

# PAYMENT CONDITIONS

Effective as of 10.06.2014



## 1. DEFINITIONS

In addition to the terms and conditions provided in the Current Account Contract Conditions and the General Conditions of the Bank, the following definitions are used in these Payment Conditions:

**Settlement day** – a day, when the Bank, its payment intermediaries and the beneficiary's bank are open for payment transactions. As a rule, a settlement day is every calendar day, except Saturdays, Sundays, national or public holidays of Estonia or of a country of origin of transferable currency and a holiday of the Trans-European settlement system TARGET2, provided the transferable currency is euro;

**IBAN** – the international format of an account number (a unique identifier) (International Bank Account Number),

**Client (remitter)** – a legal or natural person who has concluded a Current Account Contract with the Bank.

**Account** – a current account opened in the name of the Client and maintained for the fulfilment of the Client's payment transactions;

**Account number (unique identifier)** – a combination of letters, numbers or symbols specified by the Bank, which designates the account opened to the Client in the Bank;

**Payment order (transfer order)** – any instruction for execution of a payment transaction (payment order, foreign payment order) given by the remitter to the Bank. A payment order may also be given via a beneficiary;

**Payment transaction (payment)** – any cash depositing, cash withdrawal or transfer of money regardless of the legal relationship between the remitter and the beneficiary, serving as a basis thereto;

**Remitter** – a legal or natural person, who gives a payment order for debiting a payment account, or a person who gives a payment order, if the payment account does not exist;

**Remitter's value date** – the day when the Bank debits the remitter's account with regard to the payment order and service charges;

**Payment intermediary/correspondent bank** – a commercial bank who participates in the making of the payment by agreement with the Bank or the payment service provider of the beneficiary and who is not neither the remitter nor the beneficiary;

**Value date** – the day when the Bank debits the Client's account or credits the beneficiary's account and which serves as a basis for calculating interest on the amount on the account;

**Bank** – the bank to whom the remitter submits a payment order for executing a payment transaction, i.e. AS TBB pank;

**Internal payment** – a payment in euros or in foreign currency from an account located in the Bank to another account located in the Bank;

**Bank's value date** – the settlement date when the right to use the sum of a payment transaction is transferred from the Bank to the payment intermediary or to the beneficiary's bank;

**Foreign payment** – a payment in euros or foreign currency, where the bank of one party is located outside the Republic of Estonia or the banks of both parties are located in the Republic of Estonia, and when executing the payment order, a payment intermediary located outside the Republic of Estonia is used;

**Beneficiary** – a legal or natural person who is the receiver of the funds according to the payment order;

**Beneficiary's bank** – a bank where the beneficiary's account is located;

**SEPA payment** – a foreign payment in euros where the beneficiary's bank is located in a state which is a contracting party to the European Economic Area Agreement and is a direct or indirect member of the SEPA settlement system, and which satisfies the criteria of SEPA

payments. The criteria of SEPA payments are indicated in the price list of AS TBB pank;

**Exchange rate** – the exchange rate established by the Bank for converting one currency into other currencies. The exchange rate comprises cash and transfer exchange rates depending on whether the converting is performed in cash or on an account without cash.

## 2. GENERAL PROVISIONS

2.1. These Payment Conditions (hereinafter the Conditions) is a document by which the Bank establishes the conditions and procedure for making payment transactions.

2.2. The Conditions form an integral annex to the Current Account Contract. The Conditions shall apply *inter alia* to such payment transactions provided by the Bank, which do not require the existence of a Current Account Contract as a precondition.

2.3. The list and description of payment transactions provided by the Bank are available on the website of the Bank and in the Bank's branches. Further information about payment transactions can be inquired from the service employees of the Bank.

2.4. Upon demand of the Bank, the remitter or the beneficiary shall be obliged to present documents to the Bank, which confirm the legal origin of the funds used for executing a payment transaction. The Bank shall not be obliged to execute the payment order until receipt of the relevant confirmation.

2.5. The Bank has the right to demand that the payment order form be completed by the remitter in his/her own handwriting.

2.6. The Bank has the right to change the intermediary chosen by the remitter without notifying the remitter thereof. If the remitter fails to specify the intermediary, the Bank has the right to determine the intermediary on behalf of the remitter.

2.7. The Conditions shall be amended pursuant to the procedure provided in the General Conditions of the Bank. The General Conditions are available on the website of the Bank and in the Bank's branches.

## 3. INSTRUCTIONS FOR SUBMITTING A PAYMENT ORDER

### 3.1. Internal payment

3.1.1. date – remitter's value date;

3.1.2. remitter's account number – the account number, from which the payment transaction is to be made;

3.1.3. name of the remitter's account holder – name of a legal person or the full name of a natural person (not required, if the payment transaction is executed through an electronic payment channel);

3.1.4. identification code – commercial registry code of a legal person or a personal identification code of a natural person (not required, if the payment transaction is executed through an electronic payment channel);

3.1.5. beneficiary's name – name of a legal person, full name of a natural person;

3.1.6. beneficiary's account number – the beneficiary's account number in the Bank;

3.1.7. beneficiary's bank – AS TBB pank;

3.1.8. payment details and/or reference number – explanatory information about the content of the payment transaction. The reference number is a number provided by the beneficiary;

3.1.9. amount and currency – amount in figures and on a handwritten form also in words, currency in conformity with the ISO standard.

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## 3.2. SEPA payment

- 3.2.1. date – remitter's value date;
- 3.2.2. remitter's account number – the account number, from which the payment transaction is to be made;
- 3.2.3. name of the remitter's account holder – name of a legal person or the full name of a natural person (not required, if the payment transaction is executed through an electronic payment channel);
- 3.2.4. identification code – commercial registry code of a legal person or a personal identification code of a natural person (not required, if the payment transaction is executed through an electronic payment channel);
- 3.2.5. beneficiary's name – name of a legal person, full name of a natural person;
- 3.2.6. beneficiary's account number – the beneficiary's account number in the beneficiary's bank. On a SEPA payment the beneficiary's account number shall be indicated in the IBAN format;
- 3.2.7. beneficiary's bank – name of the beneficiary's bank;
- 3.2.8. payment details and/or reference number – explanatory information about the content of the payment transaction. The reference number is a number provided by the beneficiary;
- 3.2.9. amount and currency – amount in figures and on a handwritten form also in words;
- 3.2.10. type of payment transaction – to specify whether it is a normal or express payment transaction.

## 3.3. Foreign payment

The payment order shall be completed in block letters in English / in case of the Russian rouble payments, in Latin letters in Russian.

- 3.3.1. date – remitter's value date;
- 3.3.2. remitter's account number – the IBAN account number, from which the payment transaction is to be made;
- 3.3.3. name of the remitter's account holder – name of a legal person or the full name of a natural person (not required, if the payment transaction is executed through an electronic payment channel);
- 3.3.4. identification code – commercial registry code of a legal person or a personal identification code of a natural person (not required, if the payment transaction is executed through an electronic payment channel);
- 3.3.5. remitter's address and contact telephone number – (not required, if the payment transaction is executed through an electronic payment channel);
- 3.3.6. beneficiary's name – name of a legal person, full name of a natural person / in case of the Russian rouble payment transactions, the INN or KPP code;
- 3.3.7. beneficiary's address – precise address of the beneficiary of the payment transaction;
- 3.3.8. beneficiary's account number – the beneficiary's account number in the beneficiary's bank. It is obligatory to indicate the beneficiary's IBAN account number in case of payment transactions in euros to the European Economic Area countries and in other currencies in case of domestic payments in Estonia;
- 3.3.9. beneficiary's bank (name, address, SWIFT/BIC or other codes, correspondent account number) – precise and full name (preferably without abbreviating) and address (at least city and state) of the beneficiary's bank and known additional information about the correspondent account number and

bank codes / on a payment order in the Russian rouble, the BIK code of the beneficiary's bank and the correspondent account number of the beneficiary's bank in the Central Bank of Russia must be indicated;

- 3.3.10. intermediary / correspondent bank (name, address, SWIFT/BIC or other codes, correspondent account number) – precise and full name (preferably without abbreviating) and address (at least city and state) of the correspondent bank and intermediary bank of the beneficiary's bank;
- 3.3.11. payment details – explanatory information about the content of the payment transaction, the remitter and the beneficiary. The maximum length of payment details may be 140 characters. The above information is transmitted unchanged and untranslated. In case of the Russian rouble transactions, the VO code must be indicated;
- 3.3.12. amount and currency – amount in figures and on a handwritten form also in words, currency in conformity with the ISO standard;
- 3.3.13. type of payment transaction – to specify whether it is a normal, urgent or express payment transaction;
- 3.3.14. type of service charges – to specify who pays the service charges of the remitter's bank and foreign banks (intermediary bank(s) and beneficiary's bank);

## 3.4. Other payment transactions

In order to make other payment transactions, the remitter shall present necessary information according to the names of the fields on the Bank's forms and/or the Bank's instructions given.

## 4. TERMS

### 4.1. Internal payment

- 4.1.1. The Bank executes an internal payment order within the same value date of the Bank after debiting the payment amount from the remitter's account;

### 4.2. SEPA payment

#### 4.2.1. Incoming SEPA payment

An incoming SEPA payment received by the Bank shall be credited to the beneficiary's account on the settlement day, when the respective payment has been credited to the Bank's account or on the next settlement day, if the payment is received on the Bank's account after 6.00 p.m. on the settlement day or on the day, which is not a settlement day of the Bank;

#### 4.2.2. Outgoing SEPA payment

An outgoing SEPA payment received by the Bank before 01.00 p.m. shall be executed on the same settlement day. An outgoing SEPA payment received by the Bank after 01.00 p.m. shall be executed on the next settlement day; A SEPA express payment received by the Bank before 04.00 p.m. shall be executed on the same settlement day. A SEPA express payment received by the Bank after 04.00 p.m. on the settlement day or on the day which is not a settlement day, shall be executed on the next settlement day.

### 4.3. Foreign payment

#### 4.3.1. Incoming foreign payment

An incoming foreign payment received by the Bank shall be credited to the beneficiary's account on the settlement day, when the respective payment has been credited to the

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correspondent account of the Bank, or on the next settlement day, if the payment is transmitted to the correspondent account of the Bank after 4.00 p.m. on the settlement day or on the day, which is not a settlement day of the Bank.

If the Bank has credited the amount of the incoming payment to the beneficiary's account before the respective incoming funds have been credited to the Bank's correspondent account, the Bank will be entitled, in case of late payment, to reserve the incoming amount credited to the beneficiary's account or debit the beneficiary's account to the extent of the mentioned amount until the sum, indicated in the payment order, is transferred to the correspondent account of the Bank.

#### 4.3.2. Outgoing foreign payment

- the Bank shall execute a normal payment order (EUR, DKK, GBP, SEK, CHF, NOK) in one settlement day after the day of debiting the remitter's account (T+1) and in other currencies in two settlement days after the day of debiting the remitter's account (T+2);

- the Bank shall execute an urgent payment order (EUR, DKK, GBP, SEK, CHF, NOK) on the same day when the remitter's account is debited (T+0) provided that the payment order has arrived in the Bank before 01.00 p.m. and in other currencies in one settlement day after the day when the Client's account is debited (T+1);

- the Bank shall execute an express payment order (EUR, USD) on the same day when the remitter's account is debited (T+0) provided that the payment order has arrived in the Bank before 02.30 p.m.

In case of a payment order received after the time set forth in the Payment Conditions, the Bank shall be entitled either to refuse to accept it, cancel it or change the type of payment transaction at the discretion of the Bank, taking into account the relevant market practices and best banking practices.

#### 4.4. Conversion without cash

The currency purchased at the current exchange rate of the Bank is immediately credited to the account and the sold currency is immediately debited from the account.

#### 4.5. Cash settlements

4.5.1. Payment transactions in cash can be executed in the Bank's branches during opening hours.

4.5.2. Upon depositing or withdrawing cash, the account is immediately credited or debited.

4.5.3. In case of withdrawal of larger sums of cash, the reservation terms and conditions set forth in the price list are applied.

4.5.4. The conversion of cash is according to the buy and sell rates established in the Bank.

#### 5. CHARGES

5.1. The service charges for making payment transactions shall be paid by the Client according to the current price list of the Bank, which is available for examination on the website of the Bank and in the Bank's branches.

5.1.1. „Beneficiary“ (BEN) – The beneficiary of the payment shall pay the service charges of all banks. The service charges of the Bank are deducted from the amount of the payment and an amount reduced by the service charges is transmitted to the correspondent bank. The Client shall not pay a service charge for the payment.

5.1.2. „Remitter“ (OUR) – The Client shall pay the service charges of the Bank and of foreign banks. The full amount of the payment is received on the beneficiary's account.

5.1.3. „Shared“ (SHA) – The Client shall pay the service charge of the Bank and the beneficiary shall pay the service charges of all other banks.

5.1.4. In case of foreign payments, where the Client also pays the service charges of foreign banks and the service charge paid to the Bank by the Client does not cover the service charges related to executing the payment transaction in foreign banks, the Bank has the right to debit the said service charges from any account of the Client later on.

5.1.5. The Client shall pay the Bank for any enquiries, revocations, corrections and confirmations related to the payment transactions according to the price list, incl. full service charges of intermediaries and the beneficiary's bank. The Bank has the right to debit the said service charges from any account of the Client.

5.1.6. The Bank refuses to return the service charges paid by the Client in case the payment transaction could not be cancelled or the payment transaction is returned due to inaccurate data in the payment order sent to the Bank by the Client.

#### 6. CONSENT TO MAKE PAYMENT TRANSACTIONS

6.1. The Client shall grant its consent to making a payment transaction before execution of the payment transaction or, if so agreed between the Client and the Bank, after execution of the payment transaction (approval).

6.2. The Client shall grant its consent to making a payment transaction orally, in writing or electronically, depending on the nature of the payment transaction, or in any other manner agreed between the Bank and the Client.

#### 7. REVOKING OF PAYMENT ORDER

7.1. A payment order sent to the Bank is irrevocable and it is corrected and/or revoked at the expense and risk of the Client. The Bank will not refund the service charges collected for executing the payment transaction.

7.2. In order to revoke a payment order sent to the Bank, the Client shall submit a written application to the Bank in a Bank's branch or to the Bank's e-mail address, in which the Client shall state essential data of the payment order to be revoked and the reason thereof.

7.3. If the Bank has executed a payment order, the Bank shall exert its best efforts to inform the payment intermediary or the beneficiary's bank of the application to revoke the payment order. In such case it is possible to recover the amount of the payment order only with the consent of the payment intermediary and the beneficiary's bank, and if necessary, with the consent of the beneficiary.

#### 8. EXCHANGE RATE

8.1. Payment transactions can be made only in currencies quoted by the Bank. Information about the currencies quoted by the Bank is available on the website of the Bank and in the Bank's branches.

8.2. The Bank is entitled to end quotations for currency at any time. The Bank shall announce the ending of the quotations for currencies on the website of the Bank and in the Bank's branches pursuant to the procedure provided in the General Conditions of the Bank.

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- 8.3. The currency necessary for executing the payment order shall be sold to the Client using the transfer rate effective at the moment of executing the payment transaction and available for examination on the website of the Bank and in the Bank's branches.
- 8.4. If the amount specified in the payment order is returned by the beneficiary's bank (e.g. inaccurate information, beneficiary's account closed, etc.), the Bank shall transfer the amount of the returned payment order back to the Client in the same currency in which the payment transaction was made, unless the payment transaction was initiated in the currency, which is not allowed to be kept on the Client's account. In the latter case, the Bank shall convert the amount of the payment transaction into the main currency of the account on the basis of the transfer rate of the Bank before returning the amount to the account. The beneficiary's bank or the correspondent bank may reduce the amount to be returned by the respective service charge effective in the beneficiary's bank or in the correspondent bank.

### 9. LIABILITY

- 9.1. The Bank shall be liable for observing the remitter's instructions.
- 9.2. The Bank shall not be liable if the intermediary (intermediaries) or the beneficiary's bank do not observe the instructions of the remitter or if the full amount of the payment transaction does not reach the beneficiary's account for some other reason not depending on the Bank.
- 9.3. The Bank shall not be liable for failure to execute or for delayed or incorrect execution of a payment order if this was due to an inaccurate or deficient payment order, failure to present the confirming documents mentioned in clause 2.4, etc.
- 9.4. If the data about the beneficiary is deficient or inaccurate on the payment order upon receipt of an incoming payment, the Bank has the right to return the incoming payment to the remitter's bank and not to credit the beneficiary's account. Upon returning the incoming payment transaction, the Bank has the right to reduce the amount to be returned by the amount of the service charge of the Bank.
- 9.5. The Bank shall not be liable if a payment order is executed to a wrong beneficiary on the basis of an inaccurate or deficient unique identifier or IBAN presented by the remitter.
- 9.6. The Bank shall not be liable for any damage caused by *force majeure* or if the Bank was performing an obligation arising from law.

Approved by the Management Board on 26.03.2014.