DAMAGE PROTECTION RULES

CONCEPTS OF RULES

Tenant - a person who rents property from the Lessor and has entered into an agreement with him for the protection of the risk of damage for the benefit of himself or others.

The lessor is UAB " Bokštelis.lt ".

The interest in the protection of the risk of damage is the interest of the Lessee in not suffering losses due to the occurrence of a compensable event.

The object of damage risk protection is property interests related to the property leased by the Lessor to the Tenant.

The risk of damage is the probability of an event, the occurrence of which is possible in the future and which does not depend on the Tenant's will.

The parties to the agreement are the Tenant and the Landlord.

Damage risk protection agreement - an agreement between the Lessor and the Lessee, according to which the Lessee undertakes to pay an agreed-upon amount of payment within the specified terms, to fulfill other obligations established in the agreement and the rules, and the Lessor undertakes to apply damage risk protection to the leased property, specified in the agreement, upon the occurrence of a compensable event, in accordance with these provisions of the rules.

Compensable event - an event specified in the rules, upon the occurrence of which the Lessor does not require the Lessee to cover the damage caused to his leased property, exceeding the amount of the stipulated deduction.

Deductible - part of the damage caused to the leased property, established in separate agreements, which the Tenant does not compensate the Lessor. The deduction is defined as a specific amount of money and/or as a percentage of the loss, unless otherwise specified. If several types of deductions for the same risk are established in the agreements, one, larger one of them is always applied. A non-compensable event is a case where damage risk protection does not apply and the Lessee must compensate the Lessor for the damage he has suffered.

Persons related to the Tenant, who are also obliged to fulfill the duties set for the Tenant: a) persons who live together with the Tenant; b) persons who are responsible for the damage risk protection object according to the agreement with the Lessee; c) persons related to the Tenant in work, service provision or other legal relationships, and have the obligation to act in accordance with security requirements.

RESPONSIBILITIES OF THE LESSEE IN THE EVENT OF DAMAGE

In order for the Tenant to acquire the right to benefit from damage risk protection in the event of an event, he must:

1. immediately, but no later than within 3 working days (unless otherwise specified in these rules) to inform the Landlord about the incident in accordance with the procedure set forth in these rules.
2. if the Tenant informs the Lessor about the incident late, the Tenant must prove that it was not possible to inform in time;
3. immediately inform the competent services (e.g. treatment facility, fire safety and rescue department, police, emergency services, etc.);
4. to carry out all the instructions given by the Lessor and to take all measures in order to reduce the damage and prevent its occurrence or its increase;
5. to enable the Landlord to inspect the scene of the incident, conduct an investigation and interview witnesses so that the Landlord can determine the causes and amount of the loss;
6. provide all information and documents requested by the Lessor, including trade secrets, if they are known to the Lessee, so that the Lessor can determine the causes of the incident and the amount of damage;
7. if possible, keep the scene of the incident untouched until the Lessor's representative arrives, if the Lessor has not given other instructions;
8. If the object of the event cannot be preserved without changing its condition after the event for reasonable reasons, ensure that photos of the damaged property are taken as quickly as possible or the damaged object is filmed in order to record the losses, and send the photos or video to the Landlord.
   If the Tenant intentionally or due to gross negligence does not fulfill the obligations specified in the Rules, the Lessor has the right to reduce the application of damage risk protection or refuse to apply it at all.

COMPLAINT AND DISPUTE RESOLUTION PROCEDURE

All disputes arising between the parties to the contract shall be resolved through negotiations. If an amicable agreement cannot be reached, all disputes arising from the contract and related to the violation, termination or invalidity of the contract shall be resolved in the courts of the Republic of Lithuania in accordance with the legal acts of the Republic of Lithuania, in the courts of the Republic of Lithuania according to the address of the Lessor's registered office.

CONFIDENTIALITY

The parties undertake not to disclose confidential information obtained on the basis of contractual or pre-contractual legal relations to third parties, nor to use this information in a way that would harm the interests of the other contracting party. The Lessor has the right to

provide all necessary information to independent experts and other related entities, obtained on the basis of insurance contractual or pre-contractual relations, as well as to store it in the Lessor's databases. This obligation does not apply when the parties, in accordance with the requirements of the legal acts of the Republic of Lithuania, must provide information to the competent state institutions.

OTHER TERMS

Any notice that the Tenant or the Landlord must give to each other must be made within the time limits specified in these rules by one of the following methods:

1.1. when delivered to the Lessor, at the addresses indicated in the contracts or other written documents or in the parties' notices about the change of the addresses of the offices;

1.2. when sending a registered postal correspondence package;

1.3. by electronic mail, when the parties have provided for this method of notification in the contract, or by conclusive actions express their consent to exchange information in this way.

The agreement for the protection of the risk of damage is concluded on the basis of these rules. If the terms specified in the contract (agreement) and these rules differ, the terms of these rules take precedence. The lessee and other persons who acquire rights on the basis of the damage risk protection agreement must comply with the obligations established in these Rules. These Rules come into force from the date of their public announcement.

COMPENSATING EVENTS

Specialized equipment damage risk protection applies in case of sudden and unexpected damage, destruction or loss due to the insured events listed below. The lessor compensates for losses due to the following risks:

1.1. Car accident - a road traffic incident when specialized equipment, while participating in traffic, in a place designated for road traffic, was damaged or destroyed, due to a collision with another vehicle or other moving or stationary objects, or overturning. The incident must be registered in accordance with the procedure established by the Road Traffic Rules. The damage risk protection is not valid if the specialized equipment was operated in places not intended for road traffic (it drove through frozen bodies of water, forests, fields, meadows, construction sites, quarries, etc.);

1.2. Fire:

1.2.1. fire - a fire (including arson) originating from or originating from a fireplace not intended for this purpose and capable of spreading by itself. Also damage caused by fire fighting;

1.2.2. lightning strike - direct lightning discharge specialized equipment. Likewise, trees or other objects affected by lightning strikes on this property;

1.2.3. an explosion (including detonation) is considered a change in the physical state of a substance, during which a large amount of suddenly heated and expanding gas or steam is released, which affects the environment with a large shock wave;

1.2.4. controlled flying machine - falling of parts or cargo of a controlled flying machine on the insured specialized equipment.

1.3. Natural forces:

1.3.1. storm - strong wind, when the wind speed during the gust is 17 m/s and more. This includes damage due to trees or other objects falling on the property during a storm;

1.3.2. downpour - short-term intense rain when 15 mm or more of precipitation falls in 12 hours or less;

1.3.3. hail - short-term precipitation of ice pieces, usually characteristic of the warm season; 1.3.4. snow pressure - heavy snowfall , when within 48 hours 20 mm or more precipitation falls in a shorter period of time and at least 20 cm is formed. a thick layer of snow cover and breaks or damages property with its own weight;

1.3.5. flood - a sudden rise of water in rivers, lakes, the sea, spilling from the shores, which erodes dams, inundates lower parts of cities, settlements, areas of agricultural crops, sections of automobile roads, damages industrial facilities. Puddles formed by melting snow or long-term rainy weather are not considered surface water bodies. An unexpected flood is considered if it has occurred in that area less than 2 times in the last 20 years.

1.3.6. When it is not possible to determine the quantitative parameters of the storm, rain, hail, snow pressure at the scene, the measurements of the meteorological service made in that or the nearest region and/or the facts that the listed natural forces have caused similar losses in that region are relied upon.

1.4. Intentional actions of third parties:

1.4.1. Burglary means the theft, damage or destruction of property where the perpetrator unlawfully enters premises or a fenced area by damaging locks, disabling, breaking or

otherwise neutralising the alarm system and/or gains unlawful entry into a locked building or area by damaging physical barriers, including doors, windows, roofs, gates or similar structures, or unlawfully enters the premises or area using stolen keys. Burglary committed using stolen keys shall be considered a compensable event only where there was no reasonable opportunity to replace the locks or modify the alarm system. Theft from the unfenced yard of a residential property shall also be considered a compensable event. Theft shall be considered a compensable event only if the incident has been reported to the police, officially recorded by the police as theft, and a police investigation has been initiated.

1.4.2. Robbery means the theft, damage or destruction of specialised equipment where physical or psychological force is used or threatened against the Lessee or a person associated with the Lessee while such person resists the taking of the specialised equipment, or where the specialised equipment is taken from the Lessee or a person associated with the Lessee who is unable to resist due to a helpless condition resulting from an accident or other circumstances arising through no fault of that person. Robbery shall be considered a compensable event only if the incident has been reported to the police, officially recorded by the police as robbery, and a police investigation has been initiated.

1.4.3. Vandalism means the intentional destruction of or damage to specialised equipment by setting it on fire, causing an explosion, or by any other intentional unlawful means, including damage caused during an attempted theft or burglary. Vandalism shall be considered a compensable event only if the incident has been reported to the police, officially recorded by the police as vandalism, and a police investigation has been initiated.

1.5. Glass impact – breaking or splitting of the lights, mirrors, cabin glass of the insured specialized equipment.

NON-COMPENSABLE EVENTS

Unless otherwise stipulated in the contract, the LESSOR does not compensate for damage caused by:

1. due to special or environmental conditions (Force majeure):

1.1. acts of terrorism (acts involving the use of force or violence, or threats to use such acts, against or for the benefit of any third party, acting alone or in concert with any organization or government, which are carried out for political, religious, ideological or ethnic reasons and whose intentions is to place the government or the public or any part thereof in

danger); losses resulting from preventive actions against terrorist acts are also not compensated;

1.2. war, invasion, hostile actions of a foreign state, military or similar operations, such as civil war (whether or not war has been declared), riots, strikes, insurrections, rebellions, revolutions, martial law, marauding , vandalism, sabotage; strike, lockout, disturbances of public order, which would amount to a coup or riot, confiscation of property, nationalization, if this is caused or sanctioned by the state authorities, regardless of whether it is legal or not; other political risks and all other losses or expenses incurred directly or indirectly due to the prevention of such actions are also not compensated;

1.3. direct or indirect nuclear explosion, exposure to nuclear energy or radioactive preparations, direct or indirect radioactive contamination;

1.4. The lessor does not have the right to compensate for damages if such an action violates the sanctions, prohibitions or restrictions applied by the resolutions of the United Nations Organizations or trade or economic sanctions, the normative acts of the European Union, the Republic of Lithuania, the United Kingdom or the United States of America;

1.5. legal acts issued by the state;

1.6. declared states of emergency or emergency, directly or indirectly related to any measures to avoid the state of emergency or emergency;

1.7. earthquake;

1.8. epidemics or pandemics.

2. in addition to non-compensable events, the Lessor does not compensate for the damage suffered, if the losses occurred due to:

2.1. spontaneous ignition or explosion of specialized equipment, due to the effect of electric current in equipment, overheating, liquid dripping, leaks in the system, and in internal combustion engines. This point applies to specialized equipment that was older than 7 years on the day of the event.;

2.2. penetration or entry of rain, hail, snow, mud, water or water-borne objects through a hole in the roof, leaky or incompletely closed windows, doors, ventilation openings, leaky places in structural elements of specialized equipment (cracks, splits, cracks, insufficient joints, body, cabin waterproofing) or other openings, except in cases where these openings were caused by a compensable event;

2.3. indirect impact of lightning, impact of electric current in electrical equipment (short circuit, lack of contact, exceeding permissible voltage loads, malfunctions of measuring or protective devices), except for cases where spontaneous ignition of the equipment has occurred and the age of the equipment is no older than 7 years;

2.4. when the exact circumstances of the event cannot be determined, unexplained disappearance, fraud, extortion, embezzlement, drug abuse;

2.5. if the event occurred due to the intent or gross negligence of the Tenant and/or persons related to him;

2.6. any computer viruses, incorrect data processing or misuse of computer software.

2.7 . the damage was caused to the engine or its components, refrigeration and heating equipment or transmission and other mechanisms, was caused or increased by insufficient oil, coolant or other fluid levels, by the use of the wrong type of oil, coolant or fuel or by their insufficient circulation, and that the damage was caused or increased by running out of fuel;

2.8. the specialized equipment was stolen using the original keys or the original control protection equipment that the specialized equipment has;

2.9. after the theft, the Lessee does not deliver to the Lessor all sets of ignition keys (keys, alarm remotes, immobilizers) provided by the manufacturer or installed in the rented vehicle;

2.10. specialized equipment was left in an unfenced or unguarded area, with the exception of theft from the yard area of a residential building (in which people live more than 250 days a year);

2.11. the specialized equipment was operated in violation of its technical characteristics, was technically out of order and/or required repair or was not used for its intended purpose;

2.12. the specialized equipment and/or the vehicle transporting it was driven by a person under the influence of alcohol, drugs, medicines or psychotropic substances or avoided (refused) an inspection due to the use of drunkenness, drugs, medicines and/or other psychotropic substances;

2.13. the specialized equipment and/or the vehicle transporting it was driven by a person who does not have a driver's license or does not have the right to drive a vehicle of that category;

2.14. the driver driving the specialized equipment and/or the vehicle carrying it left the scene of the incident arbitrarily;

2.15. drove specialized equipment in violation of work regime or work safety requirements;

2.16. the tenant or a person related to him used specialized equipment as a crime tool;

2.17. specialized equipment is operated in hydrotechnical constructions, reclamation or watery areas (swamps, bogs, peatlands, flood zones) or on floating sites, pontoons, frozen bodies of water, unless otherwise specified in the contract; 2.18. used in underground mines or underground;

2.19. damage was caused to parts/assemblies of specialized equipment, if they were not installed on the insured equipment or were removed from the insured equipment.

2.20 . theft of specialized equipment or its components (devices), if it is committed by a person to whom the equipment was transferred on the basis of rent or use, during storage, repair, etc.;

2.21. non-compensable damage for changes and improvements of specialized equipment, for urgent delivery of parts, for downtime of specialized equipment and fuel, for lost income due to inability to use specialized equipment;

2.22. direct damage to property caused by animals, insects, rodents;

2.23. internal electrical or mechanical malfunctions, breakdowns, breakages or stoppages, freezing of refrigerants or fluids, improper lubrication or lack of lubricant and refrigerants during operation.

2.24. entry of foreign objects into the units of the object.

2.25. other cases, if the object of damage risk protection was insured by the Lessor, but the insurance company refused to compensate the Lessor for the damage suffered through no fault of the Lessor.

TERRITORY OF VALIDITY OF RISK OF DAMAGE PROTECTION

Damage risk protection is valid in the territory of the Republic of Lithuania, unless otherwise stated in the contract.

DETERMINATION OF THE DAMAGES INCURRED

The amount of damage is determined under the conditions discussed in the Lease Agreement concluded by the Lessor with the Tenant.

If the event is recognized as compensable, the Tenant shall cover only the amount of the Deduction and administration costs.

Claim administration is carried out within 30 calendar days.

GROUNDS FOR EXCLUSION OR REDUCTION OF DAMAGE PROTECTION

The lessor has the right to reduce the risk of damage protection or refuse to apply it if:
1.1. the lessee provided misleading information about the facts of the damage event, which influenced the causes, circumstances and/or amount of the loss;

1.2. the tenant does not comply with the terms of the contract or the landlord's requirements, including but not limited to:

1.2.1 it becomes clear after the event that essential information about the object was not provided or was provided incorrectly, or changes in circumstances and/or increased risk were not reported;

1.2.2. the loss occurred due to the deliberate failure to take reasonable measures available to him to prevent or reduce the damage;

1.2.2. lost or lost: registration certificate of the rented specialized equipment, ignition keys or security system control panels;

1.2.3. specialized equipment was stolen together with its registration documents;

1.2.4. in other cases provided for in the contract and/or laws;

1.2.5. if the Tenant waived his right to claim against the injured persons or it became impossible to implement it due to the Tenant's fault;

1.2.6. if at the time of occurrence/recording of the damage, the Lessee was in debt for services to the Lessor;

The Lessor has the right to refuse to compensate for the damage or to reduce the compensation, taking into account the Lessee's fault, the extent of violations of the terms of the contract or rules and its causal connection with the event or the amount of damage.