

## **General Terms and Conditions of Versobank AS**

### **1. Definitions**

- 1.1. Price List – the tariff rates established by the Bank charged for Services and payment transactions and payable by the recipient of the same.
- 1.2. Principles of Processing Customer Data – principles established by the Bank, pursuant to which, the Bank shall process the Customer Data and which are the integral part of the General Terms and Conditions of the Bank.
- 1.3. Customer – a natural person or a legal person, who has used, is using or wishes to use the Services rendered by the Bank.
- 1.4. Account – the settlement account opened by the Bank for the Customer on the basis of a settlement contract, and/or the securities account opened by the Bank for the Customer on the basis of a securities contract. The term ‘Account’ shall also be inclusive of other accounts, where the Customer’s assets are held (e.g. deposit account, start-up account).
- 1.5. Bank’s website – www.versobank.com and its sub-pages.
- 1.6. Bank – Versobank AS (registry code 10586461, registered office and head office address Hallivanamehe 4, Tallinn).
- 1.7. Personal Notice – a notice served on a durable medium, which as been communicated by the Bank to the Customer against a signed receipt, by post, e-mail, Internet Bank, or a mobile telephone text message. Any message communicated in such manner can be stored by the Customer in a way that allows accessing it at any later date, and, if required, reproducing the same without modifications.
- 1.8. Party – the Bank or the Customer.
- 1.9. The Parties – the Bank and the Customer collectively.
- 1.10. Basic Payment Services – under the relevant Product Contract (1) Opening, use, closing of Account; (2) Cash contribution to the Account or cash pay-out from the Account; (3) payments, incl. the payment initiated from the Account and the payment incoming to the Account, permanent arrangement and payment of e-invoice; (4) payment with bank card (excluding credit card) and payment performed from the Internet Bank.
- 1.11. Consumer – a Customer, being a natural person, who carries out transactions, which are not connected with the natural person’s independent economic or professional activities.
- 1.12. Service – a service or a product offered by the Bank to the Customer.
- 1.13. Transaction Relations – relations between the Bank and the Customer in respect of using the Bank’s Services.
- 1.14. Terms and Conditions – General Terms and Conditions, Terms and Conditions of Product Contracts, Principles of Processing Customer Data, the Price List, collectively.
- 1.15. Product Contract – Contract intended to be entered into and/or entered into by and between the Parties for using the Bank’s Services.
- 1.16. Strong Authentication - authentication which uses at least two (2) elements that are included in the category of the knowledge (something that only knows the Customer), possession (something that only owns the Customer) or an identification (something that is specific to the Customer) and are interdependent so that violation of one does not jeopardize the credibility of another, and the structure of

which allows to protect the confidentiality of authentication data.

1.17. Security Elements - a unique user name, PIN calculator, certificate, electronic or oral code, a reply to a question or a similar instrument to be given to the Customer pursuant to the procedure established by the Bank, which allows the Customer to enter the Internet Bank and/or by which the Bank identifies the Customer.

1.18. General Terms and Conditions – these General Terms and Conditions of the Bank.

1.19. Pursuant to the General Terms and Conditions, persons connected with a natural person are:

1.19.1. persons, whose authorised representative, pursuant to the information known to the Bank, is;

1.19.2. legal persons, in which the natural person is a member of the supervisory board or the management board or another governing body (i.a. the procurator);

1.19.3. legal persons in which the natural person directly or indirectly holds 10% (ten per cent) of the membership shares, shares of stock or votes;

1.19.4. the beneficial owners of a natural person.

1.20. Pursuant to the General Terms and Conditions, persons connected with a legal person are:

1.20.1. natural persons, who are members of the supervisory board, the management board or another governing body of the legal person, or serve as authorised persons of the same;

1.20.2. legal persons, wherein 10% (ten per cent) of the membership shares, shares of stock or votes are directly or indirectly held by the person;

1.20.3. persons, who directly or indirectly own 10% (ten per cent) or more membership shares, shares of stock or votes in the legal person;

1.20.4. persons who otherwise can influence or affect this legal person;

1.20.5. the beneficial owners of the legal person.

1.21. Legal persons of the Bank’s group are the parent undertaking of the Bank, and all the subsidiaries of the Bank and the parent undertaking of the Bank.

### **2. Applicability of General Terms and Conditions**

2.1. The General Terms and Conditions are effective and applicable to all the Transaction Relationships between the Bank and the Customer effective on the date of entry into force of the General Terms and Conditions, and to any Transaction Relationships, which emerge after the entry into force of the General Terms and Conditions, until due performance of all the obligations of the Bank and the Customer stemming from any Product Contract and/or the General Terms and Conditions.

2.2. The General Terms and Conditions shall apply, unless otherwise provided by the terms and conditions of Product Contracts. In the case of any discrepancies between the General Terms and Conditions and the terms and conditions of any Product Contract, the terms and conditions of the Product Contract shall apply, and in the case of discrepancies between contract versions in different languages the text in the Estonian language shall take precedence.

2.3. Invalidity of one of the provisions of the General Terms and Conditions shall not render other provisions thereof null and void.

### **3. Validity and Amendment of Terms and Conditions**

3.1. The General Terms and Conditions, the terms and

conditions of Product Contracts and the Price List shall be established by the Bank.

3.2. Special terms and conditions of any particular contract (i.a. a Product Contract) shall be established by an agreement between the Parties executed in writing, or in a format reproducible in writing, or in an electronic format (e.g. in the Internet Bank), unless the legislation or the Terms and Conditions prescribe any mandatory format for the transaction.

3.3. The General Terms and Conditions shall govern the general principles of the Transaction Relations between the Bank and the Customer, the general procedure for entering into, amendment and termination of Product Contracts with the Bank, and the exercise of rights and the performance of the obligations of the Parties stemming from any Product Contracts concluded by and between the Parties.

3.4. In their relationship the Bank and the Customer shall be governed by the legislation of the Republic of Estonia, the General Terms and Conditions, any Product Contracts, Principles of Processing Customer Data, the Price List, the principles of sound banking management, the principle of reasonableness, and good manners.

3.5. The Customer can access the General Terms and Conditions in the Bank's service offices (at the request of the Customer the Customer shall be issued a hard copy of the General Terms and Conditions), and on the Bank's website.

3.6. The Bank has the right to unilaterally and at their full discretion amend any Terms and Conditions (i.a. the Price List and/or the interest rates paid by the Customer or paid to the Customer), without executing a relevant amendment with the Customer, unless otherwise stipulated by the legislation.

3.7. Regarding the amendments in the General Terms and Conditions, the terms of the Product Contracts and the Price List, the Bank shall inform the Customer one (1) month in advance via Bank's website and with a notice in the Bank Office.

3.8. Regarding the amendments in the terms of the Basic Payment Service and the Price List, the Bank shall inform the Customer with a notice of at least two (2) months in advance. In addition, the Bank shall follow the general notification procedure provided in Clause 3.7. The Bank shall inform also the Customer, who is not a Consumer, of the amendments in the Basic Payment Service Terms and the Price List only pursuant to the general notification procedure provided in Clause 3.7.

3.9. If the Customer does not agree to the amendments and/or updates to the Terms and Conditions, the Customer may cancel the Product Contract constituting the basis of the Transaction Relations within the notice period set forth in these General Terms and Conditions, by notifying the Bank in writing or in another agreed manner, and by performing all the obligations before the Bank stemming from any Product Contracts, and the General Terms and Conditions. In motivated cases the Bank shall have the right to modify the notice period unilaterally, and without complying with the notice period set forth in the General Terms and Conditions, modify the Terms and Conditions without notifying the Customer, unless otherwise provided by the legislation. In such case the Bank shall notify the Customer forthwith in writing, on the Bank's website, via the Internet bank, by e-mail, by a mobile telephone text message, through media, or in another manner, and the Customer has the right to cancel

the Product Contract, that the said modification pertains to, with immediate effect, by giving the bank a written notice thereof, and by performing prior to the termination all the obligations before the Bank stemming from Product Contracts, and the General Terms and Conditions.

3.10. The notice period set forth in the General Terms and Conditions shall also not be applied in the case that the relevant amendment involves reducing the Bank's Service prices, rendering other Terms and Conditions more favourable for the Customer, or including new Services in the Price List.

3.11. If the Customer does not exercise his/her rights to cancel the Product Contract within the notice period set forth in the General Terms and Conditions, the Customer shall be deemed accepting the amendments to the Terms and Conditions made by the Bank, and has recognised thereby that he/she has no further claims against the Bank stemming from such amendments to the Terms and Conditions.

3.12. If the Bank provides the Customer several different services under the concluded Product Contract, the Product Contract can be cancelled separately for each Service, unless otherwise provided by the Product Contract.

#### **4. Price List**

4.1. The Bank has the right to make unilateral amendments to the Price List, which will enter into effect in line with subsections 3.7 and 3.8 of the General Terms and Conditions. If the Customer does not agree to the amendments of the Customer may cancel the Product Contracts, constituting the basis of the Transaction Relations, by giving the Bank a written notice thereof within the notice period provided in the Clause 3.8. of the General Terms and Conditions, unless otherwise stipulated by the Product Contracts, and by performing all the obligations before the Bank stemming from the Product Contracts. If the Customer does not exercise the cancellation right set forth in this subsection, the Customer shall be deemed accepting the amendments to the Price List made by the Bank, and has recognised thereby that he/she has no further claims against the Bank stemming from such amendments to the Price List.

4.2. The Price List is accessible to the Customer for reviewing at the Bank's service offices or on the Bank's website.

#### **5. Identification and Representation of Customer**

5.1. The Bank shall identify the Customer and/or the Customer's representative in line with the procedure established by the Bank, and the Terms and Conditions (inter alia, in accordance with the General Terms and Conditions and the terms and conditions of Product Contracts), and the requirements laid down by the legislation of the Republic of Estonia.

5.2. For the identification purposes the Customer or his/her representative shall present data necessary to identify the person, and, upon the Bank's request shall present documents acceptable for the Bank.

5.3. The Bank has the right to identify the Customer or the representative thereof via means of communication acceptable for the Bank, i.a. with the use of the Security Elements.

5.4. The Bank shall identify a natural person on the basis of an identity document acceptable for the Bank.

5.5. The Bank shall identify a legal person on the basis of a valid registry extract and/or other documents acceptable for

the Bank (e.g. a registration certificate, articles of association, a certificate issued by a competent authority, etc.). The Bank has the right to request the Customer to present information about founders, owners, management bodies and members of the management bodies, the beneficial owners, etc. of a Customer, being a legal entity.

5.6. A natural person may enter into transactions personally or through a representative. Upon the Bank's relevant request the Customer being a natural person must enter into a transaction personally.

5.7. A legal person shall enter into transactions via their lawful or contractual representative. Upon the Bank's relevant request the Customer being a legal person must enter into a transaction through their legal representative.

5.8. A representative is a person who is vested with the right of representation under the law (legal representation) or a transaction (contractual representation).

5.9. A document evidencing of the right of representation shall be executed in a form acceptable for the Bank. The Bank shall not be obligated to accept a document evidencing of the right of representation and/or constituting the basis for the same, in which the right of representation has not been expressed unambiguously and explicitly.

5.10. The Customer shall notify the Bank in writing of the termination or modification of the right(s) of representation. The obligation to notify the Bank in writing shall also apply in the case that an effective court judgement has been rendered regarding the modification of the right(s) of representation, or an entry is made in a public register, or the information is disclosed otherwise (media, the publication *Ametlikud Teadaanded*, etc.).

5.11. Subject to a contract between the Parties the identification of the Customer or the Customer's representative (i.a. for the purpose of entering into Product Contracts, for submitting applications and/or petitions, for making dispositions related to the Account), and signing of the relevant documents may take place via payment instrument, used under a relevant contract concluded between the Parties.

#### **5.12. Legal Representation**

5.12.1. A legal representative of a legal person, i.a. a procurator, shall prove his/her right of representation by presenting a relevant registry extract and an identity document. If the presented registry extract does not disclose the legal representation, or the extent of the right of representation, the powers of the representative shall be proven by a decision of a competent body of the legal person.

5.12.2. A representative of a company in foundation, appointed by the foundation agreement or foundation resolution, or acting on the basis of a power of attorney, shall present the Bank the foundation agreement or the foundation resolution, and/or the relevant power of attorney.

5.12.3. If a Customer being a minor is represented by his/her parent, the Bank accepts the right of representation of the guardian, which proves the parenthood.

5.12.4. In the case of a person with restricted active legal capacity, for whom a court has established guardianship, the Bank shall accept the right of representation of the guardian only subject to the presentation of an identity document of the guardian, and the effective court judgement, by which the guardianship was appointed.

5.12.5. The Bank shall accept authorisations of a person, appointed the administrator of the property of a person declared as missing (hereinafter Administrator) only subject to the presentation of an identity document of the Administrator, and the effective court judgement, by which the Administrator was appointed.

#### **5.13. Representation by Transaction**

5.13.1. In the case of a representation by transaction the Customer or the Customer's representative shall present the Bank a document, which discloses the authorisations of the representative of the Customer.

5.13.2. The authorisation document shall state at least the following information:

5.13.2.1. contents of the authorisation;

5.13.2.2. the given name and the surname, the personal identification code or the date of birth, or the name and the registry code or the registration number of the principal;

5.13.2.3. the given name and the surname, the personal identification code or the date of birth, or the name and the registry code or the registration number of the representative;

5.13.2.4. the date of issuing the authorisation document;

5.13.2.5. the term of the authorisations or the date of expiry (if established);

5.13.2.6. the existence of the right of delegation, if appropriate;

5.13.2.7. the signature of the principal.

5.13.3. The Customer shall notify the Bank forthwith of any cancellation or revocation of the power of attorney issued to the representative, whereas this applies even if the relevant notice has been published in *Ametlikud Teadaanded*.

#### **6. Legal Succession of Customer**

6.1. The rights and obligations of the Customer shall transfer to another person under a transaction, a law or another legal act.

6.2. In the case of death of a Customer being a natural person the Bank shall have the right to request his/her heirs to present documents prescribed by the legislation, which prove the transfer of the rights and obligations of the Customer to them.

6.3. Reorganisation, merger and division of a Customer being a legal entity shall be evidenced by a relevant registry extract, or in another manner set forth in the legislation.

#### **7. Signature**

7.1. The Bank shall accept the Customer's or the Customer representative's:

7.1.1. hand-written signature;

7.1.2. digital signature related to the Estonian identity card in cases specified by the Bank;

7.1.3. another digital signature that complies with the requirements of the Bank;

7.1.4. upon agreement with the Customer also the use of the Security Elements.

7.2. The Bank shall have the right to demand that the signature be written in the presence of a Bank's representative, or – should this be impossible – request notarial authentication of the signature.

7.3. Upon the request of the Bank, the Customer and the Customer's representative shall write their hand-written signature on the signature sample card.

#### **8. Document Format**

8.1. The Customer shall present the Bank an original document, or a copy thereof, notarised or authenticated in a

similar manner. The Bank shall have the right to demand of the Customer to present additional documents, at the Bank's discretion.

8.2. The original of the identity document shall be presented to identify a natural person.

8.3. Upon receiving any documents the Bank shall be entitled to assume the authenticity, the validity, the completeness of the document, and the accuracy of its translation.

8.4. In the case that the Bank has any doubts regarding the authenticity of a document the Bank shall be entitled to refrain from performing the transaction, and to demand presentation of additional information and/or documents.

8.5. The Bank is not obliged to accept documents in foreign languages. In the case of any foreign language documents the Bank shall have the right to demand translation of the documents into the Estonian, Russian or English language, or another language decided by the Bank. The translation shall be certified by a sworn translator or a notary.

8.6. The Bank shall have the right to make copies of any documents presented by the Customer, or to keep the original document (except for the identity document).

8.7. The Bank shall have the right to ask the Customer to present additional documents, which prove the legal origin of funds or other assets, constituting the object of the transaction performed by the Customer.

8.8. The Bank shall have the right to demand that any documents issued by a foreign state be legalised or certified with an Apostille, unless otherwise stipulated by a treaty between the Republic of Estonia and the relevant foreign state.

8.9. The Bank shall not compensate the Customer for any expenses borne for bringing the form of the documents in compliance with the requirements set by the Bank.

#### **9. Identity Documents**

9.1. In the case of a citizen of the Republic of Estonia the Bank accepts as an identity document a document, issued by an Estonian state agency, which contains the name and the date of birth or the personal identification code, a photo or a facial image, a signature or an image of the signature and which is valid.

9.2. An alien may prove his/her identity by using another document, not identified in subsection 9.1 of the General Terms and Conditions, if the document contains the user's name and date of birth or the personal identification code, and the document is valid.

9.3. A photograph or a facial image need not be entered in a document held by an Estonian citizen or an alien under 4 years of age. A signature or a signature image need not be entered in a document held by an Estonian citizen or an alien under 15 years of age.

9.4. The Customer shall notify the Bank forthwith of any loss, theft or other involuntary loss of possession of identity documents or other means of identification (i.a. any documents of the representative of the Customer), this provision applies even if the relevant information was published in Ametlikud Teadaanded, or has been registered in public registers. If the Customer fails to comply with the said notification obligation the Bank shall not be responsible for any damages suffered by the Customer, which were caused by a third person disposing of the Customer's

Account using the Customer's identity document, unless the damages were caused due to gross negligence of the Bank.

#### **10. Exchange of Information between Bank and Customer**

10.1. The Bank has the right to serve the Customer a Personal message to the means of communication of the Customer that in the opinion of the Bank ensure the best delivery of the message to the Customer.

10.2. The Bank shall notify the Customer on one or several manners listed below:

10.2.1. notices and newsletters at the Bank's service offices;

10.2.2. announcements via media;

10.2.3. Personal notices (by post, e-mail, or other means of communication (i.a. notices communicated via a mobile telephone text message and Internet bank));

10.2.4. information on the Bank's website;

10.2.5. another manner, permitted by the Terms and Conditions and the legislation.

10.3. For Customers, who have entered into an agreement with the Bank on using the Internet bank, any Personal notices shall be sent to the Internet bank.

10.4. For Customers, who have not entered into an agreement with the Bank on using the Internet Bank, any Personal notices will be communicated by post, e-mail or mobile telephone text messages.

10.5. Personal messages sent by the Bank to the Customer shall be deemed in view of the manner of communicating the message, has lapsed from the moment the notice was sent by the Bank to the contact address or contact number of the Customer or the person authorised to receive notices in the name of the Customer. If the Bank sends the Customer a Personal message, by publishing it in the Internet bank, by forwarding it by e-mail or as a mobile telephone text message, the notice shall be deemed received by the Customer on the day of its communication, if the notice was sent on a business day before 16:00; any notices sent after that time shall be deemed received by the Customer on the following business day.

10.6. The Bank shall have the right to not send a Personal message to the Customer, if the Bank has reasonable grounds for assuming that the contact data of the Customer in the possession of the Bank are incomplete or incorrect.

10.7. The Customer receives information about the measures implemented for the protection of the Services and related risks and the rights of the Customer, from Product Contracts, the Bank's employees or on the Bank's website.

10.8. By providing the Bank his/her contact information (i.a. postal address and/or e-mail address, telecommunication numbers), the Customer also grants the Bank his/her consent to use the contacts provided by the Customer for sending the Customer information regarding any amendment to the Terms and Conditions, as well as for forwarding information (i.a. advertisements) of the Bank or a third person. The Customer has at any time the right to refuse any promotional messages, by notifying the Bank thereof.

10.9. Unless the relevant information explicitly states otherwise, no information, communicated by the Bank to the Customer is intended as an offer made by the Bank, or an advice of the Bank to execute a transactions.

10.10. The Customer shall notify the Bank promptly in writing of any facts, which have a bearing on the business relationships in question, which affect or could affect the

performance of their obligations by the Customer or the Bank, i.a. any changes in the contact information, ownership, the name, the representative. A Customer being a legal person shall also notify the Bank of any reorganisation, merger, division, and declaration of bankruptcy of the legal person, or of initiation of liquidation proceedings against that legal person. The notification obligation applies to the Customer also in the case when such amendments have been published in the media, i.a. as official publications, or have been filed in public registers, or if there is a court judgement pertaining to the change in the right of representation.

10.11. The Bank may demand from the Customer presentation of originals of any documents constituting the grounds for such amendments, or copies thereof equal to the original.

10.12. Upon the Bank's relevant request the Customer shall provide the Bank information regarding the data constituting the basis for ascertaining the identity. The Bank shall have the right to independently make enquiries to relevant registers for the purpose of specifying information, and the Customer shall compensate the Bank for all expenses, and pay the charges set forth in the Price List, connected with the enquiries made by the Bank to the relevant registries.

10.13. The language of communication between the Parties is in Estonian. Upon the agreement of the Parties the Parties may communicate in Russian or English, or another language agreed on by the Parties.

#### **11. Service Fees, Arrears and Interests**

11.1. For services rendered the Bank shall have the right to charge, and the Customer shall be obliged to pay a fee, which is set forth in the Price List or in Product Contracts.

11.2. The Parties shall be entitled to agree in a Product Contract on fee rates other than those set forth in the Price List.

11.3. The Bank shall have the right to debit from the Account the fees set forth in the Price List or the Product Contract, as well as any amounts payable under any Product Contract concluded by the Parties (i.a. default interest, contractual penalties, payments, expenses, arrears, expenses connected with establishing a security, management charges, charges for realisation and waivers, insurance costs, warehouse and security charges, etc.).

11.4. If on the due date there are insufficient funds on the Account connected with a Service and/or a Product Contract, for debiting any service fees, other amounts payable, and arrears, the Bank shall have the right to debit the said amounts from other accounts of the Customer held by the Bank.

11.5. In addition to what is stipulated in the Price List, or other separate agreements, the Customer shall compensate the Bank for the cost of any operations, as well as any expenses connected with the Transaction Relationship incurred in the interest of the Customer (e.g. postal, telephone, notary, state fees, unforeseen additional expenses, depositing fees, etc.).

11.6. The Customer shall pay for any services, not listed in the Price List or the Product Contract in accordance with the actual expenses of the Bank; in this case the Customer is entitled to request that an invoice be submitted by the Bank.

11.7. The Customer shall pay the fees prescribed by the Price List, the General Terms and Conditions and/or the Product Contracts payable for services rendered by the Bank at the

latest by the 15th (fifteenth) day of the calendar month following the month for which the fees are charged, unless otherwise stipulated in the Price List and/or Product Contracts.

11.8. If the Customer fails to perform his/her obligation to the Bank, the Bank shall have the right to charge the Customer a default interest at the rate set forth in the Price List or the Product Contract and/or the contractual penalty set forth in the Product Contract. The Bank shall be calculating the default interest on the day following the date of emergence the relevant arrears, and shall end the interest calculation on the date that the outstanding amount is paid. If the rate of the default interest has not been provided in the above referred documents, the Customer shall pay the default interest at the rate stipulated by the legislation.

11.9. The Bank shall calculate the interest at the rate and according to the procedure laid down in the Price List or the Product Contract. Information regarding the effective interest rates is available at the Bank's service offices and published on the Bank's website.

11.10. The Bank has the right to unilaterally modify the interest rate and the interest calculation procedure. If the interest rate and the interest calculation procedure have been agreed upon in the Product Contract, the interest can be modified by an agreement between the Bank and the Customer, unless otherwise provided by the Product Contract.

11.11. Interest shall be calculated and paid out or debited in line with the provisions of the Product Contract. Upon payment of interest (crediting to the Account) the Bank shall withhold from the interest sum paid the tax, prescribed by the legislation of the Republic of Estonia, if such withholding is mandatory for the Bank under the legislation.

11.12. The Customer shall pay the Bank an interest for the use of any monetary resources provided by the Bank at the rate and on the terms and conditions set forth in the Product Contract.

11.13. The Bank shall establish the exchange rate of the currency used in a Transaction Relation. Information regarding the currency exchange rate is available for the Customer at the Bank's service offices, or on the Bank's website. Currency exchange rates are changing in time.

11.14. Upon termination of the Basic Payment Services Contract the Customer, being a Consumer, shall pay service fees only until the termination of the relevant contract, having regard to the actual expenses borne by the Bank until the termination of the said contract. The Bank shall refund the Customer, being a Consumer, any advance payments on the pro-rata basis.

#### **12. Offsetting and Withholding of Service Fees and Arrears**

12.1. The Customer shall ensure that there are sufficient funds on the Customer's Account allowing the Bank to debit from the Account all service fees and other amounts and arrears payable.

12.2. The Bank shall withhold service fees and other amounts payable in euro, in the event of their absence, in a foreign currency. Service fees and other amounts payable, calculated in a foreign currency, shall be translated into euro applying the exchange rate established by the Bank effective on the date of the transaction.

12.3. Unless otherwise provided by the legislation of the

Republic of Estonia, the Bank has the right to offset without the Customer's consent and without giving the Customer a prior notice, any mutual claims stemming from obligations, not contested in a court of law, which have become collectible. The Bank shall notify the Customer of any set-offs in accordance with the legislation or the contract concluded with the Customer.

12.4. The Bank has the right to withhold from the Customer's Account first any amounts payable to the Bank, which have become collectible; this provision also applies in the case that after the amounts have become collectible, and before their withholding by the Bank the Customer or a third person has submitted other payment orders, unless otherwise stipulated by the law.

12.5. Should the funds on the Account be insufficient to cover all service fees and other amounts and arrears payable (i.a. if the Customer has outstanding obligations to the bank stemming from several contracts), the order of the performance of the obligations shall be established by the Bank, unless the legislation or the Product Contract stipulates otherwise. The Bank shall publish the relevant information on the Account statement.

12.6. If the present currency of the Transaction Relation is replaced by another currency, the Bank shall be entitled to unilaterally change the currency of the Transaction Relation, and translate the value of any proprietary obligations into the new currency applying the official exchange rate thereof.

### **13. Securing Bank's Claims**

13.1. The Bank has the right to demand the Customer to establish a security to secure due performance of all the contractual obligations stemming from all Product Contracts, unless the legislation provides restrictions to the claim of security.

13.2. The Bank has the right to demand the Customer to establish a security, or to increase the existing security, if he conditions constituting the basis for the relationship between the Customer and the Bank have changed, and such change affects or potentially affects the due performance of the obligations by the Customer. Such changes include, inter alia:

13.2.1. deterioration or potential deterioration of the economic standing of the Customer;

13.2.2. reduction or potential reduction of the value of the existing assets provided as security;

13.2.3. other circumstances, which lead to assume inappropriate performance of any obligations.

### **14. Entering into Contracts**

14.1. A precondition for entering into a Product Contract is the acceptance of the Terms and Conditions by the Customer.

14.2. Having regard to public interests, and the interests of the Parties the Bank deems necessary to define/limit the circle of persons with whom the Bank enters into contractual relations with. The Bank may decide who shall be awarded, and who shall be refused a contract (i.a. a Product Contract).

14.3. Before concluding any contract the Bank shall comprehensively weigh all circumstances, and shall be governed by the principle of reasonableness.

14.4. The Bank shall refuse to conclude Product Contract(s) (i.a. in a purpose of the use of Basic Payment Services) only for good reasons, which include, inter alia, cases, where the person in question, or a person connected with the same:

14.4.1. has intentionally or due to gross negligence presented the Bank incorrect or incomplete information, or refuses to present information;

14.4.2. has failed, regardless of the request of the Bank, to provide sufficient data or documents, required to ascertain the person's identity, or the documents do not comply with the requirements established by the Bank (i.e. are incorrect, incomplete, or display elements of falsification);

14.4.3. has failed, regardless of the Bank's request, to provide sufficient information or documents evidencing of the legality of his/her assets (i.a. money), or there are other reasons to suspect the person of money laundering (i.a. the use of a nominee), or financing of terrorism;

14.4.4. has links with international sanction, organised crime, money laundering or financing of terrorism according to recognised and reliable and/or public sources (i.a. media, state agencies, etc.);

14.4.5. has, according to the information of an investigative or a supervisory agency, links with criminal organisations;

14.4.6. has or has had links with income sources of organised crime, (i.a. illicit traffic of excise goods or narcotic substances, human trafficking, illegal trafficking of arms, unlicensed international transfers of e-money, mediation of prostitution, etc.);

14.4.7. is holding or has held a high official position in a country with a high level of corruption;

14.4.8. has delayed the performance of any obligations before the Bank or a person of the Bank's Group;

14.4.9. has caused the Bank or a person of the Bank's Group direct or indirect damages, or has damaged the reputation of Bank or a person of the Bank's Group;

14.4.10. has been refused the opening of a Product Contract with him/her within 5 (five) years prior to submitting an application for entering into a Product Contract by the Bank, or the Bank has terminated the customer relationship with the person due to the impossibility of complying with the due diligence requirements, or in connection with the suspicion of money laundering or financing of terrorism;

14.4.11. it is not possible for the Bank to perform the due diligence measures provided in legislation;

14.4.12. the Bank has reasonable grounds to consider that there is a risk of security or fraud in the use of the Account or the Service;

14.4.13. the Bank has classified the person as the resident of the United States of America (hereinafter referred to as: the US) pursuant to the data known to the Bank and the Bank estimates that the continuation of the Transaction Relation shall be contrary to the US legislation;

14.4.14. the state refuses to issue a digital identity card to the e-resident, or suspends or revokes its validity;

14.4.15. does not comply with the provisions provided in legislation or in the relevant Terms and Conditions, or the contractual conditions requested by the person do not comply with the aforementioned provisions;

14.4.16. is a person with high risk in the opinion of the Bank;

14.4.17. does not fulfil the requirements of responsible action and due diligence in the relevant area of operations in the opinion of the Bank (e.g. the absence of the required licence/registration etc.);

14.4.18. pursuant to the information known to the Bank, has operated as a cover identity or has used a cover identity or the Bank has a relevant suspicion.

14.5. The Bank is entitled to refuse the conclusion of a settlement contract or another Product Contract with a person for other reasons, including on the grounds referred to in the legislation. The grounds listed in subsection 14.4 of the General Terms and Conditions also constitute grounds for extraordinary cancellation of a settlement contract or another Product Contract by the Bank.

14.6. The Customer is obliged to provide the bank true, accurate and full information about himself/herself, and to present all and any documents requested by the Bank upon the execution of the contract between the Parties, and during the effective period thereof, for verifying and/or updating the information.

14.7. For the purpose of using Basic Payment Services, the Bank shall not require the Customer to conclude additional contracts.

### **15. Disposal and Use of Account**

15.1. Upon opening of an Account the Bank shall conclude a relevant Product Contract with the Customer, and opens for the Customer an Account with a unique number.

15.2. The Account of a Customer being a natural person is used and disposed of by the owner of the Account, or his/her representative by submitting orders.

15.3. The Account of a Customer being a legal person is used and disposed of by the representative(s) of the Customer by submitting orders.

15.4. In order to execute a transaction the Account users must prove in a manner acceptable for the Bank the right to dispose of the Account (e.g. present an identity document, an oral or an electronic code, a document evidencing of the right of representation, etc.).

15.5. The Bank has the right to verify the validity and the authenticity of the document presented to the Bank (i.a. a power of attorney). The Bank has the right to refuse to execute a transaction if the Bank has reasonable doubt regarding the authorisations of the person wishing to use the Account. In such case the Bank shall not be liable for any loss caused due to the refusal to execute the transaction.

15.6. The Bank has the right to record any notices, applications, orders and other operations communicated by means of telecommunication, and, if necessary, use the recordings as evidence of applications, orders and other transactions.

15.7. The Customer shall promptly verify the accuracy and correctness of the information pertaining to the Account, received from the Bank, and the transactions executed. The Customer shall notify the Bank of any inaccuracy, i.a. unauthorised or incorrectly executed payment promptly after becoming aware of the same, but not later than within 3 (three) months following the debiting of the Account. The Customer being a Consumer shall notify the Bank of any inaccuracy, i.a. unauthorised or incorrectly executed payment promptly after becoming aware of the same, but not later than within 13 (thirteen) months following the debiting of the Account. Failure of the Customer to file a claim within the above referred term means that the Customer thus accepts the information provided in the document.

15.8. The Customer shall notify the Bank forthwith, but not later than within 10 (ten) days, following the date, when the Bank's notice was due, about not receiving an Account report (statement) or other notices submitted by the Bank periodically under a Product Contract.

15.9. The Bank has the right to refuse to render a Service (i.a. execute an order submitted by the Customer), if the Bank suspects that the person wishing to use the Service does not have the right for the same. In this case the Bank shall not be liable for the damages caused by the refusal to render the Service.

15.10. The Customer may submit the Bank only such orders, which are permitted under the Terms and Conditions, and which are in line with the Terms and Conditions.

15.11. Any orders given by the Customer to the Bank must be explicit and executable.

15.12. In the case of any ambiguities the Bank shall have the right to request from the Customer additional information and/or documents, and postpone the execution of the Customer's orders until receiving the same, and verifying the information contained therein.

15.13. The Bank shall not be liable for forwarding errors, ambiguities and mistakes that can potentially occur in the Customer's orders, i.a. in the case that the orders of the Customer are repeated erroneously. The Bank has the right to establish the errors in the case of which the Bank shall nevertheless execute the Customer's order.

#### **15.14. Executing of orders**

15.14.1. The Customer shall ensure that there are sufficient funds in the appropriate currency on the Account necessary to execute the order submitted by the Customer to the Bank. If there are insufficient funds in the appropriate currency on the Account, and the Parties have not agreed otherwise, the Bank has the right to not execute the order of the Customer.

15.14.2. The Bank has the right to refuse to cancel, modify and/or supplement an order of the Customer, if the Bank has accepted the Customer's order for execution.

15.14.3. The Bank has the right to demand additional confirmation from the Customer upon conditions satisfactory for the Bank, and not to execute the Customer's order before receiving such additional confirmation, if the Bank doubts the legitimacy of the order.

15.14.4. The Bank has the right to determine the method of executing the Customer's order, having regard to the accepted practice and the principles of sound banking management, if the Customer's order is faulty or incomplete. The Bank shall not be liable for orders executed on the above referred basis, nor for claims, which stem from execution or non-execution of the order.

15.14.5. The Bank has the right to delegate the performance of their obligation partly or fully to third persons, if this derives from the nature of the obligation, or is more practicable for the performance of the obligation, having regard to the best interests of the Customer.

15.14.6. The Bank shall execute the Customer's orders within the term and in the manner prescribed by the legislation of the Republic of Estonia and the Terms and Conditions.

15.14.7. The Bank shall not be responsible for terms and/or rules, which have been established by a third person or the Customer. 15.14.8. The Bank shall not be liable for any damages, which have been caused by the Customer or a third person.

15.14.9. The Bank has the right to refuse to accept or execute an order submitted by the Customer, if in the opinion of the Bank the Customer acts in an inappropriate manner when submitting the order, or there are reasons to believe that the

Customer is under the influence of alcoholic, psychotropic, narcotic substances, or the Bank has doubts about the Customer's active legal capacity or the capacity to exercise will, and also when there are doubts that the person wishing to use the Service is not entitled to the same. In this case the Bank shall not be liable for the damages caused by the refusal of the Bank.

15.14.10. If there are insufficient funds on the Account to execute an order the Bank has the right to provide the Customer an overdraft facility, without executing a relevant agreement. In such case the Customer shall receive information regarding the interest, service fees and other amounts payable on the Account statement and/or the Price List. The Bank has the right to terminate the right of use of such overdraft facility by giving the Customer a reasonable prior notice.

15.15. The Bank shall debit the Account at the request of a third person only in the cases and according to the procedure set forth in the legislation.

15.16. The Customer shall at any time have the right to ask information about the Account status and the circumstances of debiting and crediting of the Account, in accordance with the terms and conditions set forth in the Product Contract and the legislation.

15.17. Procedures concerning the deceased Customer's Account

15.7.1. The Bank has the right to pay from the Account of a deceased Customer an amount established by the Bank intended to cover funeral expenses to persons connected with the Customer.

15.7.2. Such connected persons shall mean, above all, the spouse, a child, the father or the mother, a sister or a brother of the Customer, and in motivated cases also a more distant relative or a third person. In the case that the recipient of the funds has not used the funds for their intended purpose, the heirs shall have the right to file a claim against the recipient of the funds.

15.7.3. Any other disbursements from the Account of a deceased Customer shall be made by the Bank on the basis of a certificate of the right of succession and/or the right of ownership, or on the grounds of a relevant effective court judgement.

15.7.4. After having disbursed all the funds, the Bank shall close the Account.

#### **16. Transactions and Operations in Foreign Currency**

16.1. The Bank has the right to apply to transactions and operations executed by the Customer in a foreign currency all and any conditions and restrictions, effective in the country of origin of such currency, which can affect the Bank in executing of transactions, operations and investments involving this currency.

16.2. The Bank has the right to postpone the performance of obligations assumed in a foreign currency, or apply restrictions thereto, if such postponement or application of restriction is caused by a force majeure occurring in the country of origin of such currency. The above does not apply to transactions and operations, which take place within the Bank, or to any set-offs.

#### **17. Blocking of Account or Other Service and Seizure of Account**

17.1. Blocking of an Account means partial or full suspending of transactions executed with any amounts or

other means (e.g. securities) deposited on the Account.

17.2. Upon the Customer's initiative the Bank shall block and release the blocked Account on the basis of the Customer's written order or an order communicated in another agreed manner.

17.3. The Bank shall block an Account upon the Customer's oral instruction for 2 (two) days, in the case that the Customer or his/her representative has suffered involuntary loss of possession of the documents/Security Elements, which serve to prove the right to access to the Account. If a Customer wishes to extend the blocking of the Account the Customer shall submit the Bank a relevant written instruction. If the Customer does not comply with this obligation the Bank shall have the right to release the blocked Account following the expiry of the said term, and the Customer loses the right to claim from the Bank compensation for damages caused by releasing the Account.

17.4. In the case that the instruction to block the Account is given orally, the Bank shall have the right to ask the person submitting this instruction questions about the Customer and the Account, in order to ascertain the identity of the Customer or the Customer's representative. The Bank shall have the right to refrain from blocking the Account, if the Bank has doubts about the identity of the Customer or his/her representative, and in such case the Bank shall not be liable for damages, potentially caused by not blocking the Account.

17.5. The Bank shall have the right to block the Customer's Account(s), in particular, if:

17.5.1. the Customer has insufficient funds to perform obligations;

17.5.2. a person representing the Customer or the representative of the Customer presents the Bank contradicting documents regarding the persons vested with the right of representation;

17.5.3. the Bank is presented information confirmed by written documents about the death of a Customer being a natural person;

17.5.4. the Bank suspects the Customer of money laundering, financing of terrorism or another crime (e.g. fraud, etc.);

17.5.5. international sanctions are imposed against the Customer;

17.5.6. the Bank suspects that the funds on the Account are proceeds of a crime;

17.5.7. the Customer has failed to present documents and/or information requested by the Bank;

17.5.8. according to the opinion of the Bank the blocking is necessary to avoid damages to the Bank or third persons;

17.5.9. the Account is seized or the disposal of the Account is restricted on the basis or in the manner stemming from the legislation;

17.5.10. the right or obligation of blocking derives from the Product Contract;

17.5.11. the Bank becomes aware of the fact that the Customer being a legal person has been stricken off the register.

17.6. The Bank releases the Account blocked upon the Bank's initiative after the circumstance, constituting the basis for the blocking, have ceased to exist.

17.7. The Bank shall not be liable for damages, which are caused by blocking the Account.

17.8. The Account may be seized only on the grounds and according to the procedure set forth in the legislation of the Republic of Estonia.

17.9. The Bank shall release the account from seizure on the basis of a decision awarded by the body who issued the decision, ruling or precept, or on the basis of an effective court judgement.

17.10. The Bank shall inform the Customer of the misuse of the data relating to the use of the payment service, or the fraud, or the possible threat of it (i.a. blocking of Account on the aforementioned basis) in accordance with Clause 10 of the General Terms and Conditions.

17.11. The provisions provided in Clause 17 shall be applied in addition to the blocking of Account also to the blocking of other Services.

#### **18. Maintenance and Development of Bank's Information System**

18.1. If possible the Bank shall carry out planned maintenance and development of the information system outside the Bank's business hours.

18.2. In extraordinary circumstances the Bank shall have the right to perform maintenance and development work at any time at the Bank's discretion, in order to avoid more extensive damages.

18.3. During maintenance and development work the performance of the Bank's obligations before the Customer is suspended and the Bank shall not be obliged to compensate the Customer for any damages, caused by the failure to perform obligations stemming from contracts between the Parties.

#### **19. Banking Secrecy and Processing of Customer Data**

19.1. The Bank shall maintain confidentiality of any data, regarded as information subject to banking secrecy in the legislation of the Republic of Estonia.

19.2. The Bank has the right to disclose banking secrecy to third person only subject to the Customer's consent, unless the right or obligation of disclosing banking secrecy derives from the legislation of the Republic of Estonia.

19.3. The Bank shall process the Customer's data (incl. data subject to the banking secrecy) in accordance with the Principles of Processing Customer Data established by the Bank.

**19.4. The Customer is aware of and agrees that by granting his/her consent to the General Terms and Conditions it is deemed that the Customer has granted the Bank his/her consent to process and forward the Customer's data (i.a. data subject to banking secrecy) in accordance with the provisions established in the Principles of Processing Customer Data.**

#### **20. Delays**

20.1. Unless the Bank and the Customer have agreed otherwise, the Bank's liability in the case of a delay caused by the Bank's default shall be limited to the extent set forth by the legislation of the Republic of Estonia, the General Terms and Conditions and the Product Contracts.

20.2. The Bank shall not be liable for any damages caused by delays with the execution of an order, in the case that the order causing the delay, was made by the Customer incorrectly, contained false information, or was contradictory by its nature.

20.3. The Bank shall not be responsible for deadlines or rules established by their business partners, or for any mistakes

or delays caused by their acts or omissions.

#### **21. Bank's Business Hours, and Calculation of Terms**

21.1. The 'Bank's business hours' is the time during which the Bank is opened for providing Customers banking services.

21.2. Settlement deadlines for payments and deadlines for performing obligations shall be calculated in settlement days. A settlement day is the date on which the Bank is open for executing the relevant payment transaction. Settlement days can differ depending on the payment transaction in question. The settlement days of payment transactions are shown in the Price List.

21.3. If the deadline for performing an obligation falls on a day, which is not a settlement day, the deadline for performing the obligation shall be the first settlement day, following such day.

#### **22. Place of Performing of Obligation**

22.1. The Bank and the Customer shall perform their obligation in the place, agreed upon by the Parties in the relevant Product Contract, or in the event of absence of such agreement, in a place, which is conditioned by the nature of the obligation.

#### **23. Liability**

23.1. The Bank and the Customer shall perform their obligations stemming from the Transaction Relation appropriately, reasonably, in good faith, applying appropriate care, and taking into consideration established customs and practice.

23.2. The Parties shall be liable for wrongful non-performance or inappropriate performance of their obligations, unless otherwise provided by the Product Contract.

23.3. The Parties shall not be liable for non-performance of an obligation, if the same has been caused by a force majeure (e.g. a war, a public disorder, a natural disaster, etc.), activities of authorities (e.g. the State, a local municipality, the Bank of Estonia), or by any other circumstance, independent of the Parties (e.g. a strike, a general breakdown of a telecommunication network, a bomb threat, a bank robbery, etc.).

23.4. The Bank shall not be responsible for services rendered by third persons, or information communicated by third persons with the intermediation of the Bank.

23.5. The Bank shall not be liable for indirect damages caused to the Customer (e.g. lost profit, etc.).

23.6. The Bank shall not be liable for damages, which have been caused to the Customer or a third person by the Customer due to the latter's failing to comply with the obligation(s) to notify the Bank, as provided by the General Terms and Conditions.

23.7. The Bank shall not be liable for damages caused by changes in currency exchange rate or securities prices or by other investment risks. The Bank shall not be liable for any decrease in the value of objects deposited with the Bank.

23.8. The Bank shall not be liable for damages, caused by the unawareness of the Bank of the lack of passive legal capacity of a legal person, or the lack of the active legal capacity, the capacity to exercise will and the passive legal capacity of a natural person, or for damages, caused by the Customer presenting forged, untrue or invalid documents, if this cannot be ascertained by the Bank in the course of normal everyday activities of the Bank.

23.9. The Bank shall be liable for damages, if the damages were caused by the Bank's intent or gross negligence.

23.10. The Customer shall create all the assumptions and conditions necessary for performing his/her order. If the Customer has not complied with this obligation, the Bank has the right not to perform the Customer's order. The Bank shall not be liable for the damage caused to the Customer and/or third parties in such cases, unless otherwise imperatively provided by legislation.

23.11. Upon the Bank's first demand the Customer shall compensate the Bank for damages caused to the Bank by submitting false information and/or by failing to notify the Bank of any changes in information.

23.12. The Bank shall not be liable for damages caused to the Customer or to a third party, which could potentially arise as a result of refusing to execute a transaction, of blocking of the Account or a Service, or of extraordinary cancellation of any Product Contracts, unless otherwise provided by the Terms and Conditions or the legislation.

23.13. If an unauthorized payment in terms of the Law of Obligations Act has been performed with the use of missing or stolen Security Elements, also in the case, if the Security Elements have been used in a other unjustifiable manner and the Customer has not properly maintained the Security Elements and there are no exclusive circumstances provided for in the Act, the Customer shall be liable to the amount of 50 (fifty) euros. This amount shall not be applicable and the Customer will be liable for the damages caused by the unauthorized payment transactions, if the unauthorized payment is a result of the Customer's fraud or if the Customer violated deliberately or due to severe negligence:

23.13.1. the obligation to use the Security Elements in accordance with the conditions of their issuance and use, inter alia, the obligation to make every effort necessary to keep the Security Elements and the aids allowing the use of those, protected;

23.13.2. the obligation to notify immediately the Bank or a third party notified by the latter for that purpose, about the loss, theft and unauthorized or improper use of the Security Elements, after becoming aware of it;

23.13.3. one or several conditions for the issue and use of the Security Element.

23.14. The liability of the Customer provided in Clause 23.13. does not apply in the cases provided by legislation.

23.15. The circumstances which restrict or exclude the liability provided in Clause 23.13 shall not apply to the Customer which is not a Consumer.

#### **24. Errors. Resolving of Disputes**

24.1. If money or other assets, not belonging to the Customer, are erroneously credited to the Account, the Customer shall notify the Bank thereof promptly, after having discovered the error, and shall immediately return the money or other assets erroneously credited to the Account to the account indicated by the Bank.

24.2. The Bank has the right to debit any moneys or other assets erroneously credited to the Account from the Account, without asking the Customer's consent and without notifying the Customer.

24.3. For the purpose of having any moneys, which were erroneously withheld on the Account, refunded, the Customer shall submit the Bank, if necessary, a relevant application.

24.4. The Customer shall verify any cash paid to the Account before depositing, and any cash withdrawn from the Account immediately after withdrawal, and shall submit any complaints without a delay. The Bank shall not be obligated to accept any later claims.

24.5. The Parties shall attempt to resolve any disagreements between the Bank and the Customer promptly by negotiations.

24.6. If the Customer and the Bank are incapable of resolving a disagreement promptly, a Party shall submit the claim to the other Party in writing, or in another format reproducible in writing.

24.7. The claim shall state the circumstances causing the claim, and shall make a reference to a legal act or a document, that the claim is based on. If the document constituting the grounds for the claim is not freely accessible for the other Party, and unless the legislation provides otherwise, the person submitting the claim shall annex the relevant document or a copy thereof to the claim.

24.8. The Bank shall review the claim submitted by the Customer, and shall notify the Customer within a reasonable time following the receipt of the claim, of their decision in accordance with the agreement, either orally, in a format reproducible in writing, in writing, or in another format.

24.9. If the Bank and the Customer fail to reach an agreement the interested Party shall have the right to file a complaint to a state supervisory authority (e.g. the Financial Supervisory Authority, the Consumer Protection Board or the Committee on Consumer Disputes <http://ec.europa.eu/odr> formed by the Consumer Protection Board), or to take recourse to court of law.

24.10. The financial supervision over the Bank is exercised by the Financial Supervisory Authority (address: Sakala 4, Tallinn, telephone 6680500, e-mail: [info@fi.ee](mailto:info@fi.ee), website [www.fi.ee](http://www.fi.ee)).

#### **25. Bank's Right for Extraordinary Cancellation of Customer Contracts**

25.1. The Bank has the right to extraordinarily cancel any contract concluded with the Customer (i.a. the settlement contract, and/or another Product Contract) with immediate effect, in the event of the emergence of at least one of the good reasons listed below:

25.1.1. the Customer, or a person connected with the Customer, has committed a breach of an obligation, the strict compliance with which is the precondition for the other party's continued interest in the performance of the contract. Such breach committed by the Customer, includes, above all:

25.1.1.1. failure to present the Bank, upon ascertaining the identity of a person, true, complete and trustworthy information and documents requested by the Bank;

25.1.1.2. failure to notify the Bank of any data contained in the contracts between the Parties, or the documents presented to the Bank;

25.1.1.3. failure to present the Bank, upon the latter's request, information and documents, evidencing of the lawfulness of the Customer's economic activities, the origin of the Customer's funds or other assets;

25.1.1.4. failure to submit trustworthy information about the Customer's economic standing, if such information is essential for the Bank;

25.1.1.5. failure to inform the Bank of the deterioration of the Customer's economic standing, or of any other

circumstances, which could prevent the Customer from duly performing his/her obligations to the Bank;

25.1.1.6. the Customer, or a person connected with the Customer has failed to present at the request of the Bank, or a legal entity belonging into the Bank's Group, information and/or documents evidencing of the objective or the nature of the Customer's business or the transaction, or the legal origin of the funds or other assets used in a transaction;

25.1.1.7. the Customer or a person connected with the Customer uses nominees in executing any transactions.

25.1.2. the Bank suspects the Customer in money laundering in the meaning of the legislation of the Republic of Estonia, i.a. in the use of a nominee, in financing of terrorism;

25.1.3. the Customer has intentionally or by gross negligence failed to perform his/her obligation, stemming from the settlement contract, or another contract concluded with the Bank;

25.1.4. an event has taken place, which –based on a reasonable opinion of the Bank –prevents the Customer from duly performing his/her obligations stemming from the contracts concluded with the Bank, or which has a significant damaging effect on the Customer's business or financial standing (e.g. bankruptcy or liquidation proceedings initiated against the Customer);

25.1.5. the termination of the Product Contract is requested by an Estonian or a foreign supervisory authority (e.g. the Financial Supervisory Authority, etc.) or another government agency;

25.1.6. the termination of the Product Contract is requested by the manager of an international settlement system, the Bank's correspondent bank or another credit institution;

25.1.7. any act or omission of the Customer, or a person connected with the Customer, has caused the Bank or a legal entity belonging into the Bank's Group damages, or a real threat of damage;

25.1.8. the continued performance of the Product Contract is prevented by an obstacle stemming from the legislation (e.g. lack of passive legal capacity, limited legal capacity, etc.);

25.1.9. the Customer demands the termination of processing his/her personal data or restricts it and the Bank finds, that the right of processing the Customer's personal data according to the General Terms and Conditions and/or principles of processing Customer Data is the prerequisite for providing the Customer with the service.

25.2. Extraordinary cancellation of contracts (i.a. Product Contracts) by the Bank is carried out in line with the provisions of the legislation of the Republic of Estonia, and upon making any decisions pertaining to extraordinary cancellation of a contract, the Bank shall comprehensively weigh all the circumstances of every individual case, and shall render their decision based on the principle of reasonableness.

## **26. Prevention of Money Laundering and Financing of Terrorism**

26.1. Having regard to public interests, the interests of the Bank and the Customers, the Bank shall apply the Estonian and international measures and principles of prevention of money laundering and terrorist financing, inter alia, the risk-based approach, and shall select in accordance with the Transaction Relationship the appropriate and applicable due diligence measures matching the nature and the level of risk of the transaction.

26.2. The Bank has, inter alia, the following rights:

26.2.1. to check on a regular basis the information constituting the grounds for identifying the Customer, and/or the information pertaining to the owners and the representative of the Customer, beneficial owners of the Customer, being a legal person, to demand presentation of additional documents by the Customer;

26.2.2. re-identify the Customer or the representative of the Customer, if the Bank has doubts regarding the truthfulness of the information received in the course of initial identification;

26.2.3. establish temporary or permanent limitations to the use of the Services;

26.2.4. upon opening the Account request documents and information regarding the precise field of business of the Customer, and the economic activities of the Customer (i.a. information about the Customer's main contract partners, the turnover, the share of international transactions, cash transactions and cashless transactions, the frequency of transactions, the account(s) of the Customer held in other banks, as well as information regarding the purpose and the nature of any transaction, etc.);

26.2.5. request additional information and/or documents from the Customer in order to verify the origin of the moneys and other assets used in any transaction(s), i.a. receive from the Customer documents constituting the basis of transactions (e.g. contracts of sale, lease, supply, documents pertaining to goods), as well as information and/or documents about the counterparty of any transactions, the beneficiary or another person connected with the transaction;

26.2.6. forward any information accumulated about the Customer under the legislation to legal entities belonging to the Bank's Group, to correspondent banks and to payment intermediaries, intermediating the Customer's payments as well as to third persons connected with the Customer, involved in the transaction, with a view to perform the obligations stemming from the legislation;

26.2.7. ask the Customer to provide all other data and to perform the operations that the Bank considers necessary for complying with the Bank's measures for the prevention of money laundering and the financing of terrorism, and for implementation of international sanction.

26.3. The Customer is obliged to present the Bank the information and/or documents set forth in the General Terms and Conditions.

26.4. The Bank has the right to refrain from executing the Customer's order, if the Customer has failed to perform the obligations listed in subsection 26.2 of the General Terms and Conditions.

## **27. Applicable Law and Jurisdiction**

27.1. The laws of the Republic of Estonia shall apply to the relations between the Parties. The relations between the Parties shall be governed by a law of a foreign state, only provided that this obligation derives from the legislation or the agreement of the Parties.

27.2. Any court disputes between the Bank and the Customer shall be resolved in the court of law of the seat of the Bank, unless otherwise agreed by the Parties.