

Standard Terms and Conditions of the Settlement Agreement

Terms and definitions

Settlement day means a day on which both the payer's payment services provider and the payment services provider and payment institution of the payee related to the execution of a payment transaction are open for settlements needed for effecting a payment transaction. Generally, a settlement day is any calendar day that is not Saturday, Sunday, a national holiday or a public holiday.

Authentication means an operation which allows the bank to verify the use of a specific means of payment, including the personalised security features thereof.

Account means a settlement account held in the name of the client for the execution of payment transactions.

Third country means a country not party to the Agreement on the European Economic Area.

Unique identifier means a number, consisting of letters and numbers and assigned to the client by the bank, which identifies an account.

Agreement means a settlement agreement concluded between the bank and the client, consisting of the core terms and conditions agreed between the bank and the client and these standard terms and conditions of the settlement agreement (hereinafter **terms and conditions of service**) and any documents cited therein.

Contracting State means a Member State of the European Economic Area.

Basic payment means a payment order initiated via an electronic channel whereby the payer provides the bank with the order to effect the following payments in a simplified manner: (a) payments between the payer's own accounts; (b) payments to payee(s) designated by the payer; (c) payments included among the payer's 20 (twenty) more frequent payments based on the transactions in the past 3 (three) months; (d) other operations provided by the bank.

Payment order means any order for effecting a payment transaction which the payer provides to the bank. A payment order may be provided also via the payee.

Payment transaction (payment) means any payment into account or disbursement of cash or transfer of funds.

Means of payment (payment instrument) means a personalised device or a set of operations agreed between the bank and the client, which the client uses for the initiation of a payment order.

Payment institution (including a correspondent bank) means a party which is involved in effecting a payment by agreement with the bank of the payer or the payment services provider of the payee and which is neither the payer nor the payee.

Payer/client means a natural or legal person for whom an account has been opened and who provides a payment order for an account to be debited.

Payee means a natural or legal person who, under a payment order, is a beneficiary and whose account will be credited under the payment order.

Website means website of the bank at www.cooppank.ee.

Value date means the day on which the bank debits the account of the payer or credits the account of the payee and which is the basis for the calculation of interest on the amount of funds in the account.

1. General provisions

1.1. Under the agreement, an account shall be opened for the client to effect payment transactions and keep funds, and the terms and conditions for its maintenance shall be agreed.

1.2. The agreement shall govern the relations between the bank and the client when using the account and effecting payment transactions.

1.3. The client may open multiple accounts in their name at the bank unless this is prohibited by law or unless

the client's existing accounts at the bank have been frozen or unless the client has debt under agreements concluded with the bank.

1.4. The list of payment services provided by the bank shall be available on the bank's website.

1.5. Integral annexes to the agreement shall include the terms and conditions of service, the general terms and conditions of the bank, the principles on the processing of client data, the price list of the bank and the terms and conditions set by the bank for effecting payment transactions.

1.6. All relations between the bank and the client with respect to the account not addressed by the agreement and/or the terms and conditions of service shall be subject to the general terms and conditions of the bank and the applicable legislation.

1.7. The client shall be aware of the right of the bank to refuse to conclude an agreement on the bases specified in the general terms and conditions of the bank.

2. Use of the account

2.1. The client shall be entitled to keep in the account the currency used in the Republic of Estonia and any other currency accepted and listed by the bank. The client shall specify the currencies on the account in the agreement and may change currencies during the term of the agreement. The list of currencies accepted by the bank is posted at customer service areas of the branches of the bank and on its website.

2.2. The client shall be entitled to use the account to effect various operations using various methods and various means of payment by selecting a suitable one from among the payment services provided by the bank and by concluding a relevant agreement for the payment service with the bank. The client shall also be entitled to use the account via account information or payment initiation service providers that have a respective activity licence. The bank may refuse to grant account information or payment initiation service providers access to the account in justified cases, above all, when the access has been gained or applied for without authorisation or by fraud, including in the case of payment orders initiated via a payment initiation service without authorisation or by fraud.

2.3. The client shall use the account personally or through a party authorised by the client or having a legal right of representation.

2.4. The client or their representative shall prove their right to use the account in a manner acceptable to the bank. The bank shall be entitled to refuse to effect a

transaction if the bank comes to suspect that the party wishing to effect the transaction is not entitled to do so. In the above case, the bank shall not be liable for any loss or damage resulting from a refusal to effect a transaction.

2.5. The bank assumes that the client's orders that have arrived in the bank via account information or payment initiation service providers have been forwarded on the basis of the client's valid consent. The bank may request an additional approval from the client before executing a respective order.

2.6. The bank shall credit the account in the amount of payments received in favour of the client, as a result of which the quantity of funds in the account shall increase.

2.7. The bank shall debit the account, as a result of which the quantity of funds in the account shall be reduced:

2.7.1. On the basis of a payment order from the client;

2.7.2. Based on some other agreement concluded between the client and the bank;

2.7.3. If a refund claim has been presented in relation to an amount credited to the client's account and the bank has come to suspect that fraud, money laundering or terrorist financing may be involved, and within the time limit set the client has not presented documents to remove this suspicion;

2.7.4. In other instances stipulated in the agreement, the general terms and conditions or legislation.

2.8. Unless agreed otherwise, the client shall be entitled to effect transactions in the amount of the funds in the account.

2.9. The bank shall be entitled to unilaterally suspend the listing of a currency by notifying thereof any client who holds the relevant currency in their account, within the time limits and according to the procedure stipulated in the general terms and conditions of the bank. The bank shall convert the balance in the relevant currency in the client's account on the last day listed into the main currency of the account based on the exchange rate set by the bank.

3. Payment orders

3.1. Provision of a payment order

3.1.1. The client shall provide the bank with their payment orders in writing, electronically, incl. via payment initiation service providers, or in some other manner agreed with the bank (including via a means of payment).

3.1.2. A payment order of the client may be directed at effecting one-off or recurring payment transactions. The effecting of recurring payment transactions shall be agreed by the bank and the client under a separate payment service agreement (e.g. standing order agreement).

3.1.3. The client shall be obliged to keep enough funds in their account to ensure the execution of payment orders and the timely payment of payment obligations under the agreement or any other agreements concluded between the bank and the client in relation to the account.

3.1.4. A payment transaction shall be binding on the client if they have given their consent for its execution (hereinafter "authorisation") in the manner stipulated in the agreement. If consent is provided for the execution of a payment transaction in a manner that has not been agreed on, the execution of the payment transaction shall be deemed to not have been authorised. Payment transactions effected at customer service areas of the branches of the bank shall be authorised by the signing of a payment order by the client or their representative. In the case of other means of payment, the client shall

authorise their payment order according to the terms and conditions set out in the relevant payment services agreement; in the case of a payment initiation service, the client gives their consent to the payment initiation service provider. The bank may request an additional approval from the client before executing the respective payment order.

3.1.5. In order to avoid any uncertainties or mistakes on their payment order, the client shall be obliged to double-check their payment order before authorising it.

3.1.6. For a payment order for a basic payment to be effected, the payer shall provide their consent via an electronic channel (e.g. using a mobile device) without any additional identification (e.g. without using security features). For the purposes of a means for small payments under the Law of Obligations Act, the identification of an electronic device and a payer and the approval of a payment order by the payer in this manner shall be considered to be the payer's consent for effecting a basic payment.

3.1.7. The maximum limit of a basic payment shall be 30 (thirty) euros per payment order or 150 (one hundred and fifty) euros per calendar month. The payer shall be entitled to reduce the limits within the limits and according to the procedure determined by the bank. Upon reaching the minimum limit of 150 (one hundred and fifty) euros, the payer shall be entitled to draw down the limit again, in compliance with the instructions and the procedure set by the bank. The payer shall be able to use the limit again if the use limit of the relevant service permits this.

3.1.8. The payer shall protect the device used for a basic payment (e.g. mobile telephone) using a security code or other security method and take good care of the device and the security code, doing everything necessary in order to keep the security code secret.

3.1.9. The payer shall be obliged to notify the bank immediately if there is a risk that the security code has become known to a third party (parties) against their will. Furthermore, the payer shall undertake to notify the bank immediately about the loss or theft of the device or loss of control over it in any other manner against their will. If the bank receives relevant notification, the bank shall suspend the Internet bank and/or basic payment service.

3.1.10. The bank shall be entitled to suspend a basic payment service for security considerations at any time without the obligation to indemnify any potential loss or damage.

3.1.11. The payer shall be aware and accept the risk that if a device not protected by a security code comes into the possession of a third party, the information contained on the device shall become known to the third party, who shall be able to effect a basic payment.

3.1.12. The payer shall be able to disable and reopen the basic payment functionality via the electronic channel at any time.

3.2. Withdrawal of the payment order

3.2.1. As a rule, a payment order which has been received by the bank and which the bank has begun to execute cannot be withdrawn by the client.

3.2.2. To withdraw a payment order, the client shall provide the bank with a request in a format which can be reproduced in writing, either electronically (via the Internet bank) or at customer service areas of the branches of the bank. The request shall state all the relevant information about the payment order being withdrawn and the reason for the withdrawal.

3.2.3. If a payment is refunded, the bank shall transfer the refunded amount into the account of the client from which the

payment has been initiated. The bank shall not refund any service fee charged for the execution of a payment unless where legislation stipulates otherwise.

3.2.4. When a payment order executed by the bank is withdrawn, the bank shall use its best endeavours to notify the payment institution, the payee's payment services provider or the payee about the application to withdraw the payment order. An executed payment order may be withdrawn only with the consent of the payment institution or the payment services provider of the payee, if the payment amount is still at their disposal, or with the consent of the payee, if the payment amount has been received in their account. The bank shall not provide no confirmation or guarantee that the withdrawal of a payment order will be possible in this case. The refunded payment amount shall be transferred back into the client's account only if it has been received in the bank's correspondent account.

3.2.5. After making or providing their consent for making a basic payment, the client shall not be able to withdraw their order for the basic payment.

3.3. Receipt of the payment order

3.3.1. The bank shall be entitled to presume that the content of a payment order authorised by the client is consistent with the client's intent.

3.3.2. A payment order authorised by the client shall be binding on the bank from when the bank has received it. If the bank receives a payment order on a day which is not a settlement day for the bank or after the time limit set by the bank for the effecting of payment transactions, the payment order shall be deemed to have been received on the following settlement day.

3.3.3. Before accepting a payment order for execution, the bank shall be entitled to require from the client documented certification of the legal origin of the funds to be used for the payment transaction and to delay the execution of the payment order until the legal origin of the funds has been proven.

3.4. Execution, time limits of the execution of the payment order

3.4.1. The bank shall be entitled to use a payment institution of its choice for the execution of a payment order. If the client has designated a payment institution on their payment order, the bank shall be entitled to change the payment institution without notifying the client beforehand.

3.4.2. The bank shall undertake to ensure the execution of a payment order on the settlement date following its receipt of the payment order. In the case of the execution of a payment order initiated on paper, the above time limit may be extended by one settlement day. The above time limits shall not extend to transactions which are effected in a currency other than that of a Contracting State or for which the location of the payee's payment services provider is other than a Contracting State.

3.4.3. Detailed time limits for the receipt and executing of payment orders shall be indicated in the document "Conditions for executing payment transactions", which shall be an integral part of the agreement.

3.4.4. The bank and the client may agree the exact time of the execution of a payment order. In this case, the payment order shall be considered to have been received at the agreed time. If the agreed time falls on a day which is not a settlement day for the bank, the payment order shall be considered to have been received on the following settlement day.

3.4.5. If a payment order has been initiated as of a future date, it shall be considered that the bank has received the payment order on the value date indicated by the payer on the payment order provided that all the other conditions for receiving the payment order have been also met on that date. If the value date is not a settlement date for the bank, the payment order shall be deemed to have been received on the settlement date following it.

3.4.6. The bank shall be entitled to end the provision of the option of initiating payment orders (urgent payments) executed faster than normally. The bank shall notify the above changes to its clients at customer service areas of the branches of the bank and on the bank's website.

3.5. Refusal to execute the payment order

3.5.1. The bank shall be entitled to execute a payment order in the following instances:

3.5.1.1. The client or their representative does prove their right to use the account in a manner accepted by the bank;

3.5.1.2. The account does not have the funds needed for the execution of a payment order or for the payment of the related service fee;

3.5.1.3. The payment order has not been authorised in the agreed manner;

3.5.1.4. The information provided on the payment order is incomplete, contradictory or does not conform to the bank's terms and conditions;

3.5.1.5. The client does not provide the bank with the required documented certification according to clause 3.3.3 of the terms and conditions of service or does not prove the legal origin of the funds used for effecting the transaction;

3.5.1.6. The client's account has been blocked or frozen;

3.5.1.7. Suspicion of money laundering or terrorist financing has arisen in relation to a transaction of the client;

3.5.1.8. On some other grounds under legislation, including in the instance where the limited nature of the active legal capacity of the client or their representative has become apparent or reasonable doubt has arisen as to their capacity to exercise will or actual intent.

4. Payment transactions in a foreign currency

4.1. The main currency of the account shall be the euro, unless agreed otherwise under the Agreement. The bank shall be entitled to apply to payment transactions or operations effected by the client in a foreign currency all the terms and conditions and restrictions which have been established in the country of origin of this currency and which affect the bank in effecting transactions in this currency.

4.2. Unless otherwise agreed, payment transactions in a foreign currency shall be executed in the same currency.

4.3. If an amount is received in the account of the client in a currency not specified in the agreement, the bank shall convert it into the main currency of the account at the exchange rate set by the bank on the date on which the transaction is effected, unless agreed otherwise. The exchange rates used to convert currencies shall be available at customer service areas of the branches of the bank and on the bank's website.

4.4. The exchange rate applied to a given transaction when the account is credited or debited shall be indicated on the account statement.

5. Erroneous transfers

5.1. If an amount has been transferred into the client's account unduly, the client shall notify the bank thereof immediately after the discovery of the erroneous transfer and ensure the retention of the amount in the account for its return.

5.2. The bank shall be entitled to block and/or debit the client's account for any amount(s) unduly transferred into it because of the bank's error, without requesting the client's consent.

5.3. If, in executing a payment order, the bank has made a mistake in the amount, note, reference number or other payment details, the bank shall be entitled to debit or credit the client's account without the consent of the client in order to execute a corrective transfer and execute a payment strictly according to the information on the payment order.

5.4. The bank shall notify the client of operations effected based on clauses 5.2 and 5.3 in the manner specified in the general terms and conditions.

6. Interest rate

6.1. The bank shall pay the client interest on the funds in the account according to the rate set on the bank's price list unless agreed otherwise.

6.2. The bases for the calculation of interest shall be determined by the bank. Interest shall be transferred into the client's account at least once a year. 6.3. The client shall be entitled to receive information about the calculation and disbursement of interest at any time.

7. Service fees and other amounts payable

7.1. The client shall pay the bank a service fee according to the price list for opening and administering an account, executing payment orders, providing information and any other services related to their account.

7.2. A client that is a consumer shall pay regular service fees under the agreement solely until the expiry of the agreement. The bank shall return any prepayments of service fees to the consumer proportionately, taking into account any expenses actually incurred in order to provide the service by the time of the termination of the agreement. Any service fee paid for the date on which the agreement expires shall not be refunded by the bank.

7.3. The bank shall be entitled to debit any payments under the agreement or any other agreements related to the account, including credit or securities transaction agreements, as well as any debts, service fees, late interest amounts, contractual penalties or other fees according to the said agreements and the bank's price list.

7.4. Any service fees or other amounts payable shall be debited by the bank to the account in the currency in which the transaction was effected, based on the exchange rate set by the bank and in effect on the date when the transaction was effected, unless otherwise agreed. In the absence of the relevant currency, the bank shall convert the necessary amount from the main currency or any other currency in the account.

7.5. Upon execution of a payment order, the payer shall pay the fees charged by its bank and the payee shall pay the fees charged by its bank.

7.6. By way of offsetting, a bank may debit the client's account solely for offsetting claims under the payment ser-

vice agreement, including for offsetting a claim for a fee payable to the bank for settlements.

7.7. The client shall ensure a positive balance on the account unless permission for debts on the account have been agreed between the bank and the client beforehand. If the available balance of the account is exceeded as a result of transactions effected on the account or the application of service fees, the client shall pay the bank late interest as stipulated on the price list.

8. Record-keeping and information provision concerning the account

8.1. Record-keeping concerning the account

8.1.1. The bank shall keep records of the crediting and debiting of the account.

8.1.2. At any time, the client shall be entitled to receive information about the status of the account or the circumstances of the crediting or debiting thereof via the Internet bank or, by request, at customer service areas of the branches of the bank.

8.1.3. The client shall be entitled to request a free account statement on paper from customer service areas of the branches of the bank 1 (one) time per year.

8.2. Transmission of information

8.2.1. The client shall receive information about the execution of a payment order either from the customer service officer, if the payment order has been provided for execution at the customer service area of a branch of the bank, or via an electronic means of payment according to the agreement concluded. The client shall receive information about the execution of a payment order also from their account statement or, by request, from customer service areas of the branches of the bank.

8.2.2. The client shall receive information about a refusal to execute a payment order and the reasons thereof via the means of payment through which the payment order has been provided. The bank shall make the information available not later than by the end of the settlement date following its receipt of a payment order. Reasons for a refusal do not have to be disclosed if the bank would thereby breach an obligation imposed on it by any legislation.

9. Responsibility of the parties

9.1. Responsibility of the client

9.1.1. The client shall be responsible for any mistakes, deficiencies, inaccuracies or transmission errors on the payment orders provided by it to the bank and for any loss or damage incurred by the client as a result of these.

9.1.2. The client as the party having the means of payment shall undertake to perform the obligations of the party having the means of payment specified in the relevant payment services agreement and shall be liable before the bank to the extent stipulated in the relevant service agreement and in legislation.

9.1.3. A client that is a consumer shall be obliged to notify the bank about a payment that has not been authorised or that has been incorrectly prepared immediately after becoming aware of this but not later than within 13 (thirteen) months from when their account is debited.

9.1.4. A client that is a legal person shall have no right to present any claims or objections if it has not presented the bank with the notification specified in clause 9.1.3 within 2

(two) months from the date of the unauthorised debiting of its account or the date of debiting of an incorrectly prepared payment.

9.1.5. If the failure to execute a payment transaction correctly or at all has been caused by the payment institution selected by the client, the payment institution selected by the client shall be liable before the client. The bank is not liable before clients who are legal persons for any violations by payment initiation service providers and the payment institutions selected by the bank in addition to the above. In such cases the client shall file a claim against the payment institution or the payment initiation service provider.

9.1.6. In the case of unauthorised payments effected using a lost or stolen means of payment, the client shall be liable according to the procedure and to the extent stipulated in legislation.

9.1.7. If the payer uses the basic payment functionality provided by the bank, the payer shall certify (by keeping the relevant functionality active) that they are aware that the basic payment is a means for small payments not subject to the provisions in sections 733², 733⁴ or 733⁸ (1) or (2) of the Law of Obligations Act and that the payer agrees to assume full responsibility for effecting a basic payment without the amount restriction of own contribution in section 733⁸ (1) of the Law of Obligations Act.

9.2. Responsibility of the bank

9.2.1. The bank shall undertake to execute the payment order according to the unique identifier, and the payment order shall be deemed to have been duly executed in relation to the payee with this unique identifier, incl. if the unique identifier of the payee is identified on the client's order on the basis of the mobile number or another identifier accepted by the bank.

9.2.2. When a payment order is received in relation to the client's account, the bank shall be entitled to check whether the name and the account number match and, if they do not match, refuse to execute the payment order. If the bank is unable to relate a unique identifier to any payee or account, the bank shall refund the payment.

9.2.3. The bank shall undertake to refund the payment amount debited to the client's account immediately and without any deductions and restore the account to the situation that preceded its being debited and, at the client's request, pay late interest (in the amount stipulated by law) in the following instances:

9.2.3.1. The bank has executed a payment order not authorised by the client, except for a basic payment;

9.2.3.2. The bank has not executed the payment order or has executed it incorrectly.

9.2.4. The client shall be entitled to request the bank to inform them about the circumstances of a failure to execute correctly or at all a payment order provided by the client.

9.2.5. If the incorrect execution of the payment order consisted in unwarranted deductions from the payment amount by the bank or the payment institution of its choice, the payer shall be entitled to require the bank to remit the amounts of the unwarranted deductions to the payee immediately.

9.2.6. A payment order executed based on the unique identifier of the payee provided on the payment order shall be considered to have been executed correctly, and the client shall not be entitled to present the claims listed in this clause. The client shall be entitled to request from the bank assistance to recover the payment amount, if the relevant facilities are available. For its provision of

assistance, the bank shall be entitled to charge the client a fee according to the price list of the bank.

9.2.7. If it is disputed whether a payment transaction has been authorised or duly executed, the bank shall prove that the payment transaction was authenticated, appropriately documented and recorded in the accounts and that its execution was not affected by any deficiency.

10. Validity, amendment and termination of the agreement

10.1. Validity of the agreement

10.1.1. The agreement shall take effect on being concluded and remain in effect indefinitely.

10.2. Amendment of the agreement

10.2.1. The bank shall be entitled to unilaterally amend the terms and conditions of service (including the price list or the terms and conditions for effecting payment transactions) by publishing any amendments in full, at least 2 (two) months before the amendments take effect, in the customer service areas of the bank's branches, on the bank's website or via some other electronic channel.

10.2.2. If the client has not cancelled the agreement within the time limit specified in clause 10.2.1, they shall be deemed to have accepted the amendments. If the client does not accept the amendments, they shall be entitled to cancel the agreement before the amendments take effect for no fee immediately, except in the instances specified in clause 10.3.1.

10.3. Termination of the agreement

10.3.1. The client shall be entitled to cancel the agreement at any time except where the client has concluded with the bank agreements that presuppose having an account and for the performance of which the time limit has not lapsed yet and/or the client has other outstanding obligations towards the bank. Concerning the cancellation of the agreement, the client shall present the bank with a relevant written request.

10.3.2. If the client cancels the agreement before 6 (six) months have passed since the conclusion of the agreement, the bank shall be entitled to charge a fee for the termination of the agreement according to the price list.

10.3.3. The bank shall be entitled to cancel the agreement unilaterally at any time by notifying clients who are natural persons thereof at least 2 (two) months in advance and clients who are legal persons at least 1 (one) month in advance.

10.3.4. The bank shall be entitled to cancel the agreement extraordinarily, i.e. without any advance notification, if the client materially breaches its obligation under the agreement or the general terms and conditions of the bank.

10.3.5. In addition to the bases specified in the general terms and conditions, the bank shall be entitled to terminate the agreement and close the account also if the account balance does not exceed 10 (ten) euros or the equivalent amount in some other currency and no transactions have been effected on the client's orders in 6 (six) months. The bank shall notify clients who are natural persons about the closure of the account at least 2 (two) months in advance and clients who are legal persons at least 1 (one) month in advance.

11. Consequences of the expiry of the agreement

11.1. Expiry of the agreement shall have no impact on the

collection or satisfaction of financial claims have arisen prior to the expiry of the agreement.

11.2. Upon expiry of the agreement, the bank shall transfer into the account any interest amounts subject to disbursement and withhold from the account any outstanding service fees or the client's debts towards the bank.

11.3. The bank shall disburse the balance of funds in the account to the client or to a third party designated by the client or transfer it into an account designated by the client.

11.4. The bank shall close the client's account within 1 (one) month from the expiry of the agreement. If a payment made in favour of the client is received by the bank during this period, the bank shall accept the payment, notifying the client thereof.

11.5. If the client has not provided the bank with an order to disburse the funds in the account or to transfer them into another account within 1 (one) month from the expiry of the agreement on the basis specified in clause 10.3.1 and/or 10.3.3, the bank shall retain all the funds that are in the account and disburse them to the client on the first demand of the client.

11.6. The bank shall pay no interest on any of the client's funds retained in the possession of the bank after the closure of the account.

11.7. Unless otherwise agreed, on expiry of the agreement, also all the agreements related to the account shall be deemed to have expired and the time limits for the performance of any obligations under these agreements shall be deemed to have lapsed.

11.8. A closed account cannot be reopened.