

Principles of processing customer data

1. DEFINITIONS

- 1.1. **Customer Data** – any information (incl information subject to banking secrecy) available to the Bank about the Customer (an example name, personal identification code, contact data, transaction data etc).
- 1.2. **Processing of Customer Data** – any operation conducted with Customer Data (an example collection, recording, preservation, modification, forwarding etc).
- 1.3. **Customer** – any natural or legal person, who has used, is currently using or has expressed his/her intention to use the services of the Bank.
- 1.4. **Third Party** – any person, who is not the Customer or the employee of the Bank.
- 1.5. **Bank** - Versobank AS (registry code 10586461)
- 1.6. **Legal person belonging to the same group with the Bank** – parent undertaking of the Bank and all the subsidiaries of the Bank and the parent undertaking of the Bank.
- 1.7. **Service** – service or product provided to the Customer.
- 1.8. **Transaction Relationship** – relationship between the Bank and the Customer in using the services of the Bank.
- 1.9. **Authorised Processor** – a person, who processes Customer Data on behalf of the Bank.
- 1.10. **General Terms and Conditions** – general terms and conditions established in Versobank AS.

2. CUSTOMER'S CONSENT

- 2.1. **The Customer is aware and shall grant his/her consent to the processing and forwarding of the Customer Data under the conditions and pursuant to the Principles of Processing Customer Data.**

3. CATEGORIES AND PURPOSES OF PROCESSING CUSTOMER DATA

- 3.1. The Bank shall process all Customer Data obtained on the Customer in the course of the Transaction Relationship. Among others, the Bank shall process the following Customer Data:
 - 3.1.1. **Customer's personal data** (e.g. name, personal identification code, date of birth, language of communication, data on identity document etc) primarily in order to identify the Customer;
 - 3.1.2. **contact data of the Customer** (e.g. address, e-mail address, phone and fax number etc) primarily in order to provide the Customer with

information and financial services and to communicate with the Customer;

- 3.1.3. **data on the proficiency of the Customer** (e.g. position, working place, banking experience, investment knowledge and experience etc) primarily in order to provide the Customer with appropriate financial services;
 - 3.1.4. **financial data of the Customer** (e.g. income, previous payment behaviour, assets, liabilities, transactions in the Bank account, position etc) primarily in order to evaluate solvency and credit risk of the Customer, to apply the responsible lending principle and to provide appropriate financial services;
 - 3.1.5. **data on the origin of Customer's assets** (e.g. the employer, business partners, field of activity etc) primarily in order to prevent financing of money laundering and terrorism;
 - 3.1.6. **data on the reliability of the Customer** (e.g. data about payment behaviour, damage caused to the Bank or to the Third Party, involvement in money laundering, terrorist financing or organised crime etc) primarily in order to provide the Customer with financial services;
 - 3.1.7. **data obtained in the course of performance of obligations imposed by law** (e.g. data on inquiries made by investigation authorities, notaries, tax authority, court, bailiff etc) in order to fulfil the obligations imposed by law;
 - 3.1.8. **data on the Customer's habits, preferences and satisfaction** (e.g. data on the frequency of use of the services, the range of services used, complaints filed etc) primarily in order to improve the quality of services provided to the Customer and to better understand the expectations of the Customer;
 - 3.1.9. **data on the Customer segment** (e.g. age group etc) primarily in order to provide the Customer with the relevant services and products of the Bank.
- 3.2. The Bank shall have the right to process the data belonging to the category mentioned in the clauses 3.1.1-3.1.9 also for other purposes (incl for concluding contract with the Customer, performing the concluded contract, for exercising rights of the Bank arising from the contract concluded with the Customer or from the contract related to such contract (e.g. contract for the establishment of a mortgage), for determining the amount of service fees, for segmentation of Customers (e.g. youth, children, seniors), for making corrections and

amendments in Customer Data, to develop, inspect or maintain the IT systems and programs of the Bank, to prevent possible damage to the Bank, to seek protection against violated or disputed rights, for fulfilling the obligations imposed by legal acts etc) based on the principle of reasonableness.

3.3. The Bank shall have the right to process the personal data of the Customer during the period, when the person is the Customer of the Bank and after the customer relationship with the Bank is over, during the period imposed by legal acts.

3.4. The Bank shall process the Customer Data also in order to conduct statistical surveys and analyses of customer groups, market shares of products and services and other financial indicators, as well as in order to prepare reports and manage risks.

3.5. As an addition to the information received from the Customer, the Bank shall have the right to process, for the purpose of establishing Transaction Relationship or adopting resolutions related to the Transaction Relationship and for exercising due diligence required by law, any data about the Customer available in public (e.g. databases of state or local government, public databases, data published on the Internet) as well as information received from the Third Parties, provided that forwarding of such information by the Third Party to the Bank is lawful.

3.6. The Bank shall have a right to exchange Customer Data with Estonian-based or foreign credit institutions, financial institutions and financial intermediaries (e.g. international card organisations, settlement systems) for the purpose of risk assessment and risk management as well as for the application of the responsible lending principle and for fulfilling the obligations imposed by the legal acts (e.g. preventing money laundering or other violation of law).

4. FORWARDING CUSTOMER DATA TO THE THIRD PARTIES

4.1. The Customer agrees, that the Bank shall have a right to forward Customer Data, incl data subject to the banking secrecy to:

4.1.1. **Legal persons belonging to the same group with the Bank** (incl for the purpose to manage relationship between the Parties more efficiently, to provide financial services to the Customer, to evaluate the proficiency and the creditworthiness of the Customer, to apply due diligence measures in preventing money laundering

and terrorist financing pursuant to the legal acts etc);

4.1.2. **persons related to the performance of the contract concluded with the Customer** (e.g. the surety and owners of collateral, international card organisations, payment intermediaries, IT service providers);

4.1.3. **database administrators** (e.g. AS Krediidiinfo or any other administrator of the register of payment defaults) to whom the Bank forwards the Customer Data under the law or contract and only information related to the financial obligations and interest on arrears for the Bank. Detailed information about the register of payment defaults managed by AS Krediidiinfo is available on the website of AS Krediidiinfo www.krediidiinfo.ee.

4.1.4. **other Estonian-based or foreign credit institutions, financial institutions and financial intermediaries** on the basis of their corresponding inquiry, for the purpose of providing the Services requested by the Customer, or for the purpose of determining the reliability of or the risks associated with the Customer or a related party;

4.1.5. **financial consultants or other service providers of the Bank** (e.g. auditors), if the Customer Data are required for providing high-quality services to the Bank, and provided that these persons adhere to the organisational, physical and IT requirements established by the Bank for maintaining the confidentiality of and protecting the Customer Data;

4.1.6. **service provider**, to whom the Bank has partially or completely assigned its main activity or the activity supporting it directly (e.g. direct mailing service providers) under the conditions set forth in legal acts;

4.1.7. **Authorised Processor**;

4.1.8. **new creditors upon assignment the right of claim**;

4.1.9. **Society for Worldwide Interbank Financial Telecommunication (SWIFT; www.swift.com)**;

4.1.10. **other Third Parties**, if the Customer has violated the contract (e.g. debt collection service providers etc), but only information subject to the violation of the contract.

4.2. The Bank is obliged to disclose Customer Data for fulfilment of the obligations imposed by legal acts (e.g. disclosure of data to investigation authorities, notaries, trustees of bankruptcy, Tax and Customs Board, Financial Supervision Authority, Financial Intelligence Unit).

4.3. The Bank shall forward Customer Data to the administrator of the register of payment defaults

(e.g. AS Krediidinfo) of such Customers, who are in delay with fulfilling their financial obligations for more than 30 days. All the persons who are the members of such register or who have access to such register on some other bases can process the Customer Data.

4.4. The Bank shall forward Customer Data to the administrators of registrars of public databases (e.g. administrator of population register, administrator of population register) as an inquiry, for the purpose of comparing Customer Data against the data available in the database, ensuring that the Customer Data are correct and updated, or for obtaining additional information on the Customer;

4.5. Data on the Authorised Processors is available on the website of the Bank www.versobank.com and in the branches of the Bank.

4.6. If another credit institution or payment intermediary is involved in performing the transaction (e.g. interbank transactions), the Bank shall forward them the Customer Data subject to the transaction, incl personal data. In the case of international bank transactions (e.g. bank transactions in foreign currency, securities, checks, with persons of foreign country, through a foreign credit institution), as well as in the case of internal domestic express payments, the Bank shall forward such data via SWIFT (www.swift.com). Data processing centres of SWIFT are located in the European Union and in the United States of America. Consequently, the data on bank transactions, including personal data of the payer and the payee, shall be processed in the SWIFT's processing centres of the European Union or the United States of America, regardless of the place where the transfer is initiated.

The Customer is aware and shall agree, that in the cases described in the present clause, the credit institution, payment intermediary or SWIFT, involved with performing the transaction may be obliged to forward data subject to the transaction, incl personal data of the Customer, to the authorities of its location country (in case of SWIFT the location country of data processing centre) primarily for the purposes of preventing money laundering and terrorist financing. Also, the Customer is aware and shall agree, that the level of data protection in the country where the data shall be forwarded based on the above mentioned procedure may be lower than in the countries belonging to the European Union or European Economic Area. Therefore, the

Customer may not have the rights and the data processor may not have the obligations in processing the personal data similar to the rights and obligations in the country belonging to the European Union or the European Economic Area or in other country, which level of data protection the European Commission has evaluated as sufficient.

5. PROTECTION OF CUSTOMER'S RIGHTS

5.1. In processing the Customer Data, the Customer shall have the right:

5.1.1. to get information from the Bank about the personal data collected about him/her;

5.1.2. to require corrections in incorrect personal data;

5.1.3. to prohibit the use of the Customer Data for sending advertising and offers;

5.1.4. to demand the termination of the processing of Customer Data, if the processing of Customer Data is not allowed by law;

5.1.5. to contact with the Bank, the authorised processor of the Customer Data, Data Protection Inspectorate or court, if according to the Customer's opinion, his/her rights are violated in processing the personal data.

5.2. If the Customer has submitted the requirement to terminate the processing of the Customer Data, the Bank shall have the right to cancel the contract under which the Service is provided, without following the term for advance notice, in case the Bank finds, that performance of the relevant contract is impossible without processing the Customer Data.

6. RECORDING OF CUSTOMER DATA

6.1. The Bank shall have a right to record any orders placed by means of communication (e.g. telephone, e-mail, Internet bank) and other operations conducted by the Customer, and to use the recordings for verification and/or reproduction of orders or other operations as well as other purposes specified in clause 2 of the Principles of Processing the Customer Data (e.g. for evaluating the quality of service).

6.2. For the purposes of protecting the assets of the Bank and the Customer, as well as for securing physical safety of staff members and customers of the Bank, the Bank shall have the right to use surveillance equipment to monitor the premises (e.g. service halls, offices, rooms for technical equipment) and the immediate vicinity (including people) of the Bank, and to make a digital recording thereof.

6.3. The recordings produced by the surveillance equipment may be used for the protection of the rights and fulfilment of the obligations of the Bank, as well as for verifying the operations conducted by the Customer and/or demonstrating unlawful behaviour and/or proving any damage caused to the Bank. The Bank is obliged to disclose such recordings pursuant to the procedure and within the scope provided by law – above all, to pre-trial investigation authorities in case of a criminal offence, to court and to other competent authorities.

7. CHANGES IN CUSTOMER DATA AND TERMINATION OF THE PROCESSING OF CUSTOMER DATA

7.1. The Customer is obliged to immediately inform the Bank of any changes, compared to the Customer Data specified in contracts or other documents submitted to the Bank. The Bank shall have the right to request documents verifying the change in Customer Data, and the Customer shall have the obligation to submit such documents.

7.2. The Bank shall check the correctness and completeness of the Customer Data on a regular basis (e.g. via the Internet bank).

7.3. The Customer shall have the right to review the Customer Data at the service hall of the Bank or via the Internet bank. The Customer is obliged to inform the Bank of any inaccuracies in the Customer Data (e.g. at the service hall of the Bank or via Internet bank or telephone bank).

7.4. The Bank shall process the Customer Data as long as required for achieving the purpose of the processing of Customer Data, or for fulfilling the obligations arising from legal acts.

8. AMENDMENT AND APPLICATION OF THE PRINCIPLES OF PROCESSING CUSTOMER DATA

8.1. The Bank shall have the right to unilaterally amend the Principles of Processing Customer Data in accordance with the valid laws at any time.

8.2. The Bank shall inform the Customer of the amendment of the Principles of Processing

Customer Data at the service halls of the Bank, via the Bank's website www.versobank.com or in other way (e.g. via mass media channels) at least 1 (one) month (in case the Customer is a consumer at least 2 (two) months) before the entry into force of the amendments, except where the amendment of the Principles of Processing Customer Data is caused by the amendment of the law or is performed in accordance with the clause 3.9 of the General Terms and Conditions.

8.3. The principles of processing customer data shall be applied:

8.3.1. to the processing of the Customer Data of all Customers;

8.3.2. also to the Transaction Relationships established prior to the entry into force of the Principles of Processing Customer Data;

8.3.3. to the legal relationships established between the Third Party and the Bank, when the Third Party secures or has expressed his/her intention to secure, instead of the Customer, the obligation, which arises from the contract concluded between the Customer and the Bank, or the Third Party is obliged to perform the obligation based on the contract concluded between the Customer and the Bank;

8.3.4. to the legal relationship, where the person is not a Party of the Transaction Relationship, but uses some of the services provided by the Bank on behalf and/or with the person being the Party of the Transaction Relationship or under the authorisation of the Party of the Transaction Relationship.

9. CONTACT DATA OF THE BANK

9.1. The Customer can contact the Bank for more detailed explanations on the processing of the Customer Data or for filing a complaint on the phone number 6802 500 or send a mail to the e-mail address info@versobank.com or to the postal address Hallivanamehe 4, Tallinn 11317.

9.2. The Customer is obliged to submit the relevant written application, if it is required by the Bank.