

## **GENERAL TERMS OF THE GENERAL THIRD PARTY LIABILITY POLICY**

### **ARTICLE 1. INSURED PERILS**

Covered under the present insurance contract are the risks which are explicitly named in the insurance policy.

### **ARTICLE 2. SCOPE OF INSURANCE COVER**

The present insurance contract covers the direct costs for rejecting or adjusting the claims of third parties against the Insurant and/or the Insured, arising from the Insured's actions or omissions related to the insured activities.

### **ARTICLE 3. CONCLUSION OF THE INSURANCE CONTRACT**

The Insurance contract is concluded and shall come to force based upon the comprehensive and accurately completed insurance proposal form, which the Insurant and/or the Insured have submitted to INTERAMERICAN Bulgaria Ins. Co. S.A. (further referred to as the Company), as well as the written answers to any additional information required. The insurance premium is calculated on likewise basis. In case any circumstance or information material to the risk assessment is not reported to the Company, or is misrepresented, applicable shall be the provisions of art. 384 and art. 385 of the Commercial Act.

The Company has the right to survey the insured risk within an adequate period before accepting the risk or in case of alteration of the risk, under the condition that no insurance event has occurred.

### **ARTICLE 4. INCEPTION OF INSURANCE AND INSURANCE PREMIUM TERMS OF PAYMENT**

The obligations of the Company, the Insurant and/or the Insured shall be determined by:

- The insurance proposal form,
- The Insurance policy,
- General and Special terms and conditions,
- The annexes issued upon agreed by both sides alterations of the insurance contract.

Any condition, which is not incorporated in any of the above mentioned parts of the insurance contract should be considered null and void. The Special conditions derogate the General terms.

The insurance policy, the general and special terms and conditions, the annexes, as well as the receipt documents for paid insurance premiums should be considered null and void unless they bear the handwritten or electronic signature of the Company's official representatives, as per the Company's Statute or the Resolution of the Board of Directors.

The insurance contract shall not come to force and therefore no obligations or rights shall arise therefrom in case the insurance premium or the first installment (in case premium payment is agreed in installments) is paid.

Delay of payment of any next premium installment shall entitle the Company to cancel the contract. Denunciation is effected by a written notification to the Insurant and/or the Insured. Such notification shall inform the Insured that the insurance contract is subject to cancellation after 15 days after receipt of the notification letter unless the installment due is paid within these 15 days.

### **ARTICLE 5. RISK AGGRAVATION**

Within the validity period of the insurance contract the Insurant and/or the Insured shall be obliged to immediately inform the Company about any information or circumstance for which the Company has posed a prior question, and especially if such information or circumstance may result in significant risk aggravation to such extent that would have affected the conclusion of the contract or the conditions of the contract, had the Company been informed and aware of such.

In such case, immediately after acknowledging such risk aggravation the Company shall be entitled to cancellation or modification of the insurance contract. In case of omission of presentation of the new circumstances, resulting in risk aggravation, applicable shall be the provisions of art. 384 and art. 385 of the Commerce Act.

### **ARTICLE 6. INSURANCE CONTRACT CANCELLATION**

Apart from reasoning shown in any of the articles of the present General terms, the Company is entitled to cancellation of the insurance contract for other reasons, e.g. technical necessity, alteration of insurance strategy with regard to the given risk and for the cases when the Insurant and/or the Insured are charged or sued with insurance fraud or other criminal action related to insurance fraud.

The insurance contract may be cancelled also upon bankruptcy of the Insurant and/or the Insured or if by any means his property is under compulsory disposition or management by third parties or the Insurant and/or Insured himself is under judicial disability. The Insurant and/or Insured is also entitled to cancellation of the insurance contract in case the Company falls into bankruptcy or its property or part of it is under compulsory disposition.

In case the insurance contract is cancelled on the part of the Company, all consequences arising from such cancellation shall come to force upon expiry of 15 days after the written notification to the Insurant and/or Insured is sent.

In such case the unused part of the premium corresponding to the remaining period of the insurance contract shall be refunded. The Insurant and/or the Insured shall give back to the Company the insurance policy against the relevant document.

If the cancellation is requested by the Insurant and/or the Insured the Company shall refund the unused part of the premium counted from the month following the month of cancellation.

After insurance event occurrence both the Company and the Insurant and/or the Insured are entitled to cancellation of the insurance contract. In such case no premium will be refunded and the remaining installments shall be paid.

#### **ARTICLE 7. INSURANCE AT MORE THAN ONE INSURANCE COMPANY**

In case the insured legal interest is covered for the same risk at more than one insurance company (co-insurance), the Insurant and/or the Insured shall immediately declare such insurance, as well as the sum insured under such insurance.

In case of failed declaration of such insurance upon conclusion of the insurance contract the Company's liability shall be limited to an amount (not exceeding the limits of liability), which is not covered by the previous existing insurance.

In case of failed declaration of other insurance existence the Company is entitled to cancellation of the insurance contract and withhold the used proportion of the insurance premium.

In case of co-insurance any possible claim during the validity period of the policy shall be split between all the insurance companies on proportional basis, such as the proportion of participation in the insured risk, and shall not be covered in full. In case a circumstance which has been repressed or misrepresented, and appears to have led the Company to conclude the insurance contract under different conditions, the Company shall be entitled to alteration of the insurance contract. The Company shall exercise such right within 1 (one) month after becoming aware thereof. Should the Insured fail to accept the proposed alterations within 2 weeks after receipt of the Company's advise, the insurance contract shall be cancelled. In this case the Company withholds the used proportion of the insurance premium and is entitled to require the premium proportion due for the period before the contract cancellation.

In case more insurance contracts existing and covering the same risks and concluded with the agreement of all companies (with or without coordinating insurance company), each insurance company shall apply a liability proportional to the risk share insured (coinsurance).

#### **ARTICLE 8. ALTERAION OF INSURANCE RELATIONS**

In case of changes in the Insurant and/or Insured person the Company, the new Insurant and/or Insured are entitled to cancellation of the insurance contact within 30 (thirty) days after becoming aware of such changes. Cancellation on the part of the Company shall come to force not earlier than 15 (fifteen) days after advising the Insurant and/or Insured.

The Company shall be released from any liability in case of insurance event occurrence before inception of the above mentioned thirty or fifty days term and in case the Company proves that it would not have accepted the risk under the same conditions had it been informed about the changes. The unused part of the premium shall be refunded. Refund is not applicable in case the risk has occurred within 30 (thirty) days of the changes effected.

#### **ARTICLE 9. TERRITORIAL COVER**

The present insurance contract shall be in force and is valid for the territory of the Republic of Bulgaria.

#### **ARTICLE 10. GENERAL EXCLUSIONS**

Not covered shall be liability arising from damage or loss directly or indirectly or as a consequence of one of the following:

1. Deliberate actions or omissions on the part of the Insurant and the Insured or the persons living with the Insurant or Insured or their legal representatives or persons employed by them.

2. War or warlike events or actions, civil war, mutiny, civil commotions, strikes, demonstrations, terrorist actions or malicious damage under the order of any power or authority, siege or other like events. Also from employment of nuclear weapons or materials used for manufacture of such weapons, ionizing or other radiation, as well as any field, e.g. electromagnetic, radioactive contamination, any type of nuclear material or scrap, as well as the use or owning of radium or other radioactive substances.
3. Preparation and/or manufacture, storing, filling, processing, transportation or use of pyrotechnic materials, munitions, nitroglycerin or other explosive materials, gases and/or gases in containers under pressure (the exception does not apply to gases used for daily purposes) or toxic materials or substances.
4. From earthquake, soil/earth subsidence, flood, torrential rain, storm or other nature calamities. Also from faulted canalization, pollution or any type of contamination below or above soil, in the atmosphere or in any water area or body, as well as any type of poisoning.
5. From shaking, moving or weakening of support of foundations of buildings or subsidence, which are related to the Insurant/Insured's covered liability.
6. From animals, vehicles, motorbikes, bicycles, any type of own-power vehicles, water vessels, or aircrafts, lifts, elevating machines, building machinery with bearing capacity over 5 tons, as well as cranes.
7. From loading, transportation, unloading receipt or gathering of stock or any items from road vehicles, water vessels or aircraft transport means.
8. From fire independent on the fire cause, explosion or short-circuit.
9. Accidents and damages to up to second-grade relatives if they are sharing premises at the time of the insurance event occurrence. In case the insured is a legal entity excluded from cover are the damages caused by partners, members of his family or persons living with him on legal basis.
10. Accident or damages affecting persons, which are related to the Insurant and/or Insured by any type of labour, works or company relations contract,, during or in connection to performance of duties.
11. Damages to property owned by the Insurant and/or Insured, which is hired by or is under the Insured's control, custody, care or supervision.
12. Accidents or damages caused as a result of any contractual liabilities of the Insurant and/or Insured.
13. Events caused by actions or omissions related to anti-advertising (aspersion or other like) or the consequences of such will be discrediting of any person or breach of copyrights.
14. Events caused by stock or product after transferred to third parties or sold, received, manufactured, stored or processed by third parties on behalf and to the Insured's expenses.
15. Events related to the professional liability of the Insurant and/or the Insured and mainly as a result of diagnosis, consultation, projecting, prescription determination or any error upon services providing within and upon performance of his professional activities.

**ARTICLE 11. GENERAL OBLIGATIONS OF THE INSURANT AND/OR THE INSURED IN CASE OF AN INSURANCE EVENT.**

In case of an insurance event the Insurant and/or the Insured shall be obliged to:

1. Inform the Company not later than 7 (seven) days after acknowledging the event (the event itself includes damages).
2. Independent on the relevant authorities' actions (also to be informed immediately after the event) to take all necessary measures, which he would effect as bona-fide actions or in order to avert or minimize the damage, had he not been insured. The relevant expenses, if they are considered reasonable for the circumstances incurred, shall be at the Company's expenses and under the condition that such do not exceed the sum insured.  
In case the indemnification covers only part of the damages incurred, the Company shall be obliged to cover only the ratable proportion of the expenses, except if such expenses are incurred under the explicit directions of the Company.
3. To facilitate and to give any appropriate help to the Company's representatives or surveyors for the purpose of finding the event, damage estimation, clarification of the damage purposes and causes and the circumstances around the event occurrence. The Company has the right to effect direct review of the accounting books of the Insurant and/or the Insured and to require them to present to the Company or its legal representatives any documents of proof, necessary or beneficial for clarification of the causes and the amount of the damages.
4. Not to effect any changes to the actual situation after the event without the written consent of the Company, except if such changes will result in averting or minimizing the damages.

5. Not later than 7 (seven) days after the event occurrence the Insurant and/or the Insured has to present to the Company a written declaration (claim notification), which shall include:
    - Supposed or likely purpose of the damages in his judgment,
    - Detailed description of the damages caused,
    - Names and addresses of the persons caused the damages, of the affected persons and of the witnesses, description of the event and its consequences,For the cases provided by law the Insurant and/or the Insured has to sign a sworn declaration on all statements as above required, and such declaration shall not be considered binding for the Company.
  6. To immediately inform the Company about any event or any claim lodged by third parties or about any circumstance, which may result in claim lodging. The written notification shall include all details on determination of the liability and the amount of the possible claim, as well as any other information, which the Company may require.
  7. To present to the Company not later than 8 (eight) days after receipt any and all court or out-of-court documentations related to the event occurred, independent on the issuing authority.
  8. Not to undertake any action or form of action, which will mean accepting, declining, recognition or agreement of his liability settlement held covered under the present insurance contract without the Company's written consent of such. The Company shall have the right to undertake and to act out-of-court at its estimation, on behalf of the Insurant and/or the Insured for rejection or settlement of the claim, but to its benefit, for reinstatement of any damage or satisfaction of any indemnification claim up to the limit of liability and after duly informing the Insurant/Insured. The Company shall also have the right, as far as provided by law, to initiate at its behalf any court action or to adjust any claim. The Insurant and/or the Insured shall present to the Company any information required and estimated as necessary.
- Failure on the part of the Insurant and/or the Insured to comply with any of his above mentioned obligations shall entitle the Company to require refund of the insurance indemnification in case such indemnification has been paid by the Company.

#### **ARTICLE 12. CLAIMS ADJUSTMENT**

1. The amount of the indemnification is calculated and determined on the base of the value of the items possibly damaged during the insurance event occurrence. As value of the damaged items shall be considered their current (actual) value. If such value cannot be determined, applicable shall be the common (market) value. The indemnification (partial or total) shall be paid in BGL at the Head offices of the Company.  
In case of a covered damage the Company has the right to directly indemnify the third parties for their claim, and the Insurant and/or the Insured shall declare in writing that releases the Company of whatever obligation.
2. The Company shall be liable form amounts beyond the agreed amount possible deductible.
3. In no case shall the Company be liable to pay any amount which is exceeding the sum insured (e.g. interests, court expenses, etc.) The Company shall be liable only for the direct and immediate damages and has no liability for indirect damages or for damages resulting from deprivation of use or ownership rights over the damaged item and for any indirect loss (premises rental interruption or other like) or for market value depreciation, as well as for loss of benefits even if such are arising from an insurance event.

#### **ARTICLE 13. SUBROGATION**

Upon indemnifying the Insurant and/or the Insured the Company shall gain all rights he has against third parties, which are possibly culpable for the damages, as per the provisions of art. 402, paragraph 1 of the Commercial Act.

In the meantime the Insurant and/or the Insured cedes to the Company any and all his relevant rights and empowers it to act on his behalf in court or out-of-court in order to receive indemnification from third parties.

#### **ARTICLE 14. APPLICABLE LAW - JURISDICTION**

For any court claim, which is related to the insurance contract, it is agreed that competent shall be solely the courts in Sofia, Bulgaria. Applicable law is Bulgarian law.

#### **ARTICLE 15. PERIOD OF INSURANCE**

The insurance period shall be the one shown in the insurance policy. In case that for the last 30 (thirty) days of the validity period none of the parties requires in written cancellation of the insurance contract, it shall be considered automatically renewed for the same period and under the condition that the premium or its first installment shall be paid for the new validity period.

**ARTICLE 16. PRESCRIPTION**

The rights of both the Insurant and/or the Insured and the Company under the insurance contract shall become void by prescription after expiry of 5 (five) years from the date of the insurance event.

**ARTICLE 17. GENERAL PROVISIONS**

1. The Insurant and/or Insured shall take all reasonable and necessary preventive measures for averting damages and also to comply with all relevant acting law provisions.
2. No alteration of the insurance contract shall be valid unless it is effected by a document signed by an authorized Company's representative.
3. The Company holds the right to alteration of the insurance premium and the conditions or insurance. In case the Insurant and/or the Insured does not accept the alterations, shall declare such in front of the Company and the insurance contract shall be cancelled forthwith. Premium payment on the part of the Insurant and/or the Insured after above mentioned premium alteration shall mean explicit accepting of the new premium and the new conditions of the contract.
4. All expenses related to conclusion of the insurance contract, or to indemnification payment under the contract or any other burden arising from the present insurance contract (e.g. tax stamps, or other expenses foreseen in the acting law provisions) shall be at the expense of the Insurant and/or the Insured. Also to the Insured's expense shall be also any expenses incurred by the Company, as well as the expenses for acquiring the rights of a satisfied creditor or for any possible executive or provisional actions.
5. Any and all rights arising from this insurance contract can not be transferred to third parties, except if otherwise agreed in written.

***The present is a translation from Bulgarian. In all cases applicable shall be the original wording in Bulgarian language.***

**INTERAMERICAN Bulgaria Ins. Co. S.A.**