

BALTA IJSC TERMS AND CONDITIONS FOR INSURANCE OF PURCHASES OF RIETUMU BANKA JSC CUSTOMERS NO.1402.1401



This is the English translation of insurance terms and conditions and can be used for informational purposes only. In case of conclusion of insurance contract only insurance terms and conditions in Latvian are binding.

1. TERMS AND CONDITIONS

- 1.1. Insured event: an event arising from the Insured risk, for which an Insurance compensation shall be paid under the Insurance contract, should such event occur.
- 1.2. Policyholder or the Bank: Rietumu Banka JSC, Registration No. 40003074497, which enters into an insurance contract for the benefit of *Visa Infinite* and *Jūrmala* payment card holders.
- 1.3. Sum insured: an amount indicated in the insurance contract, for which Your interest not to suffer the loss is insured and which is the maximum amount that We will pay as an insurance compensation should the insured event occur.
- 1.4. Insurance certificate: a document prepared by Us with information about insurance of Your purchases pursuant to the insurance contract and these Terms and Conditions that the Policyholder provides to You.
- 1.5. Insurance contract: an agreement on insurance of purchases that the Bank has signed with the Insurer for Your benefit.
- 1.6. Bank's payment card: a payment card issued by the Bank (*Visa Infinite* or *Jūrmala*), whose user's and services agreement is still valid and/or which is not expired, and which is subject to insurance protection under these Terms and Conditions.
- 1.7. Price: price of Goods before transportation, delivery, insurance, storage and other additional costs.
- 1.8. You, Your or the Customer: an individual, who uses a Bank's payment card(s), who has an insurable interest and for whose benefit an insurance contract has been signed.
- 1.9. We, Us, Our or the Insurer: Insurance Joint Stock Company BALTA, Registration No. 40003049409, legal address: Raunas iela 10, Riga, LV-1039.
- 1.10. Deductible: an amount of money or proportional share of loss indicated in the Insurance Terms and Conditions that is deducted from the payable loss, when Insurance compensation is calculated for each Insured event. If the Deductible is indicated in monetary and in proportional terms, the largest shall apply.
- 1.11. Goods or the Insured item: any new material object, which is purchased by You with the respective payment card issued by the Bank and which is not intended for commercial use or re-sale. Cash, travellers checks, or other means of payment, as well as food, animals and plants shall not be considered Goods for the purposes of these Terms and Conditions.
- 1.12. Related person: members of Your family or persons with whom You share a household. Members of Your family are: Your spouse, relatives to the third degree and in-laws to the second degree, members of a foster family, guardians and those under a guardianship.
- 1.13. Coverage period: period of time from the acquisition of Goods, during which the insurance offers protection should the insured risk occur.
- 1.14. Merchant: a store or an on-line store officially registered in the Republic of Latvia, whose core business is the sale of goods and who does not rely on the principle of auction, and whose prices are not negotiable or dependent on the number of buyers.
- 1.15. Third party: any individual or legal entity, except those, which have entered into this Insurance contract, the Related persons or persons, who have liabilities arising from the Insurance contract.
- 1.16. Seller of Goods: an officially registered store or an on-line store.

2. VALIDITY OF INSURANCE

- 2.1. Protection offered by insurance shall be valid while You have a valid Bank's payment card, which is provided together with insurance. This protection shall expire, when the insurance period indicated in Insurer's Insurance certificate expires.
- 2.2. Insurance of purchases shall apply to purchases made with a Bank's payment card in the whole world; Price protection

insurance shall apply to purchases made in the Republic of Latvia.

3. SUMS INSURED

- 3.1. The total Sum insured under Clause 5 shall be the maximum amount payable for all Insured events and risks during the entire insurance period indicated in the insurance certificate.
- 3.2. See Clauses 5 and 9 for Sums insured in case of individual insured risks in each category of Bank's payment cards and for the maximum Sum insured in case of each Insured event.
- 3.3. Under these Terms and Conditions, the Sum insured for one Insured event shall be the maximum payable amount of Insurance compensation for the loss suffered by the Customer as a result of one Insured event.
- 3.4. If You have two or more Bank's payment cards, Our liabilities shall not exceed the insurance protection and the total Sum insured for one Bank's payment card. If the insured risk occurs, the insurance compensation shall be paid based on the largest Sum insured for the respective type of the Bank's payment card.

INSURANCE OF PURCHASES

4. INSURED RISKS

Pursuant to these Terms and Conditions, the Goods shall be insured against the following perils, and You shall have a right to claim insurance compensation from Us, if the following Insured events take place:

- 4.1. Goods defect risk. Any defect in the Goods described in the Manufacturer's guarantee, which suddenly and unexpectedly appeared during the Coverage period, and which was reported to the Manufacturer, but You did not receive any compensation, warranty repairs or a substitute of the Goods, as the manufacturer could not be reached or had become insolvent.
- 4.2. Burglary risk: intentional and unlawful appropriation of someone else's property by unlawfully entering closed premises, buildings or vehicles. Unlawful entry has taken place, if there are clear signs of a break-in, and a person has unlawfully entered closed premises, or a building through a window, a door, a wall, the roof, etc. by means of customized keys, lockpickers or other means used to open locks or remove barriers.
- 4.3. Robbery risk: intentional and unlawful appropriation of someone else's property by attacking a Customer or any persons related to him/her violently or threatening to use violence to take possession of the Goods, the said acts being perilous to life or health.

5. SUM INSURED AND COVERAGE PERIOD

The total Sum insured for a Goods defect risk, burglary risk and robbery risk shall be EUR 20,000 with a Deductible of EUR 50, and the Coverage period shall be 90 days from the date of delivery of Goods. The maximum Insurance compensation for the loss caused to the Customer as a result of one Insured event shall be EUR 1,500.

6. EXCEPTIONS

- 6.1. Losses resulting from the following shall not be insured:
 - 6.1.1. Malicious intent or gross negligence committed by You, the Policyholder, Related persons or Third parties to whom the Goods were transferred for use or storage;
 - 6.1.2. If the Goods are not used for the intended purpose and/or according to manufacturer's instructions;
 - 6.1.3. If the Goods were stolen as a result of a burglary or a robbery, the law enforcement bodies of the respective

state were not informed within 24 hours from the moment when such loss was discovered;

- 6.1.4. If the Goods were stolen as a result of a burglary or a robbery, while they were in a motorized vehicle (except in cases, when the Goods were in a vehicle's trunk and the vehicle (including the trunk) was locked and its windows were closed);
 - 6.1.5. If art objects, jewellery, bijouterie, watches, precious metals and stones were stolen as a result of burglary, unless they were stolen from a safe installed for their storage at Customer's home or from a safe in a bank;
 - 6.1.6. Any acts done by You, or Related persons, while intoxicated by alcoholic drinks, narcotic or psychotropic substances.
- 6.2. Losses shall not be compensated:
- 6.2.1. If circumstances that lead to the loss cannot be determined (for example, time, place, Your conduct during the Insured event);
 - 6.2.2. If You do not submit a statement from a law enforcement body confirming a burglary or a robbery;
 - 6.2.3. If the Goods have been obtained fraudulently, misappropriated or extorted;
 - 6.2.4. When pursuant to the law or contractual provisions a third party like the manufacturer, the seller or the party performing maintenance or repairs is liable for the losses, unless these third parties are unable to meet their liabilities due to insolvency or they cannot be reached;
 - 6.2.5. If the Goods are stored in a place or in conditions that are not line with manufacturer's requirements.

7. YOUR OBLIGATIONS

- 7.1. You shall handle the Goods with due care as a reasonable owner would handle an uninsured item.
- 7.2. If the Insured event occurs, You shall:
 - 7.2.1. Take all possible and reasonable measures to mitigate the losses;
 - 7.2.2. If the Goods are stolen as a result of burglary or robbery, inform the law enforcement bodies within 24 hours of the discovery of such loss;
 - 7.2.3. Within two (2) business days or as as soon as it is possible inform Us by phone or in writing about the Insured event, and provide any and all documents related to the respective Insured event requested by Us;
- 7.3. Should You recover all or a part of the stolen Goods, for which We have already paid the Insurance compensation, You shall transfer the recovered Goods to Us within ten (10) calendar days.
- 7.4. You shall transfer the direct right of action to Us for Us to rely on the right of subrogation.
- 7.5. You shall provide to Us any information that You have about the person, who is liable for the loss.
- 7.6. If new circumstances that would prevent payment of the Insurance compensation under the insurance contract (or it would be reduced) become known, and if We request so, You shall repay the paid Insurance compensation (or any excess thereof) to Us within thirty (30) calendar days.

PRICE PROTECTION INSURANCE

8. INSURED RISKS

- 8.1. Pursuant to these Terms and Conditions, any new Goods purchased in the Republic of Latvia and from a Merchant in the meaning of this document, shall be insured against the price protection risk. Pursuant to Clause 9 of these Terms and Conditions and during the Coverage period applicable to the category of Your payment card issued by the Bank, Goods purchased with the respective payment card are sold for a lower Price by an alternative Merchant during a sales campaign, and the Price difference exceeds EUR 20. The price of Goods shall be compared with identical goods (same manufacturer, model, manufacturing year, dimensions, colour and other particulars that may affect the price of Goods).
- 8.2. The following shall be considered an adequate proof of changes in the Price: printed information in a brochure, magazine,

newspaper, etc., or a printout from an on-line store, including the description of the Goods and the Price, as well as Merchant's details, and beginning and end date of the sales campaign. The following shall be also accepted as a proof: a good quality photo or photos with a clearly legible description of the Goods and the Price, as well as Merchant's details, and beginning and end date of the sales campaign (for example, a set of photos consisting of a photo of store's display window with detailed information about the sales campaign, as well as photos of the labelling placed on Goods with a clearly visible description and Price of Goods before and during the sales campaign). An event shall be considered an insured event, if the sales campaign begun after the acquisition of Goods and during the Coverage period.

9. SUM INSURED AND COVERAGE PERIOD

- 9.1. The total Sum insured for Bank's payment card *Jūrmala* shall be EUR 1000, and the Coverage period — 30 days.
- 9.2. The total Sum insured for Bank's payment card *Visa Infinite* shall be EUR 1500, and the Coverage period — 30 days.

10. EXCEPTIONS

- 10.1. The following may not be used for price comparison:
 - 10.1.1. Gift cards, coupons, cards or coupons of accrual programmes, merchant bonus programmes;
 - 10.1.2. Prices charged, when a service contract, special financing or additional benefits apply (transportation, installation, etc.);
 - 10.1.3. Prices charged in cases, when a Merchant has been made subject to an insolvency process, its liquidation has started or completed, the sale takes place due to reconstruction of a store or the Price is valid for payments in cash;
 - 10.1.4. Prices charged to specific categories of customers (members of clubs or associations and similar).
- 10.2. Insurance shall not apply to the following Goods:
 - 10.2.1. Tickets, documents, stamps, precious metals and similar goods;
 - 10.2.2. Hunting or gathering trophies and objects that have been preserved by means of taxidermy, mummification or other means;
 - 10.2.3. Unique Goods that are one of a kind, one-off, for example, custom furniture, custom clothing, accessories and similar Goods;
 - 10.2.4. Fuel, construction supplies, food, goods for consumption or perishable goods;
 - 10.2.5. Jewellery, pearls, precious stones, metals;
 - 10.2.6. Art objects, restored, reconstructed or altered goods, collectible goods;
 - 10.2.7. Cars, planes, motorbikes, motor boats, as well as other water, air and motorized road vehicles, their parts and accessories;
 - 10.2.8. Goods paid for incrementally (with more than one payment);
 - 10.2.9. Any services or works;
 - 10.2.10. Immovable property and land;
 - 10.2.11. Pharmaceutical, medicinal, and optics products, and medical equipment;
 - 10.2.12. Seasonal decorations, costumes and evening attire;
 - 10.2.13. Items not considered Goods pursuant to Clause 1.11 of these Terms and Conditions.

11. EXCEPTIONS APPLICABLE TO ALL SECTIONS OF THESE TERMS AND CONDITIONS

- 11.1. Losses resulting from the following shall not be insured:
 - 11.1.1. War, invasion, action taken by an external enemy (with or without a declaration of war), revolt, revolution, uprising, public unrest, military or usurped power;
 - 11.1.2. Decisions of governmental, municipal or judicial bodies;
 - 11.1.3. Nuclear explosion, radiation, radioactive contamination;
 - 11.1.4. Effects of asbestos and its compounds.



- 11.2. Losses shall not be compensated:
- 11.2.1. If the Terms and Conditions for the use of Bank's payment card are violated upon purchase of the Goods;
 - 11.2.2. If You do not inform Us within two (2) business days after insured risk has occurred;
 - 11.2.3. If losses can be compensated pursuant to another insurance contract;
 - 11.2.4. If You are unable to produce a proof of purchase of the respective Goods and a POS terminal receipt confirming a payment with Your payment card (POS terminal receipt may be substituted with a confirmation from the Bank).
 - 11.2.5. If You were committing a crime, when the risk occurred.
- 11.3. We shall have the right not to pay any compensation, if You or the Policyholder has misled Us about the circumstances of the Insured event or the scope of loss with malicious intent or as a result of gross negligence.

12. INSURANCE COMPENSATION, ITS CALCULATION, PAYMENT PROCEDURE AND DEADLINES

- 12.1. A decision to pay/refuse to pay Insurance compensation shall be made by Us as soon as possible, but no later than within fifteen (15) calendar days of the receipt of all necessary documents, including any documents requested by Us.
- 12.2. We shall have a right to refuse to pay an Insurance compensation, if a law enforcement body does not confirm that the Goods have been stolen as a result of a burglary or robbery.
- 12.3. Insurance compensation shall be calculated as follows:
- 12.3.1. If the risk of a defect occurs, the Goods shall be examined to determine if their repair is economically justifiable. Such repairs shall be considered economically justifiable, if the repair costs are lower than the price to be paid for an equivalent item. If the repairs are economically justifiable, the Insurance compensation shall equal the repairs cost minus Deductible;
 - 12.3.2. If the repairs of the Goods are not economically justifiable, or if the risk of a burglary or robbery has occurred, the Insurance compensation shall equal the purchase value of the Goods minus Deductible. Insurance compensation may not exceed the Sum insured minus Deductible;
 - 12.3.3. If the Price protection risk materializes, the Insurance compensation shall equal the difference between the Price You paid for the Goods and the price of the Goods at an alternative Merchant, but no more than the amount of discount granted for the respective Goods by the alternative Merchant.
 - 12.3.4. If during one Insured event the amount of loss for one or several Insured items exceeds the Sum insured for one Insured event, the Insurance compensation shall equal the Sum insured for one Insured event minus Deductible.
- 12.4. If You use the Bank's payment card to pay for the Goods only partially, the Insurance compensation shall be proportional to the share of the Price paid by the Bank's payment card.
- 12.5. We, as far as possible by agreeing with You, shall have the right to determine the type of Insurance compensation:
- 12.5.1. Direct payment for repairs of the Goods or purchase of an equivalent item to the party performing the repairs or the seller. In this case, You have to pay Us Deductible, before We cover any expenses;
 - 12.5.2. The Insurance compensation is paid to You in cash.
- 12.6. The Latvian version of these Terms and Conditions shall prevail over any translation thereof.