

These insurance terms and conditions regulate insurance contracts between the Estonian branch of Compensa Vienna Insurance Group, ADB (hereinafter: Compensa) and policyholder on commercial property insurance, in which business disruption protection is added upon special agreements (established on a separate insurance policy). In any matters not resolved by these terms and conditions, the parties to an insurance contract shall be guided by terms and conditions of Compensa's commercial property insurance, the Law of Obligations Act and other legislation.

1. INSURED ITEM

1.1. Insured item is the loss and reimbursement of expenses incurred as a result of disruption to business indicated in the insurance policy.

1.2. *Business disruption damage* (the insured item is one or several items of the list below, stated on the insurance policy only) is (sale of products or provision of services) as follows:

1.2.1. operating profit is not received due to the insured event;

1.2.2. fixed expenses, i.e., expenses that remain constant notwithstanding a change in the volume of output of selling goods or providing services as a result of the insured event;

1.2.3. other income and expenses separately agreed upon in the insurance contract.

1.3. *Reimbursable costs* are reasonable and economically justifiable additional costs for limiting the damage caused by the interruption of the business.

1.4. Insured item does not include:

1.4.1. costs of raw materials, semi-finished products, aids and goods;

1.4.2. transportation costs related to sale of goods or provision of services;

1.4.3. turnover-based costs such as insurance premiums, royalties, taxes arising from the use of copyright, ect.;

1.4.4. national and local taxes based on turnover, including VAT, excise duty, duty, income tax, etc.;

1.4.5. financial income and other extraordinary income;

1.4.6. revenues and expenses not directly related to the insured business (e.g., interest income, real estate, stock exchange and land transactions, etc.);

1.4.7. penalties, sanctions and claims arising from non-performance or undue performance of the contractual obligations.

2. INSURED EVENT

2.1. An insured event is an unexpected and unforeseen event, which is indicated in the insurance contract during the validity period of the insurance cover, during which the business (or turnover decrease) specified in the insurance contract as a result of the asset insurance event (due to the conditions of the company's property insurance) is interrupted at the insured place. In the event of an insured event, Compensa shall compensate for the damage.

2.2. Insurance cover is valid only if Compensa has incurred a claim for indemnity on the basis of the property insurance event (based on the property insurance policy of the company).

3. BUSINESS DISRUPTION DAMAGES AND THE COSTS COMPENSATED

3.1. In case of business disruption insurance, reasonable and economically justified additional costs (reimbursable costs) incurred in the event of loss of business disruptions due to an insured event (loss from business disruption) and / or loss of business activity are compensated.

3.2. Loss of business disruption is the loss of operating profit, fixed expenses and / or other income and expenses for which the insurance contract has been separately agreed upon by the policyholder during the liability period as a result of the insured event (as agreed in the insurance policy), if the insured event had not taken place.

3.3. Fixed costs are only reimbursed if their continued payment is justified in economic terms and in accordance with the current legislation and would have been made even if the insured event had not occurred.

3.4. Reasonable and economically justified additional costs (reimbursable costs) incurred to limit the damage resulting from the interruption of business activity are only reimbursed if they reduce the Compensa's compensation obligation and have been agreed upon with Compensa beforehand. Additional costs will not be reimbursed if the policyholder receives an economic benefit.

3.5. The following costs are not compensated in case of business disruption insurance:

3.5.1. claims, fines, penalties for late payment, as well as loss of income arising from the failure of the policyholder to comply with contractual obligations or their non-compliant enforcement.

3.5.2. company's liquidation costs;

3.5.3. damage caused by interruption or disturbance in the

supply of water, gas, steam, power and / or other sources of energy;

3.5.4. damage due to the fact that the policyholder is not able to use adequate labour and/or financial or technical resources in time to restore, recover or recover damaged, destroyed or lost property (e.g., property insurance is concluded by under-insurance, etc.);

3.5.5. damage caused by the fact that part of the liability period has been used to make such improvements, extensions or modifications (incl. at the request of employees) that are not reimbursed under the terms of the company's property insurance;

3.5.6. damage caused by damage, destruction or loss of cash, securities, bonds, documents, plans, drawings, push cards, magnetic tapes, accounting documents or other data carriers;

3.5.7. damage caused by a decision or activity of a public authority or local government, as well as an unforeseen delay caused by the state authority (e.g., permit or inspection procedure, activity restriction, etc.);

3.5.8. damage caused by non-performance of contractual obligations by a contractual partner;

3.5.9. damage subject to compensation by a third party or under another insurance contract.

4. SUM INSURED AND INSURANCE VALUE

4.1. Sum insured is the largest amount payable per a single insured event. Consideration should be given to the expected change in turnover.

4.2. The sum insured shall not be reduced upon indemnity being paid out.

4.3. Insurable value is the total amount of monetary values of the insured items during the liability period specified in the insurance contract. The expected change in turnover is taken into consideration when calculating the insurable value.

4.4. The policyholder shall tell Compensa the correct insurable value upon entry into the contract.

5. LIABILITY PERIOD

5.1. Liability period is the time period agreed in the insurance contract, during which Compensa shall compensate for damages caused by business disruption. The length of the liability period is indicated in the insurance contract.

5.2. Liability period commences at the moment of the

occurrence of the property insurance event and ends when the insured business's sales revenue has reached its pre-insurance level. In the event that a notice is made in the insurance contract, the liability period expires at the time when the damage caused as a result of the property insurance event is compensated and the damage to the property can be reused.

6. CALCULATION PERIOD

6.1. Calculation period is the time period the financial indicators of which are taken as a basis for calculating the insurance indemnity.

6.2. If business disruption is shorter than the liability period, the calculation period ends when the sales revenue has reached the level it would have had if there had been no insured event.

6.3. If business disruption is longer than the liability period, the calculation period ends at the end of liability period.

7. DEDUCTIBLE

7.1. Deductible means a part of damages specified in the insurance contract for each insured event. Deductible is always paid by the policyholder and Compensa shall not compensate for it.

7.2. Ownership can be agreed upon as a time period or a sum of money, as well as a combination of them.

7.3. Deductible defined as a period starts from the beginning of the liability period.

7.4. Unless otherwise agreed in the insurance contract, deduction of business disruption is applied in addition to property insurance liability.

8. OBLIGATIONS OF THE POLICYHOLDER

8.1. The Policyholder shall:

8.1.1. notify Compensa about the business activities indicated in the insurance contract, the possibility of insurance risk or circumstances significantly affecting the insurance value;

8.1.2. notify Compensa immediately of any damage to property that may affect its business or cause its business to be interrupted;

8.1.3. organize its accounting in accordance with legal acts and good accounting practices;

8.1.4. keep records of the last three financial years and the original accounting records, making back-up copies of them, to keep the original from the backup copies separately and securely (including flameproof), in order to avoid their simultaneous destruction.

8.2. Upon occurrence of an insured event, the Policyholder has the obligation to:

- 8.2.1. take immediate measures to save damaged property, and prevent and reduce additional damage to property, with the aim of reducing or limiting the damage caused by business disruption;
- 8.2.2. implement reasonable and economically justifiable measures to reduce or limit the damage caused by business disruption;
- 8.2.3. notify Compensa immediately of the incident;
- 8.2.4. follow Compensa's guidelines and precepts, including on limiting and restricting damage;
- 8.2.5. allow Compensa, its agents, auditors and experts to investigate and determine the causes and amount of damage caused by an insured event during the course of the damage handling and to provide the necessary documentation, including the last three financial reports and other required accounting documents;
- 8.2.6. limit costs during the liability period, including labour costs by giving employees, if possible, other work or implementing other measures.

8.3. Policyholder must provide Compensa with all information in his possession necessary to determine Compensa's contractual obligations and to authorize Compensa to obtain the necessary information and documents.

8.4. If the policyholder has breached the above-mentioned obligations, Compensa will be partly or wholly relieved from the obligation to perform the insurance contract.

9. INSURANCE INDEMNITY AND TYPES OF INDEMNIFICATION

9.1. Insurance indemnity is a sum of money that is paid to compensate for proprietary damage resulting from business disruption, and reimburse justified costs made to limit that disruption.

9.2. The amount of indemnity per insured event is limited with the sum insured or the limit of indemnity agreed in the insurance contract.

10. COMPENSATION PROCEDURE

10.1. In case of insured event, Compensa will indemnify for losses incurred for a period of business disruption that begins at the time of the insured event and ends with the end of the accounting period.

10.2. In the case of under-insurance, Compensa compensates

for business disruption in proportion to the ratio of the sum insured to the insurable value. The same ratio applies when compensating for additional costs. If the sum insured does not differ from the insurable value by more than 10%, the sub-insurance will be waived.

10.3. In the case of over-insurance, Compensa compensates business disruption damages up to the insurable value.

10.4. In the case of temporary deductible, the amount of money deducted shall be deducted from the amount of the sum, the ratio of which to the total amount of the insurance indemnity is the same as the ratio of the period of ownership and business interruption. The period of suspension shall not end later than the liability period.

10.5. In case of business disruption event, account shall be taken of all circumstances that could have positively and negatively affected the company's business and financial results if the insured event had not occurred.

10.6. In the event of a reduction in the indemnity or compensation for damage in case of business disruption, Compensa reserves the right, respectively, to reduce or reimburse the compensation for business disruptions.

10.7. If, in the case of an insured event that caused business disruption, first-risk insurance or reinsurance coverage has been agreed upon, the agreed maximum insurance indemnity shall be applied in aggregate in combination with the insurance against property and business disruption insurance.

10.8. Compensa has the right to set off an obligation assumed under an insurance contract and, according to the insurance contract, between insurance premiums not yet paid by the end of the insurance period.

10.9. Should it appear that the business activity specified in the insurance contract will not be continued, the amount of loss shall be calculated for the time period which, according to an expert assessment, would have been necessary for resuming the same business activity during a period not exceeding the liability period. In such case, only operating profit is compensated.

11. CONTRADICTIONS

In the case of any contradictions in the documents of the insurance contract, the following hierarchy of documents will be used in their interpretation, where each preceding document shall prevail over the next one: special terms and conditions – insurance policy – additional terms and conditions – terms and conditions of corporate property insurance. In the case of any disputes, the proviso of Business Disruption Insurance compiled in Estonian will always be taken as the basis.