

EESTI PANK
Governor's Decree No 12
19 September 2005

Amendments to Eesti Pank Governor's Decree No 1 of 10 January 2002 "Approval of Documentation of Payment Systems of Eesti Pank" and Eesti Pank Governor's Decree No 10 of 13 May 2004 "Establishment of General Terms and Conditions and Price List of Account Management"

This Decree shall be established based on subsection 2(1) and clause 14 3) of the Eesti Pank Act and subsection 87(2) of the Credit Institutions Act.

§ 1. The following amendments shall be made to Eesti Pank Governor's Decree No 1 of 10 January 2002 "Approval of Documentation of Payment Systems of Eesti Pank" (RTL 2002, 10, 107; 2004, 64, 1062):

1) Clause 1.2 shall be amended and worded as follows:

"1.2. "General Terms and Conditions of the Settlement System of Ordinary Payments of Eesti Pank (ESTA)" (Appendix 2);

2) in clause 1.4 the words "Price list of the DNS" shall be replaced by "Price list of the ESTA";

3) in clause 2 the words "DNS price list" shall be replaced by "Operation of the ESTA";

4) Clause 4.5.3 of Appendix 1 "General terms and conditions of the Real Time Gross Settlement System (RTGS) of Eesti Pank" shall be amended and worded as follows:

"4.5.3. The time of settlement of payments based on net system orders is established in the Technical Specifications or by a previous agreement between managers of respective systems";

5) Appendix 2 "General terms and conditions of the Designated Time Net Settlement System (DNS) of Eesti Pank" shall be amended and reworded as follows: "General terms and conditions of the System of Ordinary Payments of Eesti Pank (ESTA)" (Appendix 1);

6) Appendix 3 "Price list of RTGS" shall be amended and reworded (Appendix 2);

7) Appendix 4 "Price list of DNS" shall be amended, reworded and headlined as "Price list of ESTA" (Appendix 3);

§ 2. Appendix 2 "The price list of account management of Eesti Pank" to Eesti Pank Governor's Decree No 10 of 13 May 2004 "Establishment of General Terms and Conditions and Price List of Account Management" (RTL 2004, 64, 1063) shall be amended and reworded (Appendix 4).

§ 3. The System of Ordinary Payments of Eesti Pank (ESTA) is a partly amended version of the Designated Time Net Settlement System (DNS) of Eesti Pank. All the references to the DNS made in valid agreements and legislation of Eesti Pank shall be considered as references to the ESTA as of the moment of entry into force of this Decree.

§ 4. This Decree shall enter into force on 3 October 2005.

Andres Lipstok
Governor

Eesti Pank Governor's Decree No 12 of 19 September 2005 "Amendments to Eesti Pank Governor's Decree No 1 of 10 January 2002 "Approval of Documentation of Payment Systems of Eesti Pank" and Eesti Pank Governor's Decree No 10 of 13 May 2004 "Establishment of General Terms and Conditions and Price List of Account Management"

Appendix 1

"Approval of Documentation of Payment Systems of Eesti Pank"

Appendix 2

General terms and conditions of the System of Ordinary Payments of Eesti Pank (ESTA)

Definitions of the System of Ordinary Payments of Eesti Pank (ESTA):

Settlement Period – the time period on Settlement Day during which technical and financial validation of the Batches of Payment Orders transferred to the System Manager is carried out along with ultimate settlement of Payment Orders accepted upon validation. The number of Settlement Periods during a Settlement Day and the end of each Settlement Period shall be established by the System Manager according to the Technical Specifications.

Settlement Day – a calendar day, which is neither Saturday, Sunday nor a public holiday. A Settlement Day may contain one or more Settlement Periods.

System of Ordinary Payments of Eesti Pank (ESTA) – a multilateral payment system for settling ordinary payments operating by fixed time schedule.

Participant of ESTA – an entity that has been given the right to make settlements in ESTA under the Accession Contract, General Terms and Conditions and Technical Specifications. Eesti Pank is a participant of ESTA with distinctions arising from the Accession Contract.

Active participant of ESTA - a participant of ESTA who has met the requirements necessary for settlement of payments in ESTA on the Settlement Day in due time as established by General Terms and Conditions.

Passive participant of ESTA – a participant of ESTA who has not met the requirements necessary for settlement of payments in ESTA on the Settlement Day in due time as established by General Terms and Conditions or whom System Manager has excluded from active participants of ESTA. A passive participant of ESTA is not permitted to execute payments in ESTA.

Financial Validation - activities which the System Manager carries out in order to check whether the Financial Limit of an active participant of ESTA remains sufficient to settle Payment Orders included in the Batch of Payment Orders sent by the participant.

Financial Limit - the biggest possible liability of an ESTA participant at any moment of time on a Settlement Day, which is adequately covered by Monetary Collateral according to an appraisal given by the System Manager in conformity with these General Terms and Conditions.

Price List - a price list where fees for accession or use of ESTA are fixed.

Confirmation - a notification sent to an active participant of ESTA by the System Manager in conformity with the procedures of Technical Specifications saying that the Batch of Payment Orders sent by the active participant of ESTA is either partially or fully accepted, or fully rejected by the System Manager.

Accession Contract - a contract the signing of which forms the basis for acquiring the rights of an ESTA participant. The Accession Contract stipulates the obligation of the ESTA participant to regard as binding and fulfill all obligations arising from the Accession Contract, these General Terms and Conditions and Technical Specifications, and pay accession and service fees according to the ESTA price list.

Payment Order - a payment order (order) in which the will of the payment originator is explicitly expressed. Credit Order is a Payment Order whose original issuer is the payer.

Batch of Payment Orders - Payment Orders that are sent by a participant of ESTA as a complete lot in conformity with the procedures established by the Technical Specifications.

Minimum Financial Limit - the lowest rate of the possible Financial Limit of an ESTA participant determined by the System Manager.

Cash Collateral – an amount of money deposited by an ESTA participant according to the procedure provided in the General Terms and Conditions and Technical Specifications for guaranteeing fulfillment of its payment obligations.

System Manager – a legal entity or legal entity's structural unit appointed under the Accession Contract that manages and develops ESTA in conformity with the authorisation established by the Accession Contract.

Ordinary Payment – any payment that a participant of ESTA sends to the System Manager for settlement through ESTA. Ordinary Payments are sent within the Batch of Payment Orders.

Technical Validation – procedures that the System Manager uses to check if a Batch of Payment Orders sent by a participant of ESTA is authentic and compliant with the requirements set out in the Technical Specifications.

Technical Specifications - the conditions defining technical parameters and procedures of the operations of ESTA.

List of Authorised Persons - a list of persons authorised by the an ESTA participant who possess information (codes and passwords) enabling exchange of information and send and receive Payment Orders through ESTA.

General Terms and Conditions - these general terms and conditions of ESTA with all the changes and amendments made in them.

1. Participants of ESTA

1.1. Becoming a participant of ESTA and realization of the rights and obligations arising from the participation takes place according to the provisions of the Accession Contract, General Terms and Conditions and Technical Specifications.

1.2. The System Manager has the right to decide on the suitability of an entity to accede to ESTA.

1.3. All entities which have a valid license for pursuing banking activities in the Republic of Estonia have the right to accede to ESTA. The right of the above entities to participate in the operation of ESTA shall end from the moment the above-mentioned license ends or is revoked and shall suspend for the period during which a moratorium has been established to a credit institution.

1.4. Eesti Pank shall decide on the accession permissibility and accession terms and conditions of the entities, which are not stated in clause 1.3 of the General Terms and Conditions. The decision is made based on the rationality of the accession in respect of achieving the objectives of ESTA and avoiding systemic risk, organisational and economic credibility of the applicant applying for participation and the System Manager's assessment of technical readiness of the joining entity.

1.5. For accession to ESTA an entity wishing to accede has to have an account with Eesti Pank.

2. Payments settled through ESTA

2.1. The task of ESTA is to settle payments to be executed based on credit orders made by ESTA participants.

2.2. The currency of payments carried out through ESTA is the legal tender of the Republic of Estonia. The System Manager may also allow settlement in other currencies, notifying of it in advance.

3. Access to ESTA

3.1. ESTA participants are linked to ESTA according to the procedure established in the Technical Specifications.

3.2. Simultaneously with signing the Accession Contract, the applicant for the participant status of ESTA shall submit a list of Authorised Persons to the System Manager. If a person knowing the codes or passwords that enable exchange of information with ESTA and through this transmission and receipt of Payment Orders leaves the entity or if such codes or passwords are made known to a new authorised person, the respective changes shall be promptly made in the List of Authorised Persons and the respective notice of the changes shall be forwarded to the System Manager. The System Manager shall not be responsible for the loss arisen to an ESTA participant as a result of non-fulfilment of the notification obligation stated in this clause or delay of this notification. An ESTA participant is obligated to compensate the System Manager for the total loss sustained by the latter as a result of non-fulfilment by the ESTA participant of the notification obligation stated in this clause or delay of this notification.

4. Participation in the work of ESTA on Settlement Day

4.1. The System Manager grants access to participate in the work of ESTA during a Settlement Day as an active ESTA participant to those ESTA participants who have in due time transferred to the System Manager the Cash Collateral established in clause 5 of the General Terms and Conditions. The Cash Collateral must have been received by the System Manager before 12:00 of the same Settlement Day. The ESTA participant who has not transferred the Cash Collateral or makes the transfer after 12:00 shall be a passive ESTA participant on that Settlement Day. The System Manager shall notify all ESTA participants of its decision to regard one or several ESTA participants as passive ESTA participants on the Settlement Day by 12:30 at the latest on the same Settlement Day.

4.2. In order to start sending the Payment Order Batches, each ESTA participant shall send on each Settlement Day a notice to the System Manager in the form established in the Technical Specifications.

4.3. The System Manager shall give a notice of the permission it has given to an ESTA participant to send Payment Order Batches to ESTA on a Settlement Day in the form established in the Technical Specifications.

4.4. The System Manager maintains the right to exclude at any time and without prior notice a participant of ESTA from active participants of ESTA, if it receives reliable information about an existing or probable inability of the ESTA participant to perform proprietary or non-proprietary obligations related to participation in ESTA, if the System Manager has substantiated doubts about the authority of an entity representing an ESTA entity or if the participation of an ESTA participant in the payment system is technically significantly hindered. The System Manager shall be obligated to inform all other ESTA participants of the exclusion of an ESTA participant from active participants of ESTA in the fastest possible way.

5. Financial Limits and Cash Collateral

5.1. Minimum Financial Limit

5.1.1. Considering the amount of financial liabilities an ESTA participant may have during the first Settlement Period of a Settlement Day, the System Manager shall determine Minimum Financial Limit for each ESTA Participant.

5.1.2. The Minimum Financial Limit shall be calculated for each ESTA participant once a month as on the 20th day of the month based on the average sum of gross liabilities of the ESTA participant during the first Settlement Period on all Settlement Days beginning from the 21st day of the sixth month preceding the month the calculation is made up to the 20th day of the month of calculation. The Minimum Financial Limit must exceed the gross liabilities of the ESTA participant of the first Settlement Periods of the Settlement Days during the period by minimum 80 per cent and it is rounded up to the nearest 100,000 kroons. For the ESTA participants whose Minimum Financial Limit is less than 100,000 kroons, a Minimum Financial Limit shall be calculated by rounding it up to the nearest 10,000 kroons. The smallest Minimum Financial Limit established to ESTA participants shall be 10,000 kroons.

5.1.3. The new Minimum Financial Limit shall be valid from the first Settlement Day of the month following the calculation month. A new Minimum Financial Limit is not imposed if the difference from the valid Minimum Financial Limit calculated according to clause 5.1.2 is less than five per cent.

5.1.4. The first Minimum Financial Limits of the entities joining ESTA shall be calculated by Eesti Pank considering the objectives and principles established in clauses 5.1.1 to 5.1.3 as much as possible.

5.1.5. An ESTA participant shall be notified of its Minimum Financial Limit every month at least two Settlement Days prior to the first Settlement Day of the next month.

5.1.6. In exceptional cases the System Manager has the right to change the Minimum Financial Limit of an ESTA participant differently from what has been provided for in clauses 5.1.1 to 5.1.5. The nature of an exceptional case has to be such which makes it either fully or partially impossible to proceed from the criteria applied in the above clauses, e.g. in the case of credit institutions' merger or demerger, a new participant's access to ESTA or in other cases of similar kind.

5.1.7. An ESTA participant shall be notified in advance of an exceptional increase or decrease in the Minimum Financial Limit in writing or in a form enabling written reproduction at least two Settlement Days prior to the first Settlement Day taking place on the basis of the new Minimum Financial Limit.

5.2. Financial Limit and changes thereof

5.2.1. When applying for the right to participate in the work of ESTA on a Settlement Day, an ESTA participant has to open a Financial Limit for the respective Settlement Day. Opening of the Financial Limit takes place by depositing a Cash Collateral into an account opened in Eesti Pank by the System Manager.

5.2.2. The Financial Limit has to equal the Minimum Financial Limit or exceed it. If this requirement is disregarded, the System Manager rejects the application of the ESTA participant to participate in the work of ESTA on the Settlement Day.

5.2.3. During a Settlement Day an active participant of ESTA has the right to change (increase or decrease) its Financial Limit on condition that the Financial Limit valid as a result of the change is:

- a) at least equal or bigger than the Minimum Financial Limit established for the first Settlement Period as an active ESTA participant or
- b) bigger than at the beginning of the second Settlement Period as an active ESTA participant or equal to zero.

5.2.4. In order to increase the Financial Limit, an ESTA participant shall transfer an additional Cash Collateral into an account with Eesti Pank indicated by the System Manager. The increased Financial Limit shall be valid from the moment the System Manager receives a notice that the relevant account has been credited with the additional Cash Collateral deposited by the active participant of ESTA.

5.2.5. In order to decrease the Financial Limit an active participant of ESTA shall submit an appropriate application to the System Manager according to the procedure laid down in the Technical Specifications. After that the System Manager shall check whether the decreased Financial Limit applied for by the active participant of ESTA complies with the requirements set in clause 5.2.3.

5.2.6. If the decreased Financial Limit applied for by the active participant of ESTA complies with the requirements set in clause 5.2.3, the System Manager shall establish a new Financial Limit for the active participant of ESTA and shall repay from the Cash Collateral the sum which equals the amount by which the Financial Limit has been decreased to the active participant of ESTA and shall transmit a notice on the establishment of the decreased Financial Limit to the active participant of ESTA according to the procedure provided in the Technical Specifications.

5.2.7. If the decreased Financial Limit applied for by the active participant of ESTA does not comply with the requirements provided in clause 5.2.3, the System Manager shall leave the Financial Limit of the active participant of ESTA unchanged and shall notify the active participant of ESTA of it according to the procedure provided in the Technical Specifications.

5.3. Cash Collateral

5.3.1. In order to secure that its monetary obligations are met and in order to open a Financial Limit a participant of ESTA must deposit an appropriate Cash Collateral in the System Manager's account with Eesti Pank before 12:00 on the Settlement Day. The System Manager has the right to manage the Cash Collateral according to the procedure established by Eesti Pank and following the terms and conditions provided in the Accession Contract and the General Terms and Conditions.

5.3.2. Cash Collateral as Financial Collateral guarantees an ESTA participant's liabilities arising from ESTA participation or payments made in ESTA.

5.3.3. If Cash Collateral is not fully deposited before 12:00 on the respective Settlement Day, the System Manager shall not allow the ESTA participant to participate in the work of ESTA on that particular Settlement Day. The System Manager shall return into the current account of the ESTA participant who has not received the status of active ESTA participant the insufficient sum of money immediately upon a respective request or at the end of the Settlement Day, if there is no such request.

5.3.4. The System Manager maintains the right to use the Cash Collateral paid in by an ESTA participant in order to meet the financial liabilities of the ESTA participant. In order to use the Cash Collateral, the System Manager is not obligated to ask permission from the ESTA participant who is the owner of the Cash Collateral, nor give a prior notice of it.

5.3.5. After having met all the financial liabilities of active participants of ESTA that have arisen as a result of netting on a Settlement Day, the System Manager returns each Cash Collateral deposited by active participants of ESTA into their accounts with Eesti Pank. The balance of returned Cash Collateral may be bigger or smaller than the Cash Collateral paid in. The part of the Cash Collateral that the System Manager has used in conformity with the General Terms and Conditions for meeting the financial liabilities of an ESTA participant who deposited the Cash Collateral arisen as a result of ESTA participation or from netting in ESTA shall not be returned.

6. Payment Orders

6.1 Giving approval for netting and execution of payments

Access to ESTA is considered as the approval of an ESTA participant to allow execution of netting of its claims and liabilities between itself and other participants of ESTA up to established Financial Limits on each Settlement Day.

6.2 Sending of Payment Orders

6.2.1. Payment Orders shall be sent to the System Manager in the form of Batches of Payment Orders. One Batch can include one or more Payment Orders of only one and the same denomination. Active participants of ESTA shall send Batches of Payment

Orders to the System Manager according to the procedure established in the General Terms and Conditions.

6.2.2. The System Manager shall receive Batches of Payment Orders on each Settlement Day from 08:15 to 17:00. The System Manager shall not accept Batches of Payment Orders that have been sent to the System Manager later than 17:00.

Unaccepted Payment Orders are regarded as unsent. If an ESTA participant wishes to have a Payment Order included in an unaccepted Batch of Payment Orders to be accepted, it has to send it to the System Manager within a new Batch of Payment Orders on another Settlement Day.

6.2.3. The System Manager shall perform Technical and Financial Validation of the Payment Orders in the Batch of Payment Orders and shall issue a confirmation to an active participant of ESTA that the Batch of Payment Orders sent by it has been either partially or fully accepted or fully rejected by the System Manager. The confirmation is issued according to the procedure stipulated in the Technical Specifications.

6.3. Technical Validation

6.3.1. The System Manager shall perform Technical Validation according to Technical Specifications and shall fully reject all sent Batches of Payment Orders in which more technical errors or non-compliance with Technical Specifications have been detected than the established rate in the Technical Specifications.

6.3.2. If in the course of Technical Validation no more technical errors or non-compliance with Technical Specifications in the transmitted Batches of Payment Orders are detected than the established rate in the Technical Specifications, the correct Payment Orders shall be regarded as accepted and erroneous or non-complying with the ESTA requirements shall be rejected.

6.4. Financial Validation

6.4.1. After having performed Technical Validation, the System Manager shall perform Financial Validation of the Payment Orders included in the Batch of Payment Orders that have passed Technical Validation, comparing the balance of claims and liabilities which may arise to the active participant of ESTA who has sent the Batch of Payment Orders upon accepting the Payment Orders with the Financial Limit valid for that ESTA active participant at the moment Financial Validation is performed on the Settlement Day.

6.4.2. Financial Validation of Credit Orders takes place immediately after Technical Validation.

6.4.3. If the Financial Limit of an active participant of ESTA is sufficient for covering the liabilities arising from accepting Credit Orders by the active participant of ESTA, the entire Batch of Payment Orders shall be regarded as having passed the Financial Validation and the System Manager shall immediately send a confirmation to the active participant of ESTA regarding acceptance of the Batch of Payment Orders according to the procedure established in Technical Specifications.

6.4.4. If the Financial Limit of an active participant of ESTA is not sufficient for covering the liabilities arising from accepting the Credit Orders by the active participant of ESTA, the entire Batch of Payment Orders shall be rejected by the System Manager. The System Manager shall notify the active participant of ESTA who has sent the Batch of Payment Orders of the rejection of the Batch of Payment Orders,

sending to the active participant a confirmation according to the procedure established in Technical Specifications.

6.5. Payment value date and notification of ESTA participants

6.5.1. The value date of a payment under a Credit Order that has been sent to the System Manager and passed Technical Validation and Financial Validation shall be the day on which the Credit Order has been sent. The value date stated on the Credit Order, which differs from the actual day the Credit Order has been sent to the System Manager, is not obligatory for the System Manager and the System Manager is not responsible for any direct or indirect loss or decrease in income arisen for an ESTA participant as a consequence of executing such a credit order.

6.5.2. On each Settlement Day the System Manager shall notify the participants of ESTA of the events that have taken place in ESTA. For that purpose reports on Payment Orders shall be sent to all participants of ESTA within maximum 15 minutes after the end of each Settlement Period and Statistics Reports at 18:00 the latest.

6.5.3. Throughout a Settlement Day an active participant of ESTA has the possibility to request information about its Financial Limit and Minimum Financial Limit according to the procedure established in the Technical Specifications.

6.6. Irrevocability and finality of a Payment Order

6.6.1. A Payment Order becomes irrevocable from the moment an ESTA participant sends the Batch of Payment Orders to the System Manager. A Payment Order is subject to execution as of the moment it has passed Technical Validation and Financial Validation.

6.6.2. A payment under a Payment Order becomes final as of the moment the payment has been settled.

7. Netting of payments

7.1. The System Manager shall throughout the Settlement Day net payments of active participants of ESTA according to Payment Orders sent by the active participants of ESTA and accepted by the System Manager.

7.2. A payment according to a Payment Order shall be regarded as netted, if it has passed Technical and Financial Validation and the Financial Limit of the ESTA participant that sent the Payment Order has been reduced and the Financial Limit of the beneficiary of the Payment Order has been increased by the sum indicated in the Payment Order.

7.3. The System Manager shall use the Cash Collateral deposited by an active participant of ESTA upon executing the Payment Orders submitted by the participant.

7.4. The System Manager shall have a consistent overview throughout the Settlement Day of the size of the Financial Limit of every active ESTA participant.

8. Reports

On a Settlement Day the System Manager shall send to participants of the system two types of reports: Reports on Payment Orders and Statistics Reports.

8.1. Report on Payment Orders

8.1.1. A Report on Payment Orders shall include a list of Payment Orders accepted by ESTA in the course of a Settlement Period.

8.1.2. A Report on Payment Orders shall be compiled for each ESTA active participant individually, so that it includes a list of only these Payment Orders whose appointed receiver is the respective active participant of ESTA.

8.1.3. Reports on Payment Orders shall be compiled on a Settlement Day at the end of each Settlement Period from 8:15 to 17:00 on every full hour and these shall include lists of Payment Orders accepted by ESTA between full hours, except the first report of the Settlement Day, which shall include the list of Payment Orders accepted from 8:15 to 9:00.

8.1. Statistics Reports

8.2.1. The System Manager shall send to all participants of ESTA two types of Statistics Reports, which comprise a list of all transactions made in ESTA in the course of a Settlement Day broken down by currencies.

8.2.2. All Statistics Reports shall be compiled for each ESTA participant individually, so that they include lists of only these transactions in which the ESTA participant receiving the report is a counterparty.

8.2.3. The first Statistics Report includes a list of Payment Orders transmitted to the System Manager by the active participant of ESTA who is receiving the report.

8.2.4. The second Statistics Report includes a list of Payment Orders transmitted to the System Manager by other active participants of ESTA whose appointed receiver is the active participant of ESTA who is receiving the report.

9. Price List

9.1. Participants of ESTA shall pay the accession fee and the fee for processing Payment Orders according to the price list established by Eesti Pank.

9.2. The sums subject to payment by a participant of ESTA according to the Price List have to be paid by the established date and time into the account of the System Manager held with Eesti Pank. The System Manager shall have the right to debit the sums subject to payment according to the Price List from the account of an ESTA participant held with Eesti Pank, if the ESTA participant has given to the System Manager an appropriate written consent in the Accession Contract or its Appendix.

9.3. Eesti Pank maintains the right to make amendments in the Price List, notifying the ESTA participants of it at least 90 days in advance.

10. Operational failures of ESTA

10.1. The task of the System Manager is to ensure the operation of ESTA as stipulated in the General Terms and Conditions and eliminate all operational failures of ESTA. A participant of ESTA is obligated to eliminate these operational failures that have appeared in these parts of ESTA that are under the control of the ESTA participant or, if that is not possible with the facilities in the command of the ESTA participant, address the System Manager for the elimination of such failures. Operational failures of ESTA have to be eliminated in the shortest possible time necessary, on the condition that it will not incur unproportionally high costs compared to the prevented loss to the entity eliminating the

operational failures.

10.2. The System Manager is obligated to compensate an ESTA participant for a direct loss occurred due to operational failures of ESTA, if the cause of the loss was a failure of the System Manager to meet its legal or contractual obligations. The responsibility of the System Manager shall arise only if direct causal interrelation can be established between operational failures of ESTA and the failure by the System Manager to meet its legal or contractual obligations.

10.3. A participant of ESTA is obligated to compensate the System Manager for a direct loss incurred to the System Manager from operational failures of ESTA, if the cause of the loss was the failure by the ESTA participant to meet its legal or contractual obligations. The liability of the ESTA participant shall arise only if direct causal interrelation can be established between operational failures of ESTA and the failure by the particular ESTA participant to meet its legal or contractual obligations.

10.4. ESTA participants and the System Manager are obligated to compensate each other for a direct loss occurred due to operational failures of ESTA in so far as the cause of the loss occurred has been detected to be the failure by one or several ESTA participants or by the System Manager to meet their legal or contractual obligations. The loss is not subject to compensation if it has been established that the cause of the loss has been a failure to meet legal or contractual obligations by the particular ESTA participant who has suffered the loss or by the System Manager itself.

10.5. Clause 10.4 limits the right of neither a participant of ESTA nor the System Manager to submit claims for compensation of loss against third parties.

11. Elimination of errors occurred in netting and compensation claims to the System Manager

11.1. Elimination of errors

11.1.1. If an ESTA participant detects an error when checking its payments, it is obligated to notify Eesti Pank of it immediately after having detected the error.

11.1.2. If an error has occurred in the netting process, the System Manager maintains the right to correct the error without prior consent of the relevant ESTA participant(s), if correction of the error is possible without violating the rights of ESTA participants, the System Manager or Eesti Pank.

11.1.3. The System Manager maintains the right to debit the account of an ESTA participant at once and without prior notice to the ESTA participant with any sum the account has been erroneously credited with.

11.1.4. ESTA participants have to submit all claims arisen due to errors related to settlement, processing or execution of claims to the System Manager within 30 Settlement Days at the latest subsequent to the day they were provided with information about respective transactions. The System Manager shall not review any claims submitted after the deadline.

11.1.5. The System Manager shall review the claims submitted later than stated in clause 11.1.4 only if an ESTA participant proves that it had no possibility to notify of the occurred error in time.

11.1.6. The System Manager shall not be responsible for the losses sustained by participants of ESTA due to their actions or inactivity, if the above-mentioned claims are not submitted in time.

11.2. Compensation claims

11.2.1. If an ESTA participant submits a claim related to the errors made in settlement, processing or execution of claims, it also has to submit to the System Manager by the deadline stated in clause 11.1.4 all the necessary evidence supporting the alleged violation.

11.2.2. If it is necessary for the System Manager to carry out an additional investigation of an alleged violation and if as a result of the investigation the ESTA participant that has requested the investigation turns out to be guilty of the violation, the ESTA participant is obligated to compensate the System Manager for the costs of the additional investigation. The System Manager maintains the right to refuse to carry out an additional investigation if it turns out that the cost of the additional investigation is unreasonably high compared to the price of the loss sustained. An ESTA participant has the right to dispute the refusal to carry out an additional investigation in the Court of Arbitration of the Council of Payment System Experts, unless the System Manager has decided to satisfy the claim.

11.2.3. The System Manager shall be responsible for the errors occurred in processing Payment Orders due to the fault of the System Manager.

12. Confidentiality

12.1. The counterparties, sums and terms and conditions of the transactions made through ESTA are strictly confidential, and in keeping and processing the respective information the requirements covering information subject to banking secrecy are observed. ESTA participants and the System Manager are obligated to ensure that confidentiality is maintained. Release of confidential information to third parties may take place only if the obligation to release such information is stipulated by the law.

12.2. Participants of ESTA are under obligation to establish procedure rules and provisions to ensure that access to ESTA is open only to those included in the list of authorised persons and to obligate all authorised persons to use ESTA only in the way that enables to guarantee confidentiality in the operation of ESTA.

12.3. In case:

a) an employee or an authorised entity of an ESTA participant has disclosed the code and/or password enabling access to ESTA to an unauthorised person/entity or has used ESTA in a way not guaranteeing confidentiality

or

b) a third person has used the codes and/or passwords of an ESTA participant, the ESTA participant is obligated to fully compensate for any loss sustained by the System Manager or other ESTA participants due to or as a consequence of such a situation.

13. Forwarding of notices

An ESTA participant is obligated to notify the System Manager and the System Manager is obligated to notify each ESTA participant in the fastest possible way of any circumstance that may influence the ability of an ESTA participant or the System Manager to meet the requirements laid down in the Technical Specifications or the Accession Contract or which may in some other way affect the functioning of ESTA. If the information is produced in a way that does not enable validation of its authenticity later, the notice has to be repeated on the first opportunity in writing or in the form enabling reliable written reproduction.

14. The Council of Payment System Experts and the Court of Arbitration of the Council of Payment System Experts

14.1. The Council of Payment System Experts is a standing working body comprising experts in the field of payments, which is entitled to give recommendations to Eesti Pank or the System Manager for improving the work of ESTA and which in the form of court of arbitration shall solve disputes which may arise from the use of ESTA.

14.2. The Court of Arbitration of the Council of Payment System Experts is for solving disputes that have arisen between Eesti Pank and/or ESTA participant(s) in relation to the functioning of ESTA and which cannot be solved by mutual agreement.

14.3. In case of non-agreement with the decision of the Court of Arbitration of the Council of Payment System Experts, Eesti Pank or the relevant ESTA participant has the right to turn to the court for solving the dispute.

15. Amendment of General Terms and Conditions and Technical Specifications and application of law

15.1. Amendment of General Terms and Conditions and Technical Specifications

15.1.1. Eesti Pank is entitled to unilaterally make amendments into the General Terms and Conditions and/or Technical Specifications.

15.1.2. All amendments made by Eesti Pank in the General Terms and Conditions and/or Technical Specifications shall be effective and binding to participants of ESTA as of the date determined by Eesti Pank but not before ESTA participants have been informed of the amendments.

15.1.3. The System Manager is obligated to inform each ESTA participant of the amendments made in the General Terms and Conditions and/or Technical Specifications in writing at least two months before the amendments become effective. Eesti Pank and ESTA participants may stipulate in the Accession Contract a longer notification period for individual cases.

15.2. Application of law

15.2.1. Estonian laws are applied to legal relations and contracts regulating the operation of ESTA.

15.2.2. If due to the laws in effect or the laws to be effected in future it is not possible to apply some provisions of the General Terms and Conditions and the validity of this provision is not of determinative importance in respect of the operation of the entire ESTA or fair distribution of the rights and obligations of the System Manager and participants of ESTA, non-application of this provision shall not influence the applicability of the remainder of the provisions of the General Terms and Conditions.

15.2.3. If due to the laws in effect or the laws to be effected in future it is not possible to apply such a provision of the General Terms and Conditions which is of determinative importance in respect of the entire operation of ESTA or fair distribution of the rights and obligations of Eesti Pank, the System Manager and ESTA participants, Eesti Pank has the right to make amendments in the General Terms and Conditions necessary for ensuring the ability of work of ESTA. Eesti Pank has the right to bring the above amendments into force prior to the due date stated in clause 15.1.3 of the General Terms and Conditions, provided that ESTA participants have been notified of the amendments at least five Settlement Days in advance.

Mihkel Nõmmela
13.09.2005

Eesti Pank Governor's Decree No 12 of 19 September 2005 "Amendments to Eesti Pank Governor's Decree No 1 of 10 January 2002 "Approval of Documentation of Payment Systems of Eesti Pank" and Eesti Pank Governor's Decree No 10 of 13 May 2004 "Establishment of General Terms and Conditions and Price List of Account Management"

Appendix 2

"Approval of Documentation of Payment Systems of Eesti Pank"

Appendix 3

Price list of RTGS

I General principles

The fees listed in the price list are subject to payment into the bank account stipulated by Eesti Pank, unless valid legislation or agreements concluded between Eesti Pank and participants of RTGS stipulate otherwise.

II Price List

Access to RTGS is free of charge.

Fee for settlement of payment, if:

the sender and beneficiary of the payment order are in the Republic of Estonia - 10.00 kroons

the sender and/or beneficiary of the payment order are outside the Republic of Estonia - 15.00 kroons

Fee for the order to withdraw a payment order - 100.00 kroons

Mihkel Nõmmela

13.09.2005

Eesti Pank Governor's Decree No 12 of 19 September 2005 "Amendments to Eesti Pank Governor's Decree No 1 of 10 January 2002 "Approval of Documentation of Payment Systems of Eesti Pank" and Eesti Pank Governor's Decree No 10 of 13 May 2004 "Establishment of General Terms and Conditions and Price List of Account Management"

Appendix 3

"Approval of Documentation of Payment Systems of Eesti Pank"

Appendix 4

Price list of ESTA

I General principles:

The fees listed in the price list are subject to payment by a bank transfer into the bank account stipulated by Eesti Pank, unless valid legislation or agreements concluded between Eesti Pank and participants of ESTA stipulate otherwise.

II Price List

Fee for the access to ESTA – 100,000.00 kroons

Fee for settlement of payment - 0.50 kroons

Mihkel Nõmmela
13.09.2005

Eesti Pank Governor's Decree No 12 of 19 September 2005 "Amendments to Eesti Pank Governor's Decree No 1 of 10 January 2002 "Approval of Documentation of Payment Systems of Eesti Pank" and Eesti Pank Governor's Decree No 10 of 13 May 2004 "Establishment of General Terms and Conditions and Price List of Account Management"

Appendix 4

"Establishment of General Terms and Conditions and Price List of Account Management"

Appendix 2

Eesti Pank's price list of account management

I General principles

1. The fees listed in the price list are subject to payment into the bank account stipulated by Eesti Pank, unless valid legislation or agreements concluded by Eesti Pank stipulate otherwise.
2. Fees for access to payment systems managed by Eesti Pank (RTGS and ESTA) or for processing payment orders in these payment systems are charged according to valid price lists applied to the payment systems.

II Price List

Fee for opening a current account with Eesti Pank – 100,000.00 kroons

Fee for settlement of payment - 75.00 kroons

Fee for the order to withdraw a payment order - 100.00 kroons

Fee for every bank statement, unless Eesti Pank has undertaken to issue such statements free of charge - 100.00 kroons