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**PRINCIPLES FOR PROCESSING OF  
CLIENT DATA**

(Valid from 10.07.2023)

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**I. Definitions and general provisions**

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1. **ESTO** – the data controller of the personal data is ESTO AS (registry code 14180709, address Laeva 2, Tallinn, Eesti, 10111).
2. **Client** – a natural person who has expressed his or her willingness to use ESTO services (including by visiting the ESTO website) or who uses or has used ESTO services.
3. **Personal Data** – any information relating to an identified or identifiable natural person (“data subject”).
4. **Client Data** – any information (including Personal Data) that ESTO has about the Client.
5. **Processing** – any operation or set of operations, whether or not automated, that is performed on Client Data or on sets of Client Data, including collection, structuring, storage, use, grant of access to, transfer, making inquiries and statements, retrieval, alteration, deletion, etc., of Client Data.
6. **Client Relationship** – the legal relationship between ESTO and the Client that arises when the Client uses or has used ESTO services or has contacted ESTO for the purpose of using ESTO services.
7. **Third Party** – any natural or legal person other than the Client, ESTO, Data Processor or persons who may process Client Data under the direct authority of ESTO or the Data Processors.
8. **Data Processor** – a natural or legal person, who processes Client Data on behalf of ESTO.
9. The Client consents to the processing of his or her Client Data in accordance with the terms and conditions set out in the Principles for Processing of Client Data when he or she expresses his or her intention to use ESTO services or has already entered into a Client Relationship with ESTO.
10. The Principles for Processing of Client Data apply to the extent that they do not conflict with or contradict the ESTO Terms of Service.

**II. General provisions**

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1. The processing of Client Data by ESTO is carried out in accordance with the requirements set out in Regulation (EU) 2016/679 of the European Parliament and of the Council (General Data Protection Regulation), the Personal Data Protection Act, other relevant legislation and the ESTO principles for Processing of Client Data. The terms and conditions of the Principles for Processing of Client Data may also be described in the documents related to ESTO services and in the Client agreements.
2. ESTO and its employees are obliged to keep Client Data confidential indefinitely and are liable for any breach of obligations. Access to and processing of Client Data is only allowed to employees who have received appropriate training. The processing of Client Data shall only be carried out to the extent necessary for the performance of the assigned tasks and for the fulfilment of legal obligations.
3. For the Processing of Client Data, ESTO uses Data Processors who are obliged to process Client Data in accordance with ESTO’s instructions and in compliance with data protection requirements.

**III. Purposes and legal ground for the processing of Client Data**

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1. ESTO processes Personal Data for the following purposes and the following legal grounds:
  - 1.1. **to decide whether the Client can apply for the hire-purchase service or other financing services of ESTO;**
    - 1.1.1. The processing of Personal Data is based on Article 6(1)(a), (b) and (c) of the General Data Protection Regulation. Among other things, ESTO is required to assess the creditworthiness of a potential Client (Section 49 of the Creditors and Creditor Intermediaries Act) and to identify the potential Client (Chapter 3 of the Money Laundering and Terrorist Financing Prevention Act). The decision whether and on what terms to grant a loan to a potential Client may be based on profile analysis of the potential Client or on automated processing of Personal Data (in this case,

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the processing is based on Article 22(2)(a) of the General Data Protection Regulation), in particular using the data referred to in § 49 of the Creditor and Creditor Intermediaries Act to make a decision on the potential Client.

**1.2. for the performance of an agreement with the Client (including debt recovery);**

1.2.1. The processing of Personal Data is based on Article 6(1)(b) of the General Data Protection Regulation. Decisions relating to the performance of the agreement may be based on profiling of the Client or on automated processing of personal data (in this case, the processing is based on Article 22(2)(a) of the General Data Protection Regulation), in particular by using the data referred to in § 49 of the Creditor and Creditor Intermediaries Act and ESTO's experience in deciding with the Client concerned on the steps to be taken in the performance of the agreement (including which measures to take for the recovery of debt).

**1.3. to execute agreements with partners;**

1.3.1. The processing of Personal Data is based on Article 6(1)(a) and (f) of the General Data Protection Regulation. Among other things, the processing of Personal Data may be necessary for the performance of an agreement between ESTO and the merchant from whom the Client purchases goods or services on a hire-purchase service basis.

**1.4. to prevent fraud and other criminal offenses and to lower and mitigate risks;**

1.4.1. The processing of Personal Data is based on Article 6(1)(c) and (f) of the General Data Protection Regulation. ESTO is required to assess the creditworthiness of the Client before entering into an agreement with the Client. To this end, ESTO will make reasonable efforts, within its control and ability, to ascertain whether the information provided by the potential Client is correct and valid. In addition, ESTO will take various measures to prevent possible fraud.

**1.5. to comply with other legal obligations;**

1.5.1. The processing of Personal Data is based on Article 6(1)(c) of the General Data Protection Regulation. For example, in certain cases, ESTO may have an obligation to inform the Estonian Financial Intelligence Unit (according to the Money Laundering and Terrorist Financing Prevention Act Chapter 3) about certain transactions. The obligations imposed by law may be subject to change.

**1.6. for analytical purposes;**

1.6.1. The processing of Personal Data is based on Article 6(1)(c) of the General Data Protection Regulation. ESTO AS monitors consumer habits, e.g. how the company website is used, which of the offered products are most popular amongst clients, what are the preferences of different client groups, the progress of cooperation with different partners, etc. In addition, ESTO conducts financial analyses and collects data for statistics. These actions enable ESTO to develop products and services offered to its Clients.

**1.7. for offering the products and services of ESTO and of other entities belonging to the same business group to Clients;**

1.7.1. The processing of Personal Data is based on Article 6(1)(a) and (f) of the General Data Protection Regulation. ESTO has an interest in continuing to provide its Clients with its own products and those of its related parties. In order to optimize marketing costs, ESTO may, on the contrary, be interested in not offering certain products to existing Clients. Decisions on which offers to make to which Clients may be based on Client profile analysis or automated processing of personal data (in this case, the processing is based on Article 22(2)(c) of the General Data Protection Regulation), for example using existing data (including ESTO's experience with a specific Client, e.g. the Client's past choices regarding ESTO products and services), to decide whether the Client may have an interest and/or the capacity to use a particular product.

## **IV. Types of processed Client Data**

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1. ESTO processes all Client Data that it has obtained about the Client during the course of the Client Relationship. The main types of processed Client Data are:
  - 1.1. The Client's Personal Data (including name, personal identification number, date of birth, place of birth, identity document data, residence and citizenship, language of communication);
  - 1.2. Client contact details (including address, phone number, e-mail address);
  - 1.3. Data on the Client's transactions and signed agreements (including transactions made, signed and/or terminated



agreements, submitted applications, statements, received and paid interest and service fees, agreement violations);

1.4. Financial data of the Client (including income, assets, liabilities, previous payment behavior);

1.5. Data on the origin of the Client's assets.

2. ESTO collects Personal Data both from the data subject as well as from other sources. In addition to the data requested from the Client, ESTO collects the following types of Personal Data:
  - 2.1. Information about visiting the ESTO website (e.g. IP address and time of visit);
  - 2.2. How the visitor arrived at the website (through which merchant)
  - 2.3. Communication data collected in the course of Client Relationship (which is collected when communicating with the Client via e-mail, messages, social media and other methods of communication, including telephone conversations);
  - 2.4. data about the goods or services purchased by the Client and the Client's name and contact details from the merchant from whom the Client purchases the goods or services (data is collected from the relevant merchant);
  - 2.5. data available through national registers and other public (including paid) databases, such as payment default registers (e.g. information on the data subject's financial situation, income and payment history, whether the data subject has applied for credit in the past and with what result);
  - 2.6. The Client's bank details (the information is obtained from the banks via the intermediary service provider);
  - 2.7. Information about the Client's relationship with Third Parties (e.g. whether the Client is a person with a governmental background).

## **V. Personal Data transfer**

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1. ESTO may transfer the collected Personal Data to the following categories of persons and/or entities where such obligation is required by law and/or is necessary for the conclusion, performance and enforcement of an agreement with the Client:
  - 1.1. Server, network and communications service providers;
  - 1.2. Other IT service providers;
  - 1.3. Marketing service providers;
  - 1.4. Analytical service providers;
  - 1.5. Creditworthiness assessment companies;
  - 1.6. Identity verification service providers;
  - 1.7. Debt recovery service providers;
  - 1.8. Payment default registers;
  - 1.9. Other registers from which ESTO performs queries regarding a potential Client;
  - 1.10. Merchants from whom the Client has purchased goods or services;
  - 1.11. Providers of financial services;
  - 1.12. Payment service providers;
  - 1.13. ESTO advisors (auditors, legal advisers, etc.);
  - 1.14. Companies belonging to the same group as ESTO;
  - 1.15. Service providers to whom ESTO has outsourced its activities in accordance with the requirements arising from the law, provided that such persons fulfill the organizational, physical and information technology requirements set by ESTO regarding the confidentiality and protection of credit data;
  - 1.16. Supervisory authorities, courts, bailiffs, police, prosecutors;
  - 1.17. persons, to whom ESTO has assigned the claims against a Client resulting from a hire-purchase agreement, and the mediators of such claims assignment service (e.g. investment platforms).

## **VI. Retention of Personal Data**

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1. ESTO will process the Client's Personal Data as long as it is necessary to fulfill the purposes of the respective data processing, including to comply with the data retention obligations set out in the legislation and to protect ESTO's own rights in the resolution of a dispute that may arise from an agreement with the Client. ESTO will generally retain the Client's Personal

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Data until the expiry of the retention period under the Creditors and Creditor Intermediaries Act (i.e. the entire duration of the Client Relationship and three years after the termination of the Client Relationship) unless the law imposes an obligation to retain the Client's Personal Data for a longer period (e.g. basic accounting documents are required to be stored for 7 years from the end of the relevant financial year, information collected to comply with the requirements of the Money Laundering and Terrorist Financing Prevention Act has to be retained for 5 years after the end of the business relationship) or until ESTO has a legitimate interest in doing so (e.g. until the end of the limitation periods for claims in order to protect ESTO's legal interests, if necessary).

## VII. Transfer of Personal Data outside the European Economic Area

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1. As a general rule, ESTO does not transfer Client's Personal Data outside the European Economic Area. However, in the event that this should be necessary by ESTO's Data Processors or Third Parties, a thorough background check of the respective Data Processor or Third Party will be carried out beforehand and appropriate safeguards will be put in place for the transfer and the protection of the Client Data.
2. Where Client Data is transferred outside the European Economic Area, appropriate safeguards will be applied, such as transferring the data to a country for which the European Commission has adopted a decision on the adequacy of the level of data protection or transferring the data under standard data protection clauses developed by the European Commission.
3. Pursuant to Article 49(1) of the General Data Protection Regulation, in the absence of safeguards, personal data may be transferred outside the European Economic Area, for example, if it is necessary for the performance of a contract between the Client and ESTO or for the implementation of pre-contractual measures taken at the request of the Client or, in the interest of the Client, for the conclusion/performance of a contract between ESTO and another person or for the establishment, exercise or defense of legal claims.

## VIII. Client rights

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1. The data subject has the following rights:
  - 1.1. **Right of access** - The Client has the right to know what data ESTO has collected about him or her, the purposes for which it is processed, to whom the data is disclosed, from whom the data is obtained (other than the Client), for how long the data will be kept, and the Client's rights regarding rectification, erasure and restriction of processing.
  - 1.2. **Right to rectification** - The Client has the right to request the rectification of personal data relating to him or her if they are incorrect or incomplete.
  - 1.3. **Right to data erasure** - In certain cases, the Client has the right to request ESTO to erase his or her personal data, for example, if the Client has withdrawn the consent given to ESTO to process the data and there is no other legal basis for further processing of the data or if ESTO has processed the personal data unlawfully.
  - 1.4. **Right to restriction of processing** - in certain cases, the Client has the right to prohibit or restrict the processing of his personal data for a certain period of time (e.g. if the Client has objected to the processing).
  - 1.5. **Right to object** - The Client has the right to object to the processing of personal data based on a legitimate interest of ESTO, including profiling carried out on such a legitimate basis. If an objection is raised, ESTO is obliged to stop the processing, unless ESTO can demonstrate that the processing of the Client's personal data is carried out for compelling legitimate grounds which override the interests and rights of the data subject or is necessary for the establishment, exercise or defence of legal claims. The Client also has the right to object to the processing of personal data for the purposes of direct marketing and, upon such objection, ESTO shall cease to use the data for direct marketing.
  - 1.6. **Right to data portability** - Where the processing of personal data is based on the consent of the Client or on a contract with ESTO and the data is processed by automated means, the Client has the right to receive the personal data concerning him or her that he or she has provided to ESTO in a structured, commonly used format and in machine-readable form. The Client also has the right to request ESTO to transfer the data directly to another service provider, where technically feasible.
  - 1.7. **Right to withdraw consent to the processing of personal data** - If the legal basis for the processing of personal



data is based on the consent of the Client (e.g. direct marketing), the Client always has the right to withdraw consent. If the Client withdraws its consent, ESTO will no longer process the Client's data for the purposes described in the consent. Withdrawal of consent does not affect the lawfulness of the processing that took place on the basis of consent prior to the withdrawal of consent.

- 1.8. In order to exercise the rights of the data subject, the Client may contact ESTO at the contact details set out in these rules. ESTO will reply to the request within 1 month of receipt at the latest.
2. Profiling is any automated processing of Personal Data that involves the use of Personal Data to evaluate certain personal aspects relating to a natural person, such as analysing or predicting aspects relating to a Client's financial situation, personal preferences, interests, reliability, location or movements.
3. For example, ESTO uses profiling to prevent and mitigate fraud and other abuses, for marketing purposes, to assess risks in complying with anti-money laundering and counter-terrorist financing requirements, to control transactions to combat fraud, to assess the likelihood of insolvency. Automated decision making (i.e. decision making using IT tools and without human intervention) is used for certain credit decisions to ensure that decisions are made quickly, fairly and efficiently. Automated decisions and profiling are based on Personal Data known about the Client, collected in accordance with these Terms. Such processing of Personal Data will be carried out on the basis of ESTO's legitimate interest (marketing profiling), for the performance of ESTO's legal obligations, including those under the Money Laundering and Terrorist Financing Prevention Act and Regulation (EU) No 575/2013 of the European Parliament and of the Council, or for the conclusion or performance of a contract between the Client and ESTO, as applicable.
4. The data subject has the right to ask for explanations about automated decisions and profiling, to express his or her point of view and to contest the decision by contacting ESTO using the contact details set out in these rules.
5. For more detailed information on the processing of personal data or the exercise of rights, please contact ESTO using the contact details provided in these rules. ESTO takes the Client's Personal Data and privacy seriously and will comply with all applicable laws and regulations when processing them. However, if the Client considers that the processing of his or her Personal Data is in breach of the legal requirements, he or she has the right to refer the matter to the Data Protection Inspectorate or to the courts in order to defend his or her rights and interests.

## **IX. Amendment and application of the principles**

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1. ESTO reserves the right to unilaterally amend these rules in the event of changes to the legislation governing the protection of Personal Data or ESTO's own data processing processes. ESTO will give notice of its intention to amend the Principles for Processing Client Data on its website at least one (1) month before the amendments enter into force unless the amendments are based solely on changes in legislation. The latest version of ESTO's Personal Data Processing Policy will always be available on ESTO's website. [www.esto.eu/ee](http://www.esto.eu/ee).
2. The Principles for Processing Client Data have been drafted in Estonian and translated into English and Russian. In the event of a dispute, the Estonian version of the Principles for Processing Client Data is legally binding.

## **X. Contact**

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1. To contact ESTO, you can send a letter by e-mail to [info@esto.ee](mailto:info@esto.ee) or by post to Laeva 2, Tallinn 10111, Estonia.
2. To contact the Data Protection Officer of ESTO, you can send an e-mail to [info@esto.ee](mailto:info@esto.ee) or a postal address to Laeva 2, Tallinn 10111, Estonia, with the subject "Data Protection Officer".