

“PRIORITY” SERVICE LEVEL RULES & REGULATIONS

1. Introduction

The present document constitutes the “Priority” Service Level Schedule under the Service Level Master Agreement for the realisation of Credit Transfers with immediate execution by the Originator's and Beneficiary's Bank, and in particular with:

- Notification to the Beneficiary by the Beneficiary's Bank within 4 working hours following receipt by the Beneficiary's Bank of the message within its Operational Window;
- Posting to the Beneficiary to take effect on the Business Day of receipt;
- as well as the availability of funds to the Beneficiary with Same Day Value or in accordance with normal banking practice.

This Service Level Schedule contains the Rules and Regulations governing, on a bilateral basis, "Priority"-level Credit Transfers involving pairs of Participating Banks having selected this Service Level Schedule as a Selected Service Level Schedule.

Capitalised terms used in this Service Level Schedule and not defined herein but defined in the Service Level Master Agreement, shall have the same meaning herein as therein.

This Service Level Schedule is subject to the provisions of the Service Level Master Agreement and to the provisions of the SWIFTStandards volumes, provided, that the provisions of the Service Level Master Agreement shall prevail over the provisions of the SWIFTStandards volumes each time Operations are involved.

2. Definitions

For purposes of this Service Level Schedule, the following definitions shall apply and have precedence over the definition of the same terms in the SWIFTStandards volumes and/or the Service Level Master Agreement:

“Acceptance” shall mean the acceptance by an Originator's Bank to process and execute a Credit Transfer request submitted to it by an Originator according to the Originator’s instructions.

“Completion” shall mean Notification to the Beneficiary, Posting of the Credit Transfer to the Beneficiary's account as well as providing value to the Beneficiary, all in accordance with this Service Level Schedule.

“Credit Transfer” shall mean an instruction issued by an Originator's Bank whereby a Participating Bank is instructed to credit the account of a specified Beneficiary according to an Originator’s instructions.

"Interbank Value Date" shall mean the date specified as such in field 32A of the MT 103 Core and MT103+.

"Notification" shall mean making available to the Beneficiary information related to an incoming Credit Transfer.

"Original Amount" shall mean the principal amount of the Credit Transfer as specified by the Originator.

"Operational Window" shall mean the hours in between which banks offer active operational support, and have the capability of taking decisions (positive or negative) and actions to inform the Beneficiary.

"Posting to the Beneficiary's account" shall mean the entry of the incoming Credit Transfer to the Beneficiary's account.

"Plausible" shall mean an account number, the structure of which (format – check digit) appears to be valid (provided, that this does not imply that the account number exists, nor that it is the account number of the stated Beneficiary).

"Participating Bank" shall mean a Participating Bank which has selected this Service Level Schedule and in respect of which this Service Level Schedule is in full force and effect, whereby a Participating Bank can be either a sender and receiver of Credit Transfers on behalf of its Customers, or a receiver only.

"Remittance Information" shall mean all information which the Originator requests its bank to transmit to the Beneficiary about the reason for a Credit Transfer in order to facilitate reconciliation by the Beneficiary.

"Same Day Value" shall mean with respect to an individual Credit Transfer, making the funds available to the Beneficiary on the Interbank Value Date.

3. Scope of the Service Level

(a) The following shall be considered "Priority" Credit Transfer requests capable of being processed under this Service Level Schedule: any Credit Transfer request which is flagged as such in accordance with Article 11 hereof and which is:

- (i) in any Convertible Currency ;
- (ii) without limitation of amount;
- (iii) with charging arrangements following the Originator's instructions (available charging options being: (x) all Transaction Charges borne by the Originator, (y) shared Transaction Charges, or (z) all Transaction Charges borne by the Beneficiary);
- (iv) an account-to-account instruction, i.e. sent directly from the Originator's Bank to the Beneficiary's Bank.

(b) Participating Banks shall decide independently the scope of services generally which they

offer to prospective Originators in their respective markets. However, they undertake to accept from other Participating Banks any Operation that falls within the scope of this Service Level Schedule subject to the conditions hereof and of the Service Level Master Agreement, in particular as set out in Articles 2(c) and 3(b) thereof, and in line with the handling and processing capabilities that Participating Banks shall communicate (see Article 6 hereafter).

- (c) Participating Banks shall have the right to decide independently with which Participating Bank they are prepared to enter into Priority Operations. Participating Banks will make their participation in Operations under this Service Level subject to a separate bilateral agreement.

4. Guarantees Offered

As a consequence of the commitments they undertake *vis-à-vis* each other through the implementation of the present Rules & Regulations, Participating Banks shall guarantee to Customers under the present Service Level Schedule, subject to Article 10 below:

- (a) The Beneficiary's Bank shall make available to the Beneficiary an advice of receipt of a Credit Transfer within 4 working hours following receipt by the Beneficiary's Bank of the message within its Operational Window and
- (b) posting to the Beneficiary's account by the Beneficiary's Bank to take effect on the Business Day of receipt and
- (c) the availability of funds to the Beneficiary with Same Day Value or in accordance with normal banking practice;
all the preceding guarantees being subject to such extensions as may result from the mandatory provisions of applicable laws or regulations (and in particular, any regulatory reporting requirements);
- (d) in case the Originator's charging option is that all Transaction Charges are to be borne by the Originator, the Original Amount as instructed by the Originator shall be credited to the Beneficiary;
- (e) in case the Originator's charging option is that all Transaction Charges are to be split, or borne by the Beneficiary, the Beneficiary shall receive sufficient information to permit it to reconcile amounts (i.e., Original Amount minus Transaction Charges);
- (f) in case the Original Amount is converted by the Beneficiary's Bank (subject to Article 16 below), the Beneficiary shall receive sufficient information to permit it to reconcile the different amounts (i.e. provision of the Original Amount instructed by the Originator and/or the currency exchange rate used for the conversion);
- (g) Remittance Information as submitted by the Originator and accepted by the Originator's Bank shall be transmitted to the Beneficiary. Transmission of up to 4 lines of 35 characters is guaranteed;

(h) a redress procedure is offered in case of deficient Completion of the Credit Transfer.

5. Identification of Credit Transfer Requests

It is the Originator's Bank's responsibility to flag messages in connection with Operations for the requested Service Level in accordance with message standards specifications as indicated in Article 11 hereof.

6. Handling and Processing Capabilities

Participating Banks are responsible for the prompt communication upon request of their handling and processing capabilities in connection with Operations (provided, that communicated individual handling and processing capabilities shall in no event fall short of the requirements of this Service Level Schedule).

In the absence of applicable country-general information, the parameters to be communicated shall include at a minimum: (i) message routing requirements (e.g. "direct to branch" or "to head office"); (ii) time zones in relation to GMT; (iii) Operational Window (opening and closing times); (iv) cut-off time and latest day of receipt requirements in relation to both Same Day Value and normal value dating practices; (v) currencies accepted; (vi) charging options support; (vii) Transaction Charges and Interbank Fees; (viii) local bank practices regarding conversion; (ix) requirements concerning the usage of message fields to facilitate automatic processing where these are not covered by SWIFT; (x) Originator's Bank's control mechanisms as to Beneficiary account number plausibility; (xi) a non-binding indication of the time within which a Participating Bank anticipates to realise electronic reporting to its Customers (if less than four hours).

7. Acceptance by the Originator's Bank

An Originator's Bank decides within its full discretion whether or not it accepts a Credit Transfer instruction under this Service Level Schedule. Except in case of express rejection by the Originator's Bank, a Credit Transfer instruction from an Originator is deemed accepted by the Originator's Bank for purposes of application of the performance guarantees under the present Service Level Schedule when and if:

the Originator's unconditional Credit Transfer instruction specifies:

- (i) the Beneficiary's name;
- (ii) the Beneficiary's account number and, if it cannot be identified solely from the account number, the details of the branch of the Beneficiary's Bank at which the Beneficiary's account is held;
- (iii) the currency and the amount to be made available to the Beneficiary, (subject to Article 16 below);
- (iv) Remittance Information intended to enable the Beneficiary to immediately identify and allocate the payment (e.g, invoice number, pension ...);
- (v) Transaction Charges instructions (i.e. all Transaction Charges borne by the Originator, or shared Transaction Charges, or all Transaction Charges borne by the Beneficiary).

However, the responsibility of the Originator's Bank cannot extend further than the instructions received from the Originator, in particular when the practices or regulations in the country of the Beneficiary provide that credits are allocated giving priority to the account number over the name.

For the MT 103+, it is recommended that Participating Banks support the IBAN (the "International Bank Account Number") in the account number line of the Beneficiary Customer. For the intra-European MT103+, the IBAN is mandatory in the account line of the Beneficiary Customer.

8. Processing by the Originator's Bank

The Originator's Bank is responsible for ensuring that all the elements of a valid instruction as required under Article 7 are present and, in particular, that the account holding branch of the Beneficiary's Bank can be unambiguously identified.

Control of the plausibility of the Beneficiary's account number is at the discretion of each Originator's Bank, provided that Originator's Banks shall promptly communicate upon request their capability to verify the plausibility of Beneficiary's account numbers for Credit Transfer instructions sent to banks in countries with uniform account number structures.

The Originator's Bank shall process a Credit Transfer instruction immediately. "Process" means for the purposes of this Service Level Schedule that the transfer instruction is forwarded in a valid format to the Beneficiary's Bank, so that it reaches that bank a) same day or during the next available published Operational Window of the Beneficiary's Bank, and b) in accordance with the published requirements of the Beneficiary's Bank regarding cut-off times and the latest day for receipt of instructions. The Interbank Value Date shall not be more than three (3) Business Days ahead of the day when the Credit Transfer instruction is forwarded by the Originator's Bank.

The Originator's Bank shall use the time available to it to effect (i) any currency conversion required and (ii) settlement to permit the Credit Transfer to be completed without delay.

9. Value dating to the Beneficiary

Participating Banks shall promptly communicate upon request their normal value dating practices. Participating Banks shall also promptly communicate upon request their requirements regarding cut-off times and latest day for receipt of Same Day Value Credit Transfers and for those Credit Transfers to be executed in accordance with normal value dating practices.

Participating Banks may demand specific interbank fees or other forms of compensation for the provision of Same Day Value. The presence of a particular charging option code in field 71A of a Priority transaction shall not have any impact on the specific charges for applying Same Day Value which shall always be borne by the Originator.

10. Notification to the Beneficiary

Participating Banks shall differentiate between two types of Credit Transfer:

- Credit Transfers which are exchanged between end-Customers which have mutually agreed and prepared themselves to send and receive transactions via their banks through electronic banking applications.
- Credit Transfers which are not pre-arranged as described above, and may result in non-electronic reporting to the Beneficiary.

For the first type of transfer, Notification to the Beneficiary within the time frame defined in Article 4a shall be required and Participating Banks must offer intra-day reporting facilities via their electronic banking products. If the Beneficiary is not connected through electronic banking, and no specific instruction regarding non-electronic banking Notification has been provided, the Beneficiary's Bank shall exercise best efforts to complete Notification as soon as possible and reasonably practicable from a commercial point of view, endeavouring to complete Notification within four working hours.

For the Credit Transfers where specific Notification is required by phone or other non-electronic means such as cable or fax, it is the Originator's responsibility to provide accurate telephone, fax or other numbers where the Beneficiary can be reached. Charges for specific Notification are always borne by the Originator. If the Beneficiary's instructions contradict the ones given by the Originator, the Beneficiary's instructions will overrule the latter.

In case the Beneficiary's Bank does not achieve to effectively complete Notification within four working hours, it shall always so inform the Originator's Bank. Such notice will not discharge the Beneficiary's Bank to honour its other obligations under this Service Level Schedule (including, without limitation, posting and value dating).

11. Transmission Methods and Message Standards

Participating Banks shall transmit messages over the SWIFT network using only the FIN service to communicate in connection with this Service Level.

The MT 103 Core and MT103+ will be the sole accepted message standards for this Service Level.

The following specifications supersede or complement message standards specifications as notified in the SWIFTStandards volumes:

Flagging

The MT 103 Core and MT103+ messages must contain in field 23B the following code word: SPRI: Priority

12. Transparency, Transaction Charges, Conversion Costs

Participating Banks shall provide their Customers with full particulars of Transaction Charges applicable in connection with Credit Transfers realised under this Service Level Schedule,

subject always to further requirements under mandatory provisions of applicable laws or regulations. Originator's Banks shall supply such particulars prior to receipt of instructions for a Credit Transfer and shall advise the Originator of the execution of such instructions, each time in accordance with their usual practices for communicating with Customers.

In connection with Credit Transfers where all or part of the Transaction Charges are to be borne by the Beneficiary, the Originator's Bank shall forward to the Beneficiary's Bank for eventual forwarding to the Beneficiary, full particulars of all Transaction Charges deducted from the Original Amount of the Credit Transfer, as well as foreign exchange conversion data, if any.

Beneficiary's Banks shall provide Beneficiaries with full particulars of Transaction Charges thus charged, taxes levied, and foreign exchange data, if any, regarding Credit Transfers, forthwith following Completion.

Particulars of taxes levied and foreign exchange conversion information shall be supplied as required by applicable law.

13. Originator Information

Participating Banks undertake to pass on in an unaltered form up to the Beneficiary the information about the Originator which they have accepted from it. Transmission of information of up to 4 lines of 35 characters shall be guaranteed.

It is the responsibility of the Originator's Bank to verify that the Originator's name (if provided in the Credit Transfer instruction) is present on the first line of the field identifying the Originator.

14. Remittance Information

Participating Banks undertake to pass on in an unaltered form up to the Beneficiary any Remittance Information which they have accepted from the Originator. Transmission of information of up to 4 lines of 35 characters shall be guaranteed.

15. Regulatory Reporting

Participating Banks assume responsibility for compliance with their country's regulatory reporting obligations: the Originator's Banks for outgoing Credit Transfers, and the Beneficiary's Banks for incoming Credit Transfers.

Originator's Banks shall endeavour to request from Originators, and pass on to Beneficiary's Banks such information as will enable the Beneficiary's Bank to speed up the reporting, and hence, crediting process. This endeavour only represents a "best effort".

When the Beneficiary's Bank, because of applicable laws or regulations, cannot immediately credit the Beneficiary's account, it shall notify the Beneficiary forthwith, within the same time that it would have notified the transaction to the Beneficiary, that it holds a pending credit for its account.

Such effective notification shall replace, from a time frame point of view, the credit to the Beneficiary's account and will be considered equivalent to Completion under the present Service Level.

16. Foreign Exchange

Participating Banks shall generally execute Credit Transfers in the currency instructed by the Originator, except as otherwise provided in the second paragraph of this Article .

If the transfer is instructed in a currency other than the currency of the Beneficiary's account, then the local practices of the Beneficiary's country or Bank will prevail. It is the Beneficiary's Bank's obligation to inform the Originator's Bank about these local bank practices and, if relevant, about the foreign exchange commissions applied.

The Originator's Bank shall inform the Originator as early as possible (and, if possible, prior to receipt of a Credit Transfer instruction from the Originator) as to the currency in which a Credit Transfer is expected to be completed including the applicable foreign exchange commissions notified by the Beneficiary's Bank.

When the amount transferred is credited in a currency different from the Originator's instruction, then the exchange rate and/or the Original Amount must be notified to the Beneficiary.

It is the obligation of the Originator's Bank, if this bank converts the Original Amount, to remit to the Beneficiary's Bank the relevant exchange rate information.

17. Settlement

Originator's Banks are responsible for ensuring that sufficient funds or credit lines are available in due time for the transfer request to be Completed without delay.

It is also the responsibility of the Originator's Bank to ensure that the Beneficiary's Bank receives sufficient information to reconcile the Credit Transfer with any funds provided in cover.

18. Cancellations

Cancellations cannot be processed under this Service Level.

The permissibility or feasibility of cancellations or reversals falls outside the scope of this Service Level generally, and must be determined in light of the laws and contractual arrangements governing the relationship between the Originator's and the Beneficiary's Bank, further subject to such additional arrangements as may be made from time to time among Participating Banks.

19. Controls and Rejects

It is the responsibility of the Beneficiary's Bank to have such controls in place that will enable it

to identify immediately upon receipt of an instruction such Credit Transfer requests that need to be repaired and possibly could not be completed within the allocated time frame because of incomplete or missing information (e.g. Beneficiary's account number).

At that stage, the Beneficiary's Bank has two options:

- either (a) to accept and repair the Credit Transfer instruction. In that case the Service Level shall be honoured and the Beneficiary's Bank, at its own discretion, may inform the Originator's Bank about possible repair charges;
- or b) within 4 working hours after receipt of the Credit Transfer to issue an advice via FIN to the Originator's Bank that the instruction has been rejected, including the reason for the rejection (using the SWIFT code word(s) as defined in the SWIFTStandards volumes). The MT195 is the recommended reject advice message. This advice may, alternatively, be sent as an MT199 message. On receipt of such an advice the Originator's Bank must immediately place this information at the disposal of the Originator.

Reject fees, if relevant, will be charged to the Originator's Bank. Information about such fees, as well as the reason for the reject, must be included in the reject message.

Originator's Banks shall decide whether reject fees are to be borne by the Originator.

20. Processing by the Beneficiary's Bank

The Beneficiary's Bank is responsible for notifying the transaction to the Beneficiary within four (4) working hours following receipt of the Credit Transfer within its Operational Window, subject to Article 10 hereof, posting the transaction to the Beneficiary's account to take effect on the Business Day of receipt of the Credit Transfer and making funds available to the Beneficiary as defined in this Service Level Schedule, subject to any applicable regulatory requirements and subject to the possibility of rejection in accordance with Article 19, provided that the Beneficiary's Bank shall do whatever is required to assure realisation of Operations in compliance with the guarantee defined in Article 4(a).

21. Redress Procedure

- (a) Without prejudice to the application of mandatory provisions of law and of Articles 6 and 7 of the Service Level Master Agreement, the Originator shall be entitled to claim from its Bank compensation for lost interest and fees deducted for any Credit Transfer instructed as a Priority-transfer under this Service Level which is not completed in accordance with the performance specifications defined in Article 4. Interest calculations shall be based on the principal amount only of a Credit Transfer.

Each time an Operation is not completed in compliance with the performance specifications defined in Article 4 of the present Service Level Schedule as a result of failure by the Beneficiary's Bank to honour its obligations hereunder, the Beneficiary's Bank shall indemnify and hold harmless the Originator's Bank in respect of the latter's indemnification obligations towards the Originator pursuant to this Service Level.

The redress so owed (whether of interest or a refund of Transaction Charges) shall be credited to the Originator within fourteen (14) Business Days from his request, provided, that redress claims must be presented within twenty (20) Business Days from Acceptance, failure of which they shall not be accepted.

- (b) If the non-Completion of a Credit Transfer under this Service Level was caused by defective instructions given by the Originator to his bank, Participating Banks shall not be obliged to compensate for lost interest.
- (c) Unauthorised deductions of Transfer Charges shall be refunded by the Originator's Bank (subject to recourse against other Participating Banks) to the Originator except for unauthorised deductions by the Beneficiary's Bank which shall be refunded by the latter to the Beneficiary. Refund claims shall be made by Originators (save as provided in the preceding sentence).
- (d) Participating Banks shall contractually exclude to the maximum amount lawfully possible consequential damages in their Customer agreements as regards Credit Transfers under this Service Level (except if they waive recourse against other Participating Banks in respect of supplementary guarantees or assurances given to their Customers).
- (e) Participating Banks shall not present each other with interbank claims under Article 7 of the Standard Level Master Agreement for amounts of (the equivalent of) USD 200 (two hundred United States dollars) or less and shall assume the risk thereof.

22. Compliance and Quality Control

- (a) SWIFT shall review compliance by a Participating Bank with the terms and conditions of this Service Level Schedule and performance of such Participating Bank hereunder, if within a period of three months, three or more Participating Banks make together five or more formal, motivated complaints against that Participating Bank (the "Bank under Review") alleging material violations of these terms and conditions. SWIFT shall commission an independent audit firm (the "Auditor") to handle compliance reviews. The "Priority" SLWP (as defined in the Service Level Master Agreement) shall be informed of the terms of the mandate of the Auditor, including, in particular, of confidentiality undertakings required from the Auditor.
- (b) Participating Banks, including without limitation Banks under Review, shall cooperate with audits and make available all records and data reasonably required by the Auditor or by SWIFT, subject to applicable regulatory requirements.
- (c) If the Auditor makes a finding that the Bank under Review is generally not in compliance with "Priority" Service Level standards and that the complains referred to above have merit, SWIFT shall make available to the Bank under Review key elements of the audit findings and give the Bank under Review the opportunity to comment and, within SWIFT's reasonable discretion, to be heard regarding the audit findings.
- (d) If SWIFT management responsible for the "Priority" Service Level, following the procedures

set out in paragraphs (a) through (c) concludes in favour of termination or suspension of a Bank under Review as regards the present Service Level, a recommendation shall be submitted to the first following meeting of the Board of Directors of SWIFT, together with the audit findings and written comments presented by the Bank under Review pursuant to paragraph (c). If the Board of Directors resolves to exclude a Bank under Review from this Service Level, the Bank under Review shall promptly reimburse SWIFT for the cost and expense (including the Auditor's fee) of the investigation and audit.

- (e) SWIFT may conduct a “Quality Awareness Programme” to ascertain that "Priority" Service Level standards are met and that "Priority" Participating Banks are satisfied with performance of the "Priority" Service Level. Such survey shall primarily address the performance standards set out in Article 4. Participating Banks will be asked to cooperate with the survey and provide all records and data reasonably required by SWIFT or its designee in that regard.