

## AS SEB PANK GENERAL TERMS AND CONDITIONS

Valid from 01.01.2011

### 1. GENERAL PROVISIONS

#### 1.1 Application of the General Terms and Conditions

**1.1.1** The General Terms and Conditions (hereinafter the Terms and Conditions) of AS SEB Pank (hereinafter the Bank) establish the basis for the Bank's legal relations with natural or legal persons (hereinafter the Client). They establish communication procedures between the Bank and the Client, general terms for entering into agreements with Clients on providing banking services (hereinafter the Agreement), making amendments in the Agreements and terminating them, and the procedure for exercising rights and meeting obligations under the Agreements.

**1.1.1.1** A Client is any natural or legal person, who has submitted an application to the Bank for entering into an agreement and has been identified by the Bank, or a person, who is or has used the service, provided by the Bank.

**1.1.2** These Terms and Conditions apply to all existing legal relations between the Bank and the Client valid on the day the Terms and Conditions take effect.

**1.1.3** In addition to these Terms and Conditions, relations between the Bank and the Client shall be governed by law, standard terms and conditions of agreements (hereinafter the Product Terms and Conditions), special conditions and covenants of the agreements between the Bank and the Client, the price list of the Bank (hereinafter the Price List), good banking practice as well as the principles of good faith and reasonableness.

**1.1.4** The Terms and Conditions are effective to the extent not specified otherwise by Product Terms and Conditions.

**1.1.5** The Terms and Conditions and the Product Terms and Conditions are effective to the extent not provided otherwise by the Agreement.

**1.1.6** The Terms and Conditions, the Product Terms and Conditions, and the Price List are available at the bank offices as well as on the webpage of the Bank at [www.seb.ee](http://www.seb.ee).

**1.1.7** Communication between the Bank and the Client shall be conducted in Estonian or in Russian or English, as agreed between the Parties. The general Terms and Conditions, Price List of the Bank and the Product Terms and Conditions of payment services and deposits are available in the above languages.

**1.1.8** In case of discrepancies and ambiguities between the Estonian text and the translation of the General Terms and Conditions, Product Terms and Conditions and the Price List, the Estonian original shall prevail.

#### 1.2 Applicable law and jurisdiction

**1.2.1** The law of the Republic of Estonia shall be applied to the relations between the Bank and the Client.

**1.2.2** The relations between the Bank and the Client shall be regulated with the law of a foreign state, if so prescribed by law or the Agreement.

**1.2.3** A dispute between the Bank and the Client shall be resolved by the court in the jurisdiction of the Bank office that concluded the Agreement, unless otherwise provided by law or agreed by the parties.

**1.2.4** Notwithstanding the provisions of Clause 1.2.1, a natural person, with place of residence in a foreign country and a legal person, incorporated in a foreign country, are obliged when using the bank services to follow the law, including the limitations and obligations to inform, etc, established therein, applicable in their country of residence or location.

#### 1.3 Establishment and amendment of the Terms and Conditions, the Product Terms and Conditions and the Price List

**1.3.1** The Bank shall establish the Terms and Conditions, the Product Terms and Conditions, and the Price List.

**1.3.2** Special conditions of the Agreement shall be established with an agreement between the Client and the Bank.

**1.3.3** The Bank is entitled to make unilateral amendments to the Terms and Conditions, Product Terms and Conditions and the Price List.

**1.3.4** The Bank shall inform the Client of the amendments to the Terms and Conditions and the Product Terms and Conditions via national daily newspaper and shall make the amendments to the Terms and Conditions and Product Terms and Conditions available on the webpage and at the offices of the Bank at least 1 month in advance of coming into effect of the amendments, unless otherwise stipulated in the Terms and Conditions.

**1.3.5** The Bank shall inform the Client of the amendments of the Price List 1 month in advance via webpage of the Bank and notices provided at the offices of the Bank, unless otherwise stipulated in the Terms and Conditions.

**1.3.6** The Bank shall inform the Client, who is a consumer, of amendments in the Product Terms and Conditions and Price List of payment services and deposits with a personal notice on durable medium and in addition in a manner as stipulated in Clauses 1.3.4 and/or 1.3.5 at least 2 months before entry into force of the amendments. The general rules, laid down in Clauses 1.3.4 and/or 1.3.5, shall apply to amendments of Product Terms and Price Lists of payment services and deposits, concluded with all other Clients.

**1.3.6.1** A consumer is a Client, who is a natural person, performing Transactions, which are not related to an independent economic or professional activity.

**1.3.6.2** A payment service agreement is an agreement, on the basis of which the Client may use services, enabling:

a) cash deposits or withdrawals to/from a current account (i.e. payment account);

b) to make and receive payments from/to a current account and, incl. execute standing and direct debit orders;

c) issue and acquire means of payment, payment instruments and payment methods (e.g. bank cards, Internet bank codes, letters of credit);

d) execute payment orders (i.e. transfer order), where the agreement for effecting the payment is given by means of a telecommunication, digital or IT-related device (hereinafter the Means of Payment).

**1.3.6.3** A notice, given on a durable medium is a notice, forwarded to the Client either against signature or by post, e-mail, Internet bank or SMS. A notice, forwarded in the above manner can be saved by the Client in a way to access and reproduce it later, if necessary.

**1.3.6.4** Upon forwarding notices on a durable medium, the Bank shall proceed from provisions, stipulated in Clause 8.1.2.

**1.3.7** In justified cases, the Bank is entitled to unilaterally change the Price List without advance notice, unless otherwise stipulated by law. In this case, the Bank shall immediately inform the Client of the changes in the Price List via the bank offices and webpage and shall entitle the Client to cancel the agreement during a reasonable term, as established by the Bank. The Bank shall not apply the term for advance notice also, if amendment of the price list is caused by decrease in the price of the bank service or adding of new services to the price list.

**1.3.8** Should the Client consider the amendments and alterations of the Terms and Conditions, Product Terms and Conditions or Price List unacceptable, the Client has the right to cancel the respective agreement, presenting the Bank a written notice during the introductory period set forth in Clauses 1.3.4 - 1.3.7 herein, having previously fulfilled all contractual obligations to the Bank.

**1.3.9** If the Client does not use his/her right to cancel the Agreement, it shall be deemed that the Client has accepted the amendments and has no claims to the Bank as regards the Terms and Conditions, Product Terms and Conditions or the Price List.

**1.3.10** Upon changeover to the euro, as the legal tender of the Republic of Estonia, the Bank shall recalculate the money, proprietary obligations of the Client and limits agreed upon with the agreement, Transaction limitations, payable commission fees, payments and other amounts, from Estonian kroons into euros on basis of the official exchange rate. In credit contracts, concluded with the Client, in which the parties have agreed on applying the Bank's base interest offered to Estonian kroon loans as floating interest, the floating interest starting from changeover to the euro shall be the Bank's base interest, applicable by the Bank to euro loans.

The Bank shall not send the Client a separate notice on the amendments in Terms and Conditions of Products and Agreement concerning the above change and the procedure stipulated in Clauses 1.3.4 and 1.3.5 shall not be applied.

## **2. IDENTIFICATION**

### **2.1 Client Identification**

**2.1.1** The Client and his representative are obliged to present to the Bank the data, necessary for their identification and the documents, requested by the Bank.

**2.1.2** Natural persons shall be identified on the basis of personal identity documents which comply with the effective legislation and are specified by the Bank.

**2.1.2.1** The Bank and the Client shall agree that, as of the date notified by the Bank, the parties may start using in their relations a security code-protected certificate which enables digital identification and complies with the requirements of the Bank.

**2.1.3** A legal person registered in Estonia or a branch of a foreign company registered in Estonia shall be identified on the basis of an effective excerpt from the data of the respective registry or other documents requested by the Bank.

**2.1.4** A foreign legal person shall be identified on the basis of an excerpt of the respective registry entry or a registration certificate, and/or other documents acceptable to the Bank.

**2.1.5** According to the Agreement concluded between the Bank and the Client, the Client or his/her representative may later on be identified via means of payment, used on the basis of the Agreement in order to conclude agreements, submit applications and give account-related instructions as well as to sign the aforementioned documents.

### **2.2 Representation**

**2.2.1** A natural person may carry out transactions in person or through a representative. A legal person shall carry out transactions through a representative.

**2.2.2** On the Bank's demand, the Client, who is a natural person, is obliged to carry out the transaction in person.

**2.2.3** The document, certifying the right of representation must be submitted in the form requested by the Bank. The Bank is entitled to demand that the document certifying the representation rights and drawn up outside the Bank, shall be notarised.

**2.2.4** The Bank is not obliged to accept the documents, certifying the right of representation, which do not explicitly and clearly reflect the Client's will.

**2.2.5** The Client shall inform the Bank immediately of cancellation or invalidation of the power of attorney also, if the respective notice is published in official publication Ametlikud Teadaanded.

### **2.3 Requirements to documents**

**2.3.1** The Client shall present to the Bank original documents or their notarised copies or copies, attested similarly to the latter. For the identification of a natural

person, the original of the personal identity document shall be presented.

**2.3.2** The Bank is entitled to demand that the documents issued abroad shall be legalised or approved by a substitute certification (apostille), unless otherwise provided by a treaty.

**2.3.3** In case of documents in a foreign language, the Bank will be entitled to demand translation of the documents into the Estonian, Russian or English language. The document must be translated by a sworn translator; or bear a notarised signature of the translator. The Bank shall not refund the costs in connection with the aforementioned acts.

**2.3.4** The Bank is entitled to presume that the document submitted by the Client is authentic, valid and correct.

**2.3.5** The Bank is entitled to make copies of the documents submitted by the Client or the documents evidencing representation rights submitted by the representative for carrying out the transaction.

**2.3.6** Should the Bank have doubts about the authenticity of the submitted documents, the Bank will be entitled not to carry out the transaction, and request additional documents.

## **2.4 Signature**

**2.4.1** The Bank shall accept the signature given by the Client or his representative in handwriting; as well as electronic or oral codes in cases as agreed in the Agreement.

**2.4.2** The Bank and the Client shall agree that, as of the date notified by the Bank, the parties may start using digital signatures to sign documents in their mutual relations. The certificate, enabling digital signature, must comply with the Bank's requirements and be issued by a certification service provider approved by the Bank.

**2.4.3** The Bank is entitled to demand giving the signature at the Bank or, if this is not possible, notarial authentication of the signature.

## **3. ESTABLISHMENT OF CLIENT RELATIONSHIP**

### **3.1 Conclusion of Agreement**

**3.1.1** The relations between the Bank and the Client shall be regulated in writing or in a form enabling written reproduction or in an electronic form, unless the law stipulates the obligatory form of the transaction.

**3.1.2** The Bank shall have the right to decide with whom to conclude or not to conclude the Agreement.

**3.1.3** Upon conclusion of the agreement the Client shall be obliged to submit to the Bank correct, complete and real data concerning the Client and the documents, requested by the Bank. In course of performance of the Agreement, the Bank shall be entitled to request additional data and documents from the Client in order to verify and update the submitted data and the Client is obliged to present the same.

**3.1.4** The Bank may refuse to conclude the Agreement, incl. a current account agreement with a person above all if the person or a person connected with the same:

**3.1.4.1** has not submitted data or documents required by the Bank in order to identify the person and to fulfil the other diligence requirements, prescribed in law, or if the submitted data is

inaccurate or insufficient or the submitted document has signs of forgery;

**3.1.4.2** has not presented to the Bank or a legal person belonging to the same group with the Bank upon request of the latter the data or documents required for certifying the nature and objectives of the business activity and the origin of the funds used in the economic activity or if based on the documents and data, specified in Clauses 3.1.4.1 and 3.1.4.2 the Bank suspects possible connection with money laundering or terrorist financing;

**3.1.4.3** Has within five years before submitting an application to conclude an agreement received negative answer from the Bank or a legal person belonging to the same group with the Bank, to an application for account opening or contract conclusion or the Bank or a legal person belonging to the same group with the Bank has terminated client relationship with him/her due to failure to comply with the diligence measures or due to suspicions that the Client was using front persons when executing transactions or the Client's business activity may be connected with illegal activity or money laundering or terrorist financing;

**3.1.4.4** is in delay with performing an obligation (e.g. outstanding loan payment, interest payment, penalty interest, commission fee, or any other debt) to the Bank or the legal person belonging to the same group with the Bank;

**3.1.4.5** has with its act or omission caused loss to the Bank or the legal person belonging to the same group with the Bank or caused a real danger of loss.

**3.1.5** For the purpose of the Terms and Conditions:

**3.1.5.1** persons connected with a natural person are:

- a) natural and legal persons, whose authorised representative the person is,
- b) legal persons, where the person is a member of the supervisory or management board or another governing body;
- c) legal persons, where the person holds 10% or more of the shares or votes.

**3.1.5.2** persons connected with a legal person are:

- a) natural persons, who are members of the supervisory or management board or any other governing body of the legal person or authorised representatives of the same,
- b) legal persons, where the legal person holds 10% or more of the shares or votes;
- c) natural and legal persons, who hold 10% or more of the shares or votes in the legal person.

**3.1.5.3** A legal person belonging to the same group with the Bank is the parent company of the Bank and all subsidiaries of the Bank and its parent company.

**3.1.6** The Bank may refuse to conclude the Agreement also if international sanctions are to be imposed on the person, if the accounts of the person at the Bank have been seized or on other grounds stipulated in law, particularly, if conclusion of the Agreement is inhibited by circumstances laid down in law, incl. limited active legal capacity, contradiction or lack of representation rights.

**3.1.7** Before making a decision on refusing to conclude the Agreement, the Bank shall thoroughly consider the circumstances of each case. The Bank shall take a decision on the basis of the principle of reasonableness.

### **3.2 The rights of the Bank in preventing money laundering and terrorist financing**

**3.2.1** For preventing money laundering and terrorist financing the Bank has the right:

**3.2.1.1** upon conclusion of the Agreement or in course of performance of the Agreement to ask additional information concerning the owners and ultimate beneficial owners of the Client and the Client's business activity, including data on the contractual partners, turnover, the percentage of cash and non-cash transactions, frequency of transactions, etc.;

**3.2.1.2** for ascertaining the legal origin of the funds or assets used in the transaction to ask from the Client documents serving as grounds to the transaction (purchase-sale contracts, contracts for services, consignment notes, customs documents, etc.) and information on the transaction party or another person connected with the transaction.

If the Client fails to present documents evidencing the legal origin of funds or assets used in the transaction, or if based on the presented data or documents the Bank suspects illegal transactions or money laundering or terrorist financing, the Bank will be entitled to refuse to carry out the transaction or return the funds, received for the Client, to the remitter of the funds;

**3.2.1.3** Verify on a regular basis the accuracy of data, gathered for the fulfilment of diligence requirements, prescribed in law, incl. accuracy of data, serving as grounds for the Client identification and demand from the Client presentation of the respective data and documents. The Client is obliged to submit the necessary documents and give appropriate information;

**3.2.1.4** forward the data, gathered on the Client (hereinafter – Client's Data) to legal persons, belonging to the same group with the Bank, to correspondent banks and payment intermediaries or to persons related to the Client's transaction with a purpose to meet the requirements prescribed in the Money Laundering and Terrorist Financing Prevention Act and explain the origin of funds, used in the Client's transactions.

**3.2.1.5** The Client is obliged to present the information, referred to in Clauses 3.2.1.1-3.2.1.3.

### **3.3 Securing the bank's Claims**

**3.3.1** The Bank is entitled to demand from the Client collateral for ensuring due performance of the Client's contractual obligations, unless restrictions on demanding the collateral have been established by law.

**3.3.2** The Bank is entitled to demand from the Client collateral, or increase the existing one, if the underlying conditions for the Bank-Client relations have changed and such a change is affecting or may affect due performance of the Client's obligations. These changes are the following:

**3.3.2.1** Deterioration of the Client's economic situation or the danger thereof;

**3.3.2.2** Increased obligations of the Client or deteriorated value of the existing collateral or the danger thereof;

**3.3.2.3** Other circumstances that affect or may affect the due performance of obligations by the Client.

**3.3.3** Collateral shall be established on the basis of an agreement between the Bank and the Client/third person.

**3.3.4** The Bank has the right on the basis of the Client's application, to release part of the collateral or substitute the same, if the value of collateral provided to the Bank by the Client is permanently in excess of the total volume of obligations to the Bank within acceptable extent.

## **4. INFORMATION SUBJECT TO BANKING SECRECY AND PROCESSING OF PERSONAL DATA**

### **4.1 Information subject to banking secrecy**

**4.1.1** The Bank shall maintain indefinitely the confidentiality of all the information concerning the Client and the Agreements concluded with the same that according to law are deemed to be information subject to banking secrecy.

**4.1.2** The Bank is entitled to disclose, without the consent of the Client, details, which are subject to banking secrecy, to third persons, to whom the Bank is justified and required to disclose the information by law.

### **4.2 Purpose of processing personal data**

**4.2.1** The Bank processes personal data, which has become known to the Bank under the Agreement or in any other way as follows:

**4.2.1.1** personal data (name, personal ID code, date of birth, data of identity document, etc) mainly for Client identification;

**4.2.1.2** contact data (phone number, address, e-mail address, etc) mainly for communication and financial services offers to the Client;

**4.2.1.3** Data on the Client's proficiency (Client's investment knowledge and experience), mainly for assessing the proficiency of Client, as well as data on the Client's financial capability, assets and liabilities, investment goals and risk tolerance, mainly for assessing the relevance and appropriateness of investment services and securities, offered to the Client;

**4.2.1.4** Client's financial data (income, property, obligations, family members, previous payment history, transactions on the Client's account, etc) mainly for ascertaining the creditworthiness of the Client, investigating the consumption habits and for offering financial services that are suitable for the Client;

**4.2.1.5** data on the origin of funds of the Client (data on the employer, transaction parties and business activity, etc.) mainly for the prevention of terrorist financing and money laundering.

**4.2.2** Clauses 4.2.1.1-4.2.1.5 of the Terms and Conditions stipulate the main objective for processing each data category. Upon reasonable needs, the Bank

is entitled to process data, belonging into a certain data category also for other purposes, provided in Clauses 4.2.1.1-4.2.1.5.

**4.2.3** Processing of Client's personal data in a manner, specified in Clauses 4.2.1.1-4.2.1.5 of the Terms and Conditions is necessary for deciding on the conclusion of the Agreement with the Client, administration and performance of the concluded Agreement, fulfilment of obligations laid down in law and protection of its violated or disputed rights; incl. for the above purposes the Bank has the right to prepare lists of Client's personal data, analysed on different grounds (e.g. list of debtors, etc.).

**4.2.4** The Bank processes Client's personal data also with the purpose of conducting statistical studies and analyses on the market shares of client groups, products and services and other financial indicators and for reporting and risk management purpose.

**4.2.5** The Bank may use the Client's personal data for offering and advertising a product or service of the Bank, a legal person belonging to the same group with the Bank or rarely also of a contractual partner. The Client may refuse the advertisements and offers at any time by informing the Bank hereof.

### **4.3 Forwarding the data**

**4.3.1** The Client agrees that the Bank may forward the Client's Data, incl. personal data and information, subject to banking secrecy:

**4.3.1.1** to legal persons belonging to the same group with the Bank with the purpose to:

a) offer to the Client all services of the Bank and the legal persons belonging to the same group with the Bank and assess the proficiency and creditworthiness of the Client by using efficiently the gathered personal data and financial information;

b) implement measures, necessary for the prevention of money laundering and terrorist financing and ascertain the legal origin of funds, used in transactions.

c) fulfil the requirements, required for risk management.

**4.3.1.2** to persons and organisations (e.g. translation, communication, printing and postal service providers, international card organisations, insurance providers, notaries, etc.) involved in providing banking services;

**4.3.1.3** to correspondent banks and payment intermediaries, incl. to SWIFT (Society for Worldwide Interbank Financial Telecommunication, see [www.swift.com](http://www.swift.com)), involved in the fulfilment of domestic urgent payments and international bank transactions (domestic payments and payments, executed to foreign countries in a foreign currency, payments and securities transactions to foreign countries, processing of cheques, etc.). See [www.swift.com](http://www.swift.com).

a) The SWIFT data processing centres are located in the EU member states and the USA; accordingly, the data of bank transactions, incl. the personal data of the remitter and the beneficiary of the transaction are stored regardless of the location of executing the transfer both in the processing centre, owned by SWIFT in an EU member state as well as in the USA;

b) upon execution of a bank transaction, the Bank, the payment intermediary or SWIFT may be obliged to

disclose the data of the bank transaction and the related personal data of the Client to the authorised state authority of the country of location, in cases as prescribed in the legislation of the country of location, above all for the purposes of preventing money laundering and terrorist financing;

c) if a financial institution (correspondent bank or payment intermediary), located in a country with inadequate data protection level (i.e. a country, which has not joined the EEA Agreement and which the European Commission has not included in the list of countries with adequate level of data protection) has been involved in the fulfilment of international bank transaction, the Bank can not ensure that when processing the Client's data at the financial institutions, located in the said countries, the data processor has the same obligations and the Clients are guaranteed the same rights as when processing the data in an EU member state or in another country with adequate level of data protection.

**4.3.1.4** to correspondent banks, payment intermediaries, beneficiary banks or to persons, related to the Client's transaction, considering the requirements, stipulated in law with the purpose of fulfilling the obligations, arising from Money Laundering and Terrorist Financing Prevention Act and ascertaining the origin of funds, used in the Client's transactions.

**4.3.1.5** to data registries, incl. payment default registry, maintained by AS Krediidiinfo or any other person, where the Bank forwards data on the basis of law or an agreement. The Bank is entitled to forward Client's Data to a payment default registry, if the Client has an unduly performed financial obligation towards the Bank. The Clients can familiarise themselves with the Client's data, processed in the payment default registry, maintained by AS Krediidiinfo and the terms and conditions of processing, the grounds and extent of forwarding the data, on the website at [www.krediidiinfo.ee](http://www.krediidiinfo.ee);

**4.3.1.6** to other third persons due to the Bank's need to protect its legal rights (e.g. persons, who provide debt collection services to the Bank under an agreement).

**4.3.2** The Bank may supplement its databases with information obtained from public registries or state or local government databanks, if forwarding the information or enabling access to the same is in conformity with law. For the same purpose the Client authorises the Bank to ask for additional information from the legal persons belonging to the same group with the Bank.

**4.3.2.1.** For the purposes provided in the Terms and Conditions, the Bank will be entitled to process publicly available data on the Client as well as data received from any third persons, if the data has been forwarded to the Bank considering the requirements established by law.

### **4.4 Client's rights upon data processing**

**4.4.1** The Client may access his data at any time. The Client may also demand making corrections to his data,

if the latter has changed or are inaccurate for any other reason.

**4.4.2** The Client may demand from the Bank termination of processing the personal data, unless otherwise provided by law. According to Ia, the above right is not applicable to data concerning violation of a financial obligation of the Client, if the said data processing is in conformity with the requirements, established by law.

**4.4.3** The persons, authorised to process personal data at the disposal of the Bank (authorised processors), their addresses and other contact data is disclosed on the Bank's webpage.

## **5. ACCOUNTS**

### **5.1 Current account and securities safekeeping account**

**5.1.1** In order to open a current account, the Client shall conclude a current account agreement with the Bank. The agreement shall lay down the conditions for using and disposing of the current account.

**5.1.2** In order to open a safekeeping account, the Client must have previously opened a current account at the Bank.

**5.1.3** In order to open a safekeeping account, the Client shall conclude an agreement with the Bank. The agreement shall lay down the conditions for using and disposing of the safekeeping account.

### **5.2 Disposal of the account**

**5.2.1** The Client, who is a natural person, shall dispose of the funds or securities in his account by giving instructions in person or through his legal or authorised representative.

**5.2.2** The Client, who is a legal person, shall dispose of the funds or securities in his account by giving instructions through his legal representative or authorised persons.

**5.2.3** In order to carry out a transaction, the users of the account are obliged to prove, in the manner acceptable to the Bank, the right to dispose of the account (submit personal identity documents, an oral or electronic code, a document evidencing the right of representation, etc.).

**5.2.4** The Bank is entitled to verify the validity and authenticity of the document, incl. power of attorney, presented to the same. The Bank is entitled to refuse to execute a transaction if there is reasonable doubt about the rights of the person to dispose of the account. In this case, the Bank is not liable for any loss resulting from such refusal.

**5.2.5** The Bank is entitled to record notices, applications, instructions, given via means of communication and other operations and use the records for certification, if necessary.

### **5.3 Debiting the Client's account**

**5.3.1** The Bank is entitled to debit the Client's account within the amount of commission fees due to the Bank for managing the account, filling the instructions and providing other services to the Client, as well as the amounts for penalty interests, contractual penalty, payments, expenditures, compensations and debts payable under the Agreements concluded between the Bank and the Client.

**5.3.2** If there are insufficient funds to cover the commission fees, penalty interests, contractual penalties, payments, expenditures, compensations or debts in the account related to the banking service, the Bank will be entitled to debit the amounts from other accounts of this Client at the Bank.

**5.3.3** The Bank shall withhold arrears from the Client's account in the currency of their origin. If the respective currency is not available, the Bank shall be entitled to convert the necessary amount from any other currency in the Client's account at the rate established by the Bank on the day of withholding.

**5.3.4** The Bank has the right to debit from the Client's account first the amounts that are due to the Bank, even if the Client or third parties have submitted other instructions after they have matured but before the Bank has withheld the funds, unless otherwise provided by law.

**5.3.5** If the Client has outstanding obligations towards the Bank, arising from several Agreements, the Bank shall determine the obligation, which shall be covered from the amount, debited from the Client's account. The Bank shall disclose the relevant information in the Client's account statement.

**5.3.6** If the Client has to pay also interest, penalty interest, contractual penalty or other expenditures, besides the contractual monetary obligations, the Bank shall consider fulfilled first the expenditures, thereafter the contractual penalty and penalty interest, thereafter the matured interest and finally the principal obligation.

**5.3.6.1** For a consumer credit, the Bank shall cover the amount, debited from the account first the expenditures followed by principal amount, thereafter interest and finally other contractual obligations.

**5.3.7** The Bank is entitled to debit the Client's account within the erroneously credited amounts, on conditions, as stipulated in the Agreement.

**5.3.8** Unless otherwise provided in the Agreement between the Bank and the Client or stipulated by law, the Bank has the right to offset all reciprocal claims which have matured and have not been contested in court.

**5.3.9** The Bank shall inform the Client of such offsetting pursuant to law or the Agreement concluded with the Client.

**5.3.10** The Bank shall debit the Client's account on the demand of a third party only in cases and pursuant to procedure established by law.

### **5.4 Blocking of an account or a service**

**5.4.1** Blocking of an account or a service means partial or complete suspension of transactions with the funds or securities in the account or provision of services on the initiative of the Client or the Bank.

**5.4.2** An account or service shall be blocked and reactivated on the Client's initiative by his written instruction or by an instruction given by any other manner agreed between the Bank and the Client.

**5.4.3** If the Client needs to block his account or service due to the danger of fraudulent use of funds or securities in the account, the account will be blocked at the Client's verbal instruction via phone. In that case, in order to

identify the Client, the Bank will be entitled to ask the Client questions based on the data in the Bank's database.

**5.4.4** Should the Bank have reasonable doubt of the Client's identity, it has the right to abstain from blocking the account or the service, or demand a written confirmation of the blocking instruction of the Client within the time established by the Bank. The Bank is entitled to cancel the block if the Client has not confirmed the block in time. In this case, the Bank shall not be liable for the loss caused to the Client by refusing or cancelling the block.

**5.4.5** The Bank is entitled to block the Client's account or service, if:

**5.4.5.1** the Client fails to present the documents and data, requested by the Bank, for the fulfilment of diligence measures, arising from law or for controlling and updating the documents, data and information, gathered in course of fulfilment of diligence measures;

**5.4.5.2** the Client fails to submit the documents, requested by the Bank for ascertaining the representation rights of the account users or if contradictory documents and instructions are submitted to the Bank in regard to the persons having the rights to represent the Client, who is a legal person;

**5.4.5.3** the Bank has received information that the legal person has been deleted from the registry;

**5.4.5.4** the Bank learns about the death of the Client, who is a natural person;

**5.4.5.5** the Client has incurred debt to the Bank in course of performance of contractual monetary obligations;

**5.4.5.6** the Client's account has been seized or disposal of the account has been restricted in any other manner on the grounds, established in law;

**5.4.5.7** despite of the Bank's respective efforts the latter was still not able to verify the data and documents used for the identification of the Client and fulfilment of other diligence measures during a reasonable period of time;

**5.4.5.8** the Bank has become aware of circumstances, pursuant to which there is a need to ascertain the legal origin of the Client's funds or assets.

**5.4.5.9** international sanctions are to be imposed on the Client;

**5.4.5.10** the blocking right and/or obligation arises from the Agreement.

**5.4.6** The Bank shall release the account when the underlying circumstances have ceased to exist.

## **5.5 Seizure of account**

**5.5.1** The Bank shall seize the Client's account or restrict disposal of the funds in the account only in the cases and pursuant to procedure established by law.

**5.5.2** The Bank shall release the Client's seized account on the basis of a decision of the body that made the decision, decree or precept or on basis of a respective judicial decision, entered into force.

## **5.6 Succession of account**

**5.6.1** The Bank has the right to pay from the deceased person's account an amount, determined by the Bank, to the persons connected with the deceased person, for covering the funeral expenses.

**5.6.1.1** The connected persons are deemed to be above all the spouse, child, father or mother, sister or brother of the Client, in justified cases also a more distant relative or a third person. If the beneficiary of the payment has not used the money for the intended purpose, the successors shall have the right to present a claim against the beneficiary.

**5.6.2** The Bank makes other payments from the deceased person's account on the basis of a succession and/or ownership certificate or on the basis of other documents, arising from law, incl. foreign law or pursuant to a respective judicial decision entered into force.

**5.6.3** The Bank shall close the account after all the payments have been made.

## **6. INTEREST**

**6.1** The Bank shall pay interest on the funds in the Client's account pursuant to the rate established by the Bank or as agreed in the Agreement concluded with the Client. Information on valid interest rates is available at the bank offices and on the Bank's webpage.

**6.2** The Bank shall establish the grounds of calculating and conditions of paying the interest.

**6.3** If the law stipulates the obligation to pay income tax on the interest, the Bank shall withhold income tax pursuant to the grounds and procedure as established by law. Upon request of the Client, the Bank will issue a statement on the income tax, withheld on the interest.

**6.4** The Bank shall charge the Client interest for using the funds received from the Bank pursuant to the interest rates and conditions laid down in the Agreement.

**6.5** The Bank is entitled, in justified cases, to unilaterally change the interest rate payable by or to the Client without advance notice, unless otherwise established by law. In this case, the Bank shall immediately inform the Client of the changes in the interest rate via the bank offices and webpage and shall entitle the Client to cancel the Agreement during a reasonable term, as established by the Bank.

## **7. COMMISSION FEES AND PENALTY INTEREST**

**7.1** The Client is obliged to pay for the Bank services as per Price List.

**7.2** The Bank and the Client may agree on commission fees that differ from the Price List.

**7.3** In addition to as set in the Price List and agreed in the Agreement, the Client shall bear the costs for the necessary operations made by the Bank in the Client's interest (e.g. postal and telephone costs, notary fees, etc.), as well as the necessary costs related to the Agreement (e.g. costs on establishing, managing, selling and releasing collateral as well as insurance, warehousing, security, maintenance expenses, etc.).

**7.4** The Client shall pay for a service not included in the Price List pursuant to the amount of actual expenses

incurred by the Bank. In such a case, the Client may demand an invoice from the Bank.

**7.5** If the Client fails to fulfil or duly fulfil his obligations to the Bank, he shall pay a penalty interest or contractual penalty pursuant to the rate established in the Bank's Price List, Product Terms and Conditions or in the Agreement. If the above documents do not establish the rate of penalty interest, the Client shall pay penalty interest pursuant to the rate established in law.

**7.6** The Bank shall withhold commission fees and other payable sums in the currency of the transaction, unless otherwise agreed upon. Conversion of the commission fee into foreign currency shall be based on the exchange rate, valid on the day of concluding the transaction and determined by the Bank, unless otherwise stipulated in the Agreement.

**7.7** The Client shall receive information on debiting the Client's account for commission fees through the account statement. Upon staggered commission fees the Client will on demand receive a statement of staggered commission fees. The Bank shall not issue a separate original accounting document.

**7.8** Upon expiry of the payment service agreement, the Client, being a consumer, shall pay regular contractual commission fees only until expiry of the agreement. The Bank shall refund the consumer prepaid commission fees in proportion, considering the actual expenditures, made for providing the services until the expiry of the agreement. The Bank shall not refund commission fee for the expiry date of the agreement. The Bank will not refund prepaid commission fees, paid on the basis of the payment service agreement, to other clients.

## **8. EXCHANGE OF INFORMATION BETWEEN THE BANK AND THE CLIENT**

### **8.1 General obligation to inform**

**8.1.1** The Bank shall inform the Client through mass media, the webpage or the offices of the Bank. Besides, the Client shall be additionally informed upon need through personal notices by post or via Internet bank or other channels notified to the Bank.

**8.1.2** When sending personal notices, the Bank shall as a general rule proceed from the following principles:

**8.1.2.1** personal notices to Clients, who have concluded an Internet bank agreement, shall be sent to the Internet bank;

**8.1.2.2** if the Client has not entered into an Internet bank agreement, the Bank shall send notices:

- To the e-mail address, notified to the Bank;
- with SMS message to the mobile number, notified to the Bank, if an e-mail address has not been notified to the Bank;
- By post, if the Client has not informed the bank of his mobile number or e-mail address.

**8.1.3** Depending on the content of the forwarded notice, the Bank shall be entitled to deviate from the rules, laid down in Clause 8.1.2 and forward the notice to those contacts of the Client, which according to the Bank ensure in the best possible way receipt of the notice by

the Client (e.g. to send the notice immediately as an SMS message).

**8.1.4** The bank shall be entitled not to send the personal notice to the Client, if there are reasonable grounds to believe that the address or contact data of the Client at the disposal of the Bank are insufficient or incorrect (e.g. a letter sent to the Client has been returned with a remark of the postal office that the Client does not live at the given address).

**8.1.5** Personal notices sent by the Bank to the Client are deemed to be received by the Client, and the Bank's obligation to inform is deemed to be fulfilled when the Bank's notices have been sent according to Clause 8.1.2 or 8.1.3 to the most recent postal address or contacts specified by the Client or to the Internet bank. Notices, sent by post are deemed to be received by the Client on the fifth calendar day as of posting the same. Notices, sent via e-mail, Internet bank and other communication channel are deemed to be received by the Client on the same day, if the notice is sent on a business day before 4 p.m.; notices sent thereafter shall be deemed to be received on the next business day.

**8.1.6** The Client is obliged to notify the Bank immediately in writing or on another previously agreed manner of any change in the data fixed in the agreements concluded with the Bank or in the documents submitted to the Bank (e.g. changes in the Client's name, address, field of activity, ultimate beneficial owner and the data of representatives, cancellation of powers of attorney, etc.). Legal persons shall inform the Bank besides the aforesaid also of the transformation, merger or division of the legal person as well as declaration of bankruptcy or the initiation of compulsory dissolution or liquidation proceedings and deletion from the registry. Upon request of the Bank, the Client is obliged to submit a document evidencing the respective change.

**8.1.7** The Client is obliged to notify the Bank immediately in writing or via any other previously agreed manner of any circumstances that may affect the performance of obligations under an Agreement concluded with the Bank.

**8.1.8** The Client is obliged to notify the Bank immediately if his personal identity documents have been either lost or stolen, or if they have left his possession against his will in any other way.

**8.1.9** The Client is obliged to submit information specified in Clauses 8.1.6-8.1.8 to the Bank even if the data concerning the changes and circumstances has been made public in the official publication Ametlikud Teadaanded or entered into public registries.

### **8.2 Account information**

**8.2.1** The Client is entitled to receive information on his account balance, transactions and other account-related issues in the following way:

**8.2.1.1** From a customer service provider upon request;

**8.2.1.2** By regular account statements forwarded in accordance with an agreement with the Bank;

**8.2.1.3** via technical communication channels pursuant to their terms and conditions of use.



**8.2.2** The Client is obliged to immediately check the accuracy of the information, contained in the notices, accounts statements and other documents, received from the Bank and upon detection of any inaccuracy, inform the Bank hereof.

**8.2.3** The Client is obliged to inform the Bank of failure to receive the account statement or any other regular notices sent to the Client by the Bank at the latest within 10 days after he was supposed to receive the Bank notice in accordance with an agreement.

## **9. LIABILITY**

**9.1** The Bank and the Client shall fulfil their obligations duly, in good faith, reasonably, by following the requirements of diligence and considering the generally accepted principles and practice.

**9.2** The Bank and the Client shall be liable for the wrongful non-performance or undue performance of their obligations, unless otherwise agreed in the Agreement.

**9.3** The Bank and the Client shall not be held liable for the breach of obligations caused by force majeure. Force majeure includes circumstances beyond the control of the obliged party, including illegal third-party hindrance of the operations of the party (bomb threats, bank robbery, etc.), as well as other circumstances beyond the control of the party (strike, moratorium, blackout, communication failure, general failure of computer networks, activities of state authorities, etc.).

**9.4** The Bank shall not be liable for the services provided by third parties through the mediation of the Bank.

**9.5** The Bank shall not be liable for the loss to the Client caused by change of foreign currency exchange rates, decrease in the price of securities or other risks related to investing activities, unless otherwise agreed upon with the Bank, or decrease in the value of items deposited with the Bank.

**9.6** If the Client fails to fulfil his obligation to inform, the Bank shall presume that the information submitted to the Bank is correct, and shall not be held liable for the loss caused to the Client and/or third parties by the non-fulfilment of the obligation to inform, except if the loss is caused through intent or gross negligence of the Bank.

**9.7** The Client is obliged to compensate the Bank for the loss caused by submitting incorrect data, or failure to notify the Bank about the changes in data, or failure to draw up changes in the required form on demand of the Bank.

**9.8** The Bank shall not be liable for the loss, caused to the Client due to refusal from transaction on the basis of Clauses 2.3.6 and 3.2.1.2, blocking of account or service due to reasons, laid down in Clause 5.4.5 or extraordinary cancellation of the Agreement for reasons, listed in Clause 11.2 or 11.3.

## **10. SETTLEMENT OF DISPUTES**

**10.1** The Bank and the Client aim at resolving the disputes by means of negotiations.

**10.1.1** First, an attempt shall be made to resolve the disputes on site. If it is not possible to settle a dispute at the site, the interested party shall have the right to

submit a complaint or claim to the other party (hereinafter the Claim) either in writing or via Internet bank.

**10.1.2** The claim must specify the circumstances that caused filing of the claim and enclose documents certifying the claim, if these are not accessible by the other party.

**10.1.3** The Bank shall respond to the filed Claim in writing or in another form, as requested by the Client, the latest within one month as of receipt of Claim. In justified cases, the Bank may extend the time limit for lodging a response, if preparation of the response needs more thorough clarification and verification of the circumstances.

**10.2** If the Bank and the Client fail to come to an agreement, the interested party shall have the right to file a claim to the state supervision authority (e.g. Financial Supervision Authority, Consumer Protection Board) or to court. In a case, agreed upon in the Agreement, the claim shall be filed to a bailiff.

**10.2.1** Supervision over the activity of the Bank is exercised by Financial Supervisory Authority. More detailed information about Financial Supervision Authority is available on [www.fi.ee](http://www.fi.ee).

## **11. EXTRAORDINARY CANCELLATION OF THE AGREEMENT**

**11.1** The Bank is entitled to unilaterally extraordinarily cancel the Agreement without giving advance notice, if the Client materially violates the contractual obligation.

**11.2** A material violation of the Agreement is above all if:

**11.2.1** the Client or a legal person connected with him violates an obligation, the due performance of which is a precondition to the Bank's ongoing interest in continuing performance of the Agreement. Such obligations are:

**11.2.1.1** submitting of correct, complete and real data and documents, requested by the Bank for Client identification and for performing other diligence measures arising from law, as well as submitting documents and data for regular verification and updating of the aforesaid data;

**11.2.1.2** informing the Bank of changes in all Agreements concluded with the Bank or the information fixed in documents submitted to the Bank;

**11.2.1.3** submitting data on the economic condition, corresponding to reality, if such information is of material importance for the Bank upon making a credit decision or in connection with other operations, which involve a risk for the Bank;

**11.2.1.4** informing the Bank of deterioration of its economic condition or the danger hereof or of any other circumstances, which might have an effect on the performance of the obligations assumed by the Client towards the Bank.

**11.2.2** the Client or a person connected with him fails to present on the demand of the Bank (or a legal person belonging to the same group with the Bank) data and documents certifying the purpose and nature of his business activity or transaction or the legal origin of the

funds or other assets used in the transaction, or if the presented data and documents do not eliminate the Bank's suspicions about possible connection of the Client's business activity with illegal transactions or money laundering or terrorist financing;

**11.2.3** the Client or a person connected with him uses front persons in executing the transactions or if for some other reason the Client or the person connected with him is suspected in money laundering or terrorist financing;

**11.2.4** the Client intentionally or due to gross negligence violates an obligation under an agreement concluded with the Bank or a legal person belonging to the same group with the Bank;

**11.2.5** the Client violates an obligation under an agreement concluded with the Bank or a legal person belonging to the same group with the Bank, due to which the Bank or the legal person belonging to the same group with the Bank may reasonably assume that the Client will fail in performing his contractual obligations also in the future (e.g. long-term delay in performing his obligations);

**11.3** The Bank is entitled to extraordinarily cancel the Agreement unilaterally without giving advance notice with good reason, whereupon it is not possible to presume continuation of the Agreement, considering the interests of both parties, above all, if:

**11.3.1** the activity or inactivity of the Client or a legal person connected with the same has caused a loss or a real danger of loss to the Bank (or a legal person belonging to the same group with the Bank);

**11.3.2** other cases provided by law (e.g. restricted active legal capacity, lack of passive legal capacity, contradictions in representation rights) are hindering further performance of the Agreement;

**11.3.3** The Client or a person connected with the same conducts business without possessing the activity license, license, registration, permission, consent (hereinafter jointly referred to as the Activity License), stipulated with the legislation of the Republic of Estonia, in a field, where commencement of business is authorised only upon obtaining a respective Activity License.

**11.4** Upon taking the decision on extraordinary cancellation of the Agreement, the Bank shall thoroughly consider the circumstances of each case and shall make the decision on the basis of the principle of reasonableness.