Minimum requirements for insurance of the financial product collateral:

A mortgaged and/or pledged item shall be insured, at the request of the bank, to obtain/maintain a financial product.

The customer shall be authorized to submit an insurance policy from any insurance company. In such a case, all of the following conditions shall be met:

1. The insurance company (insurer) issuing the insurance policy shall hold a license for the relevant insurance activity as established by law.
2. JSC ProCredit Bank shall be indicated as the sole beneficiary of the collateral insurance in the insurance policy. However, ProCredit Bank Germany may also be indicated as the beneficiary in case of insuring the collateral for a co-financed loan.
3. An insurance policy may be submitted for a specified period it must be renewed 3 (three) days before the expiration of each term and shall be valid during the validity of the financial product concluded between the customer and the bank.
4. The insurance policy shall include the obligation of the insurer to notify the bank (beneficiary) of any overdue payment of the insurance premium or termination of the policy for any reason. For this purpose, the bank contact information is:
    - Address: No 21 Al. Kazbegi Ave., 0160 Tbilisi, Georgia; or
    - Email: Geo.info.insurance2@procredit-group.com
5. The insurance policy shall indicate the identifying data of the insured property and the insured value of the property, besides, the cost shall be defined for the structural elements and interior decoration-repair together, without division.
6. In the case of real property insurance, the building or other structure encumbered for the security of loan, including their integral structural elements (i.e. any type of water supply, gas supply, electrical systems, etc.) and interior decoration-repair shall be insured.
7. The insurance policy shall cover the collateral insurance at the market value of the property. When paying insurance compensation, the amount of damages shall be calculated according to the market value of the property. Besides, if the insured property is a building separately standing on a plot of land, the market value, for the insurance purposes, shall be determined in the policy according to the recovery value of the building net of the value of the land.
8. According to the insurance policy, the bank shall be the recipient of the insurance compensation. The insurance compensation shall be paid in cash to cover a) the restoration/renovation costs, b) the damages. Insurance compensation by replacing the destroyed property with a similar one shall be allowed only with the prior consent of the bank (beneficiary).
9. Real property shall be insured against the following insurance risks:
    - Fire: fire, explosion, lightning stroke
    - Water damage: damage to water supply, water heating or sewerage systems, water intrusion from a neighboring parking lot, groundwater runoff by exposure to ground, standing or running water
    - Misappropriation of property: theft by burglary or covert penetration, robbery, looting

- Land vehicle collision and/or object falling: land vehicle collision or falling of the object of a flying machine or its part (including wood, power pole, etc.) on the property
- Natural disasters: strong winds (storm, hurricane), hail, flood, landslide and other natural disasters (except for earthquake)
- Earthquake: damage to the property as a result of an earthquake, unless it is caused directly by the seismic incompatibility of the property
- Unlawful act of a third party (vandalism) (except for damage to the outer glass)
- Damage to the outer glass as a result of the insured risk (glass window, showcase, stained glass, door, wall)

10. Special-purpose machinery shall be insured against the following insurance risks:
    - Fire/explosion
    - Natural disasters
    - Overturning, falling, collapsing of a building or part of it
    - Collision of a moving machine inside the building or in its yard
    - Collision/falling of an object (including or without a traffic accident)
    - Unlawful action by a third party (theft/robbery/looting/vandalism)
    - Industrial accident/accident

If the customer submits an insurance policy to receive/maintain a financial product that does not meet all of the aforementioned conditions, the bank shall be authorized not to accept the insurance policy.