

SEPA DIRECT DEBIT – COLLECTION SERVICE TERMS AND CONDITIONS

Valid from 31 December, 2017

These terms and conditions are applied to SEPA Direct Debit payments between the creditor and the Danske Bank (hereinafter “the Bank”) when the creditor’s account is with Danske Bank. When the creditor’s account is in another country of the Danske Bank Group, a local Business Online agreement must be entered into on the service, and the service has local terms and conditions.

These terms and conditions are applied to both schemes of the SEPA Direct Debit: SEPA Direct Debit (CORE) and SEPA business to business Direct Debit (B2B). Any deviations between the schemes are described in these terms and conditions.

When entering into a SEPA Direct Debit agreement, the creditor accepts these terms and conditions as binding.

In addition to these terms and conditions, the following terms and conditions valid at any given time are applied to the SEPA Direct Debit service, as appropriate:

- General terms and conditions for corporate accounts
- General terms and conditions for euro-denominated payments transmitted within the Single Euro Payments Area.

In the event of discrepancies between different language versions of these terms and conditions, the Finnish version shall prevail.

The EPC Rulebook valid at any given time, which is prepared by the European Payments Council (EPC) and available at www.europeanpaymentscouncil.eu, is applied to the SEPA Direct Debit service.

Use of the SEPA Direct Debit service requires that the creditor has:

- an euro account suitable for the service with the Bank;
- an agreement on Business Online and/or Material transmission services;
- a SEPA Direct Debit Creditor ID agreed with the Bank;
- a Direct Debit settlement line granted by the Bank (in CORE scheme).

The Bank decides whether the SEPA Direct Debit collection service agreement may be entered into, subject to a customer-specific assessment.

1. Definitions

Banking day

Any day on which the Bank is open so that it may, for its part, execute the payment transaction.

Business Online

An Internet-based online service offered by the Bank, through which the customer and the service user may access account information, pay invoices and place other orders with the Bank.

Cancellation of the collection order

The creditor has the right to cancel a collection order already sent to the Bank within the cut-off periods available on the Bank’s website at www.danskebank.fi.

Collection basis

The grounds for collection between the creditor and the debtor, indicated as the collection basis in the mandate given to the creditor. Such collection bases may be several on a creditor-specific basis.

Collection order

The collection order is an order through which the creditor debits an agreed payment from the debtor's account in accordance with the mandate received. The collection order must be in compliance with the record description of the SEPA Direct Debit service. The Bank does not check the contents of the collection order.

Creditor ID

A collection basis-specific ID generated by the Bank for which the creditor's SEPA Direct Debit agreement is made. The Bank generates the service ID in accordance with Finnish SEPA Direct Debit Creditor ID rules. The service ID is used when sending SEPA Direct Debit payments to be debited from the debtor's accounts.

Direct Debit material

Payment data delivered by the creditor to the Bank, which the creditor is obligated to deliver to the Bank in compliance with the service description valid at any given time. The service description is available on the Bank's website at www.danskebank.fi.

The creditor is responsible for the correctness of the Direct Debit material and for ensuring that there is a duly signed and valid mandate between the debtor and the creditor. The creditor is liable to compensate the Bank any for costs incurred from erroneous or deficient Direct Debit material, correction of errors and investigation of the matter.

EPC (European Payments Council)

The cooperation organisation of the European banking sector. Information on EPC's activities is available on its website at www.europeanpaymentscouncil.eu.

Mandate

An agreement between the debtor and the creditor to the effect that the creditor may ask the Bank to credit payments debited from the debtor's account to the creditor's account. The mandate is made separately for each collection basis and its contents must comply with the instructions issued by the European Payments Council (EPC).

Payment date

The debit date of a payment specified by the creditor in the collection order. The payment date must be a SEPA payment date (TARGET).

Refund

The debtor or the debtor's bank may request refund of the payment in accordance with Item 7. The amount of the payment is debited from the creditor's account to refund the payment to the debtor.

Rejected payment

A collection order sent by the creditor that could not be executed.

SEPA (Single Euro Payments Area)

A geographical area in Europe for euro payments. SEPA currently comprises the EU and EEA countries.

SEPA Direct Debit service

A payment service used within SEPA, through which creditors may collect euro payments from accounts agreed on with the debtor.

SEPA Direct Debit service schemes

- SEPA Direct Debit (CORE): scheme intended for collection from consumers and businesses
- SEPA Business to business Direct Debit (B2B): scheme intended for collection from businesses.

SEPA payment date (TARGET)

A date defined by the European Central Bank on which payment transactions may be processed. SEPA payment dates may be Finnish national holidays or other non-banking days in Finland (not including Saturdays and Sundays).

Unauthorised payment

A payment for which the creditor is unable to present a duly signed and valid mandate. An authorised payment is a Direct Debit for which the creditor is able to present a duly signed and valid mandate.

2. SEPA Direct Debit – Collection Service

SEPA Direct Debit is used for collecting euro invoices from debtors who have given the creditor the SEPA Direct Debit mandate referred to in these terms and conditions.

The creditor must agree with the Bank on the SEPA Direct Debit scheme to be used (SEPA Direct Debit/CORE and/or SEPA business to business Direct Debit/B2B). If the creditor uses a scheme not agreed on with the Bank, the Bank will reject the collection orders.

If the debtor's bank requires an agreement on the SEPA Direct Debit service, the debtors must agree on the service and the scheme to be used with their bank before the SEPA collection orders sent by the creditor can be executed.

2.1 Use of the service

Use of the SEPA Direct Debit service requires that the creditor has agreed on the service with the Bank.

2.2 Mandate

Through the mandate between the creditor and the debtor, the debtor authorises the Bank to credit payments debited from the debtor's account to the creditor's account.

The mandate must contain, as a minimum, data in compliance with the EPC's instructions.

Safekeeping of the mandate is the responsibility of the creditor, and the creditor must, as necessary, be able to present a duly signed and valid mandate related to the collection orders sent to the Bank.

It is the creditor's responsibility to ensure that the collection orders sent to the Bank are in accordance with the mandates agreed between the debtors and the creditor. The Bank does not check whether there is a valid mandate between the creditor and the debtor or the contents of the collection order.

2.3 Pre-notification

Unless otherwise agreed between the debtor and the creditor, the creditor must advise the debtor of the SEPA Direct Debit payments to be debited at least fourteen (14) days in advance of the payment date.

If the creditor has not delivered a pre-notification on the payments to be debited to the debtor, the debtor has the right to request that the payment be refunded. When the debtor requests a refund of a payment, the Bank will ask the creditor to prove that the pre-notification was given to the debtor in time.

2.4 Submission of Direct Debit material to the Bank

The creditor must send collection orders to the Bank in accordance with the service description for the Direct Debit service and in compliance with the cut-off periods related to the submitting of material. The service description and the cut-off times are available on the Bank's website at www.danskebank.com. If the

data has not been sent within the notified cut-off times, the Bank will reject it.

The creditor is responsible for the correctness of the payment data in the collection order. The creditor is liable to compensate the Bank for costs or losses incurred for unauthorised payment.

2.5 SEPA Direct Debit Creditor ID

Use of the SEPA Direct Debit service requires that the creditor has a creditor ID. A creditor ID issued in one SEPA country may also be used in the creditor role in other SEPA countries. In Finland, the creditor ID is generated in accordance with rules agreed on in Finland.

3. Transmission of a collection order

The creditor sends a collection order based on a mandate to the Bank, which forwards the collection order further to the debtor's bank. The Bank does not check whether the payment data corresponds to the information in the mandate between the debtor and the creditor. The creditor is responsible for the correctness of the collection data and that the collection order is based on a valid mandate. As necessary, the creditor must be able to present a duly signed and valid mandate related to the collection orders sent to the Bank.

When a payment has been effected, it appears in the creditor's list of entries. However, the amount of the payment may have been debited from the creditor and refunded to the debtor.

4. Non-execution of a collection order

4.1 Debtor's right to refuse payment of a Direct Debit

The debtor may refuse payment of a Direct Debit at the latest on the banking day before the payment date. The creditor will be notified of the refusal via Business Online or the Material transmission service.

4.2 The debtor's bank's right to reject a collection order

The debtor's bank has the right to reject the collection order before payment has been effected. The creditor will be notified of rejected collection orders via Business Online or the Material transmission service.

4.3 The debtor's bank's right to return the collection order after the payment date

SEPA DIRECT DEBIT (CORE)

For five (5) SEPA payment day after the payment date, the debtor's bank has the right to return to the creditor a collection order which the debtor's bank has been unable to execute due to, for example, insufficient funds in the debtor's account. After receiving a return of a collection order from the debtor's bank, the Bank has the right to debit the amount of the Direct Debit credited in the creditor's account on the payment date from the creditor's account and return it to the debtor's bank.

SEPA BUSINESS TO BUSINESS DIRECT DEBIT (B2B)

For two (2) SEPA payment days after the payment date, the debtor's bank has the right to return to the creditor a collection order which the debtor's bank has been unable to execute due to, for example, insufficient funds in the debtor's account. After receiving a return of a collection order from the debtor's bank, the Bank has the right to debit the amount of the Direct Debit credited in the creditor's account on the payment date from the creditor's account and return it to the debtor's bank.

If the debtor's bank indicates the reason for the return, the creditor will be informed of it via Business Online or the Material transmission service.

The Bank has the right to charge a service fee for the processing of returned payments in accordance with the valid service price list.

5. Refund of payments

5.1 Debtor's right to request a refund

The debtor has the right request a refund of a payment already effected. The amount of the payment is debited from the creditor's account to refund the payment to the debtor.

5.1.1. General right to a refund

SEPA DIRECT DEBIT (CORE)

The debtor has the right to a refund of an effected SEPA Direct Debit payment (CORE) for eight (8) weeks from the payment date.

If the Bank receives a request for a Direct Debit refund within eight (8) weeks from the payment date,

the amount of the payment will be debited from the creditor's account and refunded to the debtor via the debtor's bank. The refund transaction will appear in the creditor's list of entries and account statement. The Bank has the right to charge the creditor a service fee in accordance with the service price list for the processing of the refund.

SEPA BUSINESS TO BUSINESS DIRECT DEBIT (B2B)

There is no general right to a refund of payments.

5.1.2 Unauthorised payments

SEPA DIRECT DEBIT (CORE)

If the debtor believes the payment to be unauthorised, he/she may request a refund via his/her bank for up to thirteen (13) months after the payment date.

SEPA BUSINESS TO BUSINESS DIRECT DEBIT (B2B)

If the debtor believes the payment to be unauthorised, he/she may request that the creditor's bank refund the payment within the period agreed on with his/her own bank; however, no later than within thirteen (13) months after the payment date.

5.2 Creditor's responsibility in connection with the refund of payments

If the Bank receives a request for a refund of an unauthorised payment, the creditor is, at the Bank's request, obligated to present to the Bank a duly signed and valid mandate related to the payment within seven (7) banking days from the day when the request was presented. If the creditor is unable to present a mandate, the Bank will debit the amount of the payment from the creditor's account.

Safekeeping of the mandate is the responsibility of the creditor, and the creditor must, wherever necessary, be able to present a duly signed and valid mandate related to the collection orders sent to the Bank. If the creditor is unable to present a mandate, he/she is in breach of the agreement entered into with the Bank (see Item 7).

If the Bank receives a refund request for an unauthorised SEPA business to business Direct Debit payment (B2B), the Bank has the right to debit the amount of the payment from the creditor's account. The Bank will investigate the request and assess whether the

request is justified. If the debtor's request for a refund turns out to be justified, the Bank has the right to charge costs incurred for the processing of the request from the creditor in accordance with its valid service price list.

6. Termination of the SEPA Direct Debit agreement

6.1 Termination by the customer

The creditor may terminate the SEPA Direct Debit agreement entered into with the Bank in writing at any time. After the termination of the agreement the Bank will cancel all collection orders received but not yet submitted to the debtor's bank. Any collection orders submitted to the debtor's bank will not be cancelled.

The termination of the agreement will take effect as soon as the Bank has been able to enter the information on the termination in its systems. Any payments arriving to the creditor will be returned to the debtors if the creditor closes his/her accounts with the Bank.

6.2 Termination by the Bank

The Bank may terminate the SEPA Direct Debit agreement by giving at least one (1) month's notice in writing. However, if the creditor has committed a material breach of the agreement, the agreement may be cancelled without prior notice (see Item 7).

6.3 Termination of the agreement without notice

The agreement lapses without notice and notice period if the customer does not have a valid:

- euro account registered to Business Online with Danske Bank
- an agreement on Business Online or Material transmission services;
- SEPA Direct Debit creditor ID
- Direct Debit settlement line (in CORE scheme).

If the agreement is terminated due to the reasons mentioned above, any incoming payments will be returned to the debtor's bank.

7. Cancellation of the agreement

If the creditor is declared bankrupt, files for corporate restructuring or is placed in liquidation, the Bank has the right to give written notice to the creditor to terminate the agreement with immediate effect. The

Bank has the right to cancel the agreement with immediate effect if the creditor materially breaches the agreement.

An example of such a breach is a situation where the creditor sends unauthorised collection orders, does not deliver pre-notifications to the debtors or uses an invalid creditor ID, or a situation where the creditor is declared bankrupt, files for corporate restructuring or is placed in liquidation.

8. Liability to pay damages and limitations

8.1 The creditor's liability

The creditor undertakes to compensate for any losses incurred by the Bank due to action by the creditor in breach of this agreement or other action attributable to the creditor. The creditor is liable for any losses caused by errors and malpractice caused by its personnel taking part in the operation. The creditor is not liable to pay damages in so far as the party suffering loss or a person acting on his behalf has contributed to the cause of the loss.

8.2 The Bank's liability

The Bank is liable to pay damages for direct loss caused by the neglect of or error by the Bank. The Bank is not be liable for potential indirect loss caused by its neglect or error, such as profit or income not received, loss of income, tax consequences, loss of interest or other corresponding loss that the Bank cannot reasonably anticipate.

8.3 Force majeure

A contracting party is not liable for any loss caused by an unusual and unpredictable event over which it has no control and the consequences of which it would not have been able to avoid through careful action.

Each contracting party is obligated to inform the other party of a *force majeure* situation encountered as soon as possible. The Bank may announce a *force majeure* in national daily newspapers. A *force majeure* entitles the Bank to interrupt its operations for the time being.

9. Fees

The Bank charges fees in accordance with its valid service price list for the SEPA Direct Debit service. The service price list is available from the Bank's local branch.

10. Changes to these terms and conditions

The Bank has the right to change these terms and conditions in the manner agreed in this item.

10.1 Material change

The Bank will, in writing or electronically, notify the debtor of a change to the terms and conditions of the agreement that materially adds to the obligations of the customer or materially reduces his/her rights and is not a result of an amendment to legislation, an order by the authorities or a change to the payment transmission system used by banks. The change will enter into force at the time announced by the Bank, but no earlier than one (1) month after the notification has been sent to the customer. The Bank also has the right to announce the change by publishing it on its website at www.danskebank.com, in which case the period runs from the date of this publication. The agreement will continue with changed content from the time announced by the Bank if the debtor does not give notice to terminate the agreement before the change takes effect. The Bank will not charge any expenses from the customer for the termination.

10.2 Other changes

If a change to the terms and conditions of the agreement does not materially add to the responsibilities of the customer or materially reduce his/her rights, or if the change is the result of an amendment to legislation, an order by the authorities or a change to the payment transmission system used by banks, the Bank has the right to announce the change through its branch offices or on its website at www.danskebank.com. Changes enter into force at the time announced by the Bank. The agreement will continue with changed content from the effective date of the change announced or published by the Bank. The customer and the Bank have the right to give notice to terminate the agreement in accordance with Item 6.

11. Disputes and governing law

In the event of a failure to settle any disputes arising from this agreement through negotiation, these disputes shall be settled by the Helsinki District Court. However, if the customer's domicile is somewhere other than in Finland, the Bank has the right to submit the matter for settlement in a court in the customer's home state.

The services referred to in these terms and conditions are governed by Finnish law, unless otherwise agreed by the parties.

Additional information on the right to lodge a complaint is provided in the Bank's general terms and conditions for corporate accounts.