

GUARANTEES INSURANCE

Information document for the insurance product

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Product: Guarantees Insurance

This informational document does not reflect the individual terms of your insurance contract, but rather provides a summarized overview of the key conditions of the “Guarantees” product. The full pre-contractual and contractual information regarding the product is contained in the insurance policy, the General Terms and Conditions of the insurance, as well as in the “Questionnaire – Proposal” for concluding the contract. These documents are provided to you prior to the conclusion of the insurance and form an integral part of the insurance contract.

What type of insurance is this?

The “Guarantees” insurance is a voluntary insurance product whereby, in the event of an insured occurrence covered by the policy, the Insurer covers the risk of non-fulfillment of contractual obligations between the Policyholder (the Contractor) and the Beneficiary, or as stipulated by the relevant legal framework. This results in an obligation for the Insurer to pay the guaranteed amounts to the Beneficiary.



What does the insurance cover?

Depending on the nature of the guaranteed obligation of the Policyholder, the agreed insurance coverage includes:

- ✓ **Clause 1** – Guarantee for the good execution of a contract for the supply of goods/equipment or for the provision of services;
- ✓ **Clause 2** – Guarantee for good execution (Performance Guarantee);
- ✓ **Clause 3** – Maintenance guarantee;
- ✓ **Clause 4** – Guarantee for Participation in a tender or procurement assignment procedure (Bid Bond);
- ✓ **Clause 5** – Guarantee for refund of advance payment or return of the amount paid in case of contract termination (Advance Payment Bond);
- ✓ **Clause 6** – Guarantee of payment of customs duties (excise duties, VAT, import/export fees and interest for late payment of the listed government receivables);
- ✓ **Clause 7** – Other Bonds/Risks, explicitly approved and accepted by the Insurer;

sabotage, civil disobedience, uprisings, revolutions, martial law or usurpation of power, civil war, military coup, military exercises, and any activities of a military nature;

- ✗ Acts of terrorism or any actions taken to control, prevent, suppress, or otherwise relate to acts of terrorism;
 - ✗ Confiscation, requisition, or nationalization of property by government authorities;
 - ✗ Chemical contamination as a result of industrial or other accidents;
 - ✗ Earthquakes, volcanic eruptions, landslides, and ground collapses;
 - ✗ Interest, penalties, and lost profits;
 - ✗ Any events constituting force majeure that are beyond the control of the Policyholder and the Beneficiary and prevent the performance of the contract;
 - ✗ Any events constituting force majeure that are beyond the control of the Policyholder and the Beneficiary and prevent the performance of the contract;
 - ✗ Events covered by other types of insurance;
 - ✗ The due premium has not been paid, or the premium was paid late, and the insured event occurred during the period of delay;
- The guarantee is secured by an unconditional and irrevocable counter-guarantee.

All exclusions are specified in the General Terms and Conditions of the insurance policy.



What does the insurance not cover?

The Insurer is not liable to compensate the Beneficiary in the following cases:

- ✗ The contract between the Policyholder and the Beneficiary has been concluded in violation of a law or other regulatory act;
- ✗ The Policyholder and the Beneficiary have made any amendments to the contract or its securities without the prior written consent of the Insurer;
- ✗ Gross negligence on the part of the Policyholder, its representatives, employees, or related parties;
- ✗ Attempted fraud or staged insurance event by the Policyholder and/or the Beneficiary;
- ✗ As of the date of conclusion of the insurance contract, the Policyholder was insolvent or undergoing insolvency or liquidation proceedings, or undergoing a corporate restructuring process, including merger or consolidation, or a pending application for the initiation of insolvency proceedings existed; had overdue liabilities or had requested deferred payment of such obligations; or had partially or fully refused to fulfill obligations under the contract related to the guarantee, or had proposed a debt-for-equity swap;
- ✗ Nuclear and atomic explosions/accidents, exposure to radioactive substances and contamination thereof, ionizing radiation, or violations of nuclear safety regulations;
- ✗ War, strike, civil commotion, riot, lockout, mass disorder, vandalism and



Are there any coverage limits?

The insurance does not cover the deductible specified in the policy, whether defined as a percentage or a fixed amount of the loss;

! The Insured and the Beneficiary are related parties within the meaning of the Commercial Law.



What is the territorial coverage of my insurance?

The insurance coverage applies to the territory of the Republic of Bulgaria, unless it is agreed that the coverage also extends to the territory of the Beneficiary outside the Republic of Bulgaria.



What are my obligations?

When concluding the insurance contract, you must:

- ✓ Disclose all known circumstances about which the insurer has asked questions in the "Questionnaire – Proposal" and which are relevant to the risk;
- ✓ Provide all documents requested by the Insurer for risk assessment, including a copy of the contract signed with the Beneficiary;
- ✓ Pay the full agreed insurance premium upon issuance of the insurance policy.

During the term of the insurance contract, you must:

- ✓ Notify us of any new circumstances arising after the conclusion of the insurance that are relevant to the risk, affecting the company and/or management and/or key employees, and/or important communication with the principal/Beneficiary under the guarantee;
- ✓ Inform us of any potential risk of disagreement/conflict (with the Beneficiary) or occurrence of an insured event;
- ✓ Retain all documentation related to the guarantee transaction and provide access to it upon the Insurer's request;
- ✓ Not make any changes to the contract with the Beneficiary without the Insurer's explicit written consent;
- ✓ Comply with the regulations, rules, and requirements of all governmental authorities in carrying out your activities;
- ✓ Not dispose of your own long-term tangible assets during the validity of the insurance coverage under the policy without the Insurer's consent;
- ✓ Strictly fulfill all your obligations related to the concluded contract with the Beneficiary;

Seek legal action to amend or terminate the contract with your counterparty, in whole or in part, due to economic hardship or risk of bankruptcy.

In the event of an insured event, you must:

- ✓ Take all measures and follow the Insurer's instructions to limit the amount of the loss;
- ✓ Submit a written notification to the Insurer along with a copy of the Beneficiary's claim and accompanying documents within 3 days from the date of receiving a written payment request from the Beneficiary under the guarantee;
- ✓ Provide all necessary assistance to the Insurer to determine the basis and amount of the loss;
- ✓ Secure the Insurer's subrogation rights by providing all documents, information, and securities under the contract (if any) required to enforce its right of regress;
- ✓ Reimburse the Insurer the amount paid under the guarantee within 15 (fifteen) business days from the date of receiving a written request from the Insurer;
- ✓ Return the original insurance policy to the Insurer in case of early termination of the insurance contract.

The obligations of the Policyholder and the Insured are detailed in the General Terms and Conditions of the "Guarantees" insurance.



When and how should I pay?

The insurance premium is paid in a single installment upon conclusion of the insurance contract.
You can pay the insurance premium either in cash or by bank transfer.



When does the coverage start and end?

The term of the insurance contract is determined by agreement between the Policyholder and the Insurer.

The insurance becomes effective from the date of the Beneficiary's explicit acceptance of the guarantee.

If the Beneficiary is not obliged to explicitly accept the guarantee, the insurance becomes effective from the date the guaranteed obligation arises, but not earlier than 00:00 on the day specified as the start date in the insurance policy, provided that the insurance premium has been paid, unless otherwise agreed in the policy.

The insurance expires at 24:00 on the day specified in the policy as the end date of the insurance contract.



How can I terminate the contract?

You may terminate your insurance by sending us a one-month written notice, with the explicit written consent of the Beneficiary.

IMPORTANT! A Guarantee insurance contract may be terminated only with the explicit consent of the Beneficiary (i.e., through a document, email, or publication on the Beneficiary's official website that clearly confirms the guarantee and the Insurer's obligation have expired and may be terminated).