is effective within the time-frame set forth in the effective regulatory enactments of the Republic of Latvia, which regulate natural resources tax payment bonds or waste management bond application, however, not longer than until 24:00 of the last day of the insurance period specified in the insurance contract.

4. INSURED RISKS

- 4.1. Insurance cover shall be provided only for the insured risks specified explicitly in the Insurance Contract.
- 4.2. If Insurance Contract is concluded as a Natural resources tax payment bond, then the insured risk shall read as failure to pay natural resources tax.
- 4.3. If Insurance Contract is concluded as a Waste management bond, then the insured risk shall read as Policyholder's failure to perform its Waste management obligations in the amount set forth in the waste management permit issued by the State environmental service.

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 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 and over the entire effective period of the Insurance Contract, to provide BTA with complete and true information, requested by BTA, including information about the Insurance Object and information necessary 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 BTA instructions given 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 any documents describing the occurrence of the insured risk and the losses caused by it. Policyholder shall also provide all information at its disposal regarding the possible Insured Event upon BTA's request;
- 7.2. If BTA paid 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 to 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 described in Article 7.2, Policyholder shall become entitled to challenge the Insurance Indemnity claim by the Insured in order to receive from the Insured the amount of money, or a part thereof, paid by BTA to the Insured.
- 7.4.** Upon receipt of Policyholder's demand, BTA will issue an acknowledgement of the amount of money disbursed to the Insured at the latter's demand, 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 from the Insured.

8. INSURANCE INDEMNITY

8.1. Prerequisites for disbursement of insurance indemnity:

- 8.1.1.** In case of Natural resources tax payment bond – receipt of request in writing by the Insured to pay the calculated sum of natural resources tax that was not paid by Policyholder for the time-frame, which corresponds to the Insurance Contract validity period;
- 8.1.2.** Waste management bond – receipt of request in writing by the Insured to cover the expenses in regard to Policyholder's failure to meet its obligations envisaged by the waste management contract, which occurred in the course of Insurance Contract validity period.
- 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 Insured is received.
- 8.3.** BTA shall disburse the insurance indemnity only upon occasion, if requests by the Insured mentioned in articles 8.1.1 and 8.1.2 of the Terms and Conditions are submitted according to the deadline and procedure provided for in Natural resources tax law, Waste management law and Regulations by the Cabinet of Ministers issued based thereupon.
- 8.4.** BTA, having prior made sure that request by the Insured is applicable to the Insurance Contract issued by BTA, and that conditions of article 8.3 of the Terms and Conditions are met, shall disburse the claimed insurance indemnity to the Insured according to the deadline and procedure provided for in Natural resources tax law, Waste management law and Regulations by the Cabinet of Ministers issued based thereupon.

9. EARLY TERMINATION OF INSURANCE CONTRACT

9.1. Insurance contract may be terminated prior to its expiry:

- 9.1.1.** upon occasions and in accordance with the procedure specified in the Insurance Contract Law;
- 9.1.2.** Upon occasions and according to the procedure provided for in the effective regulatory enactments of the Republic of Latvia, which regulate natural resources tax payment bonds or waste management bond application.

9.2. Upon early termination of insurance contract:

- 9.2.1.** 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.** during the effective period of the insurance contract, insurance indemnity has been paid or a claim regarding a potential insured event has been submitted, then BTA will refund to Policyholder the difference, when there is one, between the amount of the insurance premium paid to BTA, corresponding the number of days remaining until the expiry of the insurance contract, and the amount of the disbursed insurance indemnity, deducting the expenses of BTA related to the conclusion of the insurance contract of 15% of the unused insurance premium, i.e., of the part of insurance premium corresponding the unused effective period of the insurance contract.

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 and the Insured 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 or the Insured, BTA shall immediately inform thereof by publishing this information on its website www.bta.lv.
- 12.3.** Upon request by 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 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 Natural resources tax law, Waste management law and Regulations by 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 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 (policy), the terms and conditions of the insurance contract (policy) 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.