

TERMS AND CONDITIONS OF DEPOSIT TRANSACTIONS

Valid as of 22.05.2010

1. GENERAL PROVISIONS

- 1.1. The Terms and Conditions of Deposit Transactions (hereinafter **the Conditions**) are Service Conditions in the sense of the Financial Markets Client Agreement (hereinafter **the Client Agreement**) concluded between the Bank and the Client (the Parties), regulating the relations between the Bank and the Client in executing deposit transactions and prescribing the procedure for executing Deposit Transactions.
- 1.2. The currency of the Deposit in a Deposit Transaction must be included in the list of currencies established by the Bank.

2. TERMS

- 2.1. Besides the terms defined in the Client Agreement, the following capitalised terms are used in the Conditions with the following meanings:
 - 2.1.1. **Deposit** is an amount of money that the Client deposits with the Bank under the conditions specified by the deposit transaction;
 - 2.1.2. **Deposit Transaction** is a transaction whereby the Client undertakes to deposit a certain amount of money with the Bank for an agreed period and the Bank undertakes to refund such amount to the Client under the agreed conditions;
 - 2.1.3. **Start Date of the Deposit** is the banking day specified by the deposit transaction when the Client undertakes to place the deposit with the Bank;
 - 2.1.4. **Expiry Date of the Deposit** is the banking day specified by the deposit transaction when the Bank undertakes to refund the deposit to the Client;
 - 2.1.5. **Banking Day** is any calendar day other than a Saturday, Sunday or a national holiday or a public holiday in the Republic of Estonia.
 - 2.1.6. **Transaction Account** is the Client's bank account with the Bank that is used for settlements associated with the deposit transaction.

3. THE PROCEDURE OF A DEPOSIT TRANSACTION

- 3.1. The essential conditions for a **Deposit Transaction** order are:
 - 3.1.1. the currency and amount of the Deposit;
 - 3.1.2. the Start Date of the Deposit;
 - 3.1.3. the interest rate paid on the Deposit that is accepted by the Bank (for fixed rate deposit transactions) or conditions for determining the interest rate (for floating rate deposit transactions);
 - 3.1.4. the Expiry Date of the Deposit;
 - 3.1.5. the specification of the Transaction Account.
- 3.2. On the Start Date of the Deposit, the Bank shall debit the agreed amount of the Deposit from the Client's Transaction Account.
- 3.3. On the Expiry Date of the Deposit, the Bank shall refund the deposit to the Client by transferring the deposit amount to the Client's transaction account.

4. INTEREST

- 4.1. If not agreed otherwise in the Deposit Transaction, the Bank shall calculate the interest on the Deposit with the agreed rate, starting from the Start Date of the Deposit (exclusive) and up to the Expiry Date of the Deposit (inclusive).
- 4.2. If not specified otherwise by the Deposit Transaction, the Bank shall calculate the interest on the basis of a 360-day year, the actual number of days in a month and the interest rate.
- 4.3. If not agreed otherwise in the Deposit Transaction, the Bank shall pay the interest calculated for the Deposit as a single payment to the Client, transferring the corresponding interest amount to the Client's transaction account simultaneously with refunding of the Deposit.
- 4.4. If provided by law that it is mandatory to pay the interest more frequently than specified in Clause 4.3, the Bank shall make the interest payments according to the period determined by law on the day that corresponds to the Start Date of the Deposit and the last interest payment on the Expiry Date of the Deposit.

5. PREMATURE TERMINATION OF A DEPOSIT TRANSACTION

- 5.1. A Deposit Transaction is concluded for a specified term and will terminate on the Expiry Date of the Deposit.
- 5.2. In order to terminate the Deposit Transaction before the specified term, the Client shall submit a corresponding order to the Bank. The Bank shall terminate the Deposit Transaction within three banking days from the receipt of the Order, provided that the Client has not specified a later date in the

Order, by way of transferring the Deposit to the transaction account of the Client or to the bank account specified in the order.

- 5.3. In the case of premature termination of the Deposit Transaction, the Bank shall pay no interest on the Deposit.
- 5.4. The Bank shall be entitled to demand compensation from the Client for the expense caused to the Bank by the premature termination of the deposit transaction.
 - 5.4.1. The expense incurred by premature termination of the deposit is the additional interest cost that the Bank bears for refinancing the period between the date of the premature termination and the initially agreed Expiry Date of the Deposit, relative to the interest that the Bank would have paid to the Client for the remaining deposit period if the Deposit Transaction had not been terminated before the expiry date. The calculation of the additional interest expense shall be based on the difference between the interest rate quoted for the specified currency on the interbank monetary market for the specified period and the initially agreed interest rate.
 - 5.4.2. In the event that the Bank has paid interest to the Transaction Account during the deposit term subject to Clause 4.4 of the Conditions, the interest paid shall also be deemed to be the expense incurred by premature termination of the Deposit.
- 5.5. The Client shall compensate for the expense incurred to the Bank by premature termination of the Deposit Transaction to the extent that exceeds the interest amount calculated on the Deposit up to the date of the premature termination.
- 5.6. The Bank shall be entitled to withhold the expenses incurred by the premature termination of the Deposit Transaction from the Deposit amount to be refunded. At the Client's request, the Bank shall present a calculation of the interest expense.

6. INFORMATION

- 6.1. Upon request, the Depositor shall receive information regarding the deposit amount and the interest paid from any branch or currently through the Internet Bank. If the Client has not signed an Internet Bank contract, they shall be entitled to get, from a branch, upon request, a statement once in a calendar year concerning the transactions related to the deposit in that calendar year free of charge.