

(Translation from German)

General Terms and Condition for Banking Business

2007 Version

General Provisions

I. Basic rules for business relationships between the client and the bank

A. Scope of applicability and amendments to these General Terms and Conditions

1. Scope of applicability

Fig. 1. (1) The General Terms and Conditions (hereafter GTC) shall apply to the entire business relationship between the client and the all the bank's branch offices in Austria and abroad. Provisions negotiated with the client or special terms and conditions shall prevail.

(2) The terms "consumer" and "entrepreneur" shall be used hereafter as they are defined in the Austrian Consumer Protection Act [*Konsumentenschutzgesetz*].

2. Amendments

Fig. 2. (1) Amendments to these GTC shall enter into force per the beginning of the second month following the one in which the client has been notified thereof and shall be legally effective in all the client's present and future business relationships with the bank unless the bank has received written objection thereto from the client by that time. Such objection may be announced in any form negotiated with the client within the framework of the business relationship. An arrangement with the client on the receipt of declarations from the bank shall also apply to the notification of amendments to the GTC. If the client's identity is not known to the bank and no arrangement has been made regarding service, the amended GTC posted in the bank lobby shall prevail; the first sentence of this paragraph shall apply accordingly.

(2) The bank shall inform the client via such notification of the amendment to the GTC and shall draw his attention to the fact that failure to respond after the expiration of the month following the one in which the notification pursuant to Par. 1 has been effected shall be deemed to be acceptance thereof. A notification to this effect shall be added to the displayed GTC if the client's identity is not known to the bank.

B. Submission of statements

1. Orders by the client

Fig. 3. (1) Orders are to be placed in writing.

(2) However, the bank shall be entitled to execute orders placed with it by way of telecommunication (in particular by telephone, telefax or data transmission). Contingent upon all other stipulations, the bank shall only be obligated to execute such orders if the client has arranged this with the bank.

(3) The bank shall be entitled to execute orders of any kind placed by the entrepreneur within the framework of the business relationship on the client's account if the bank is of the opinion without fault of its own that the orders originate with the entrepreneur and if the ineffective order cannot be attributed to the bank.

2. Obtaining confirmations by the bank

Fig. 4. For security reasons and in particular in the case of orders placed via telecommunication, the bank shall be entitled to obtain a confirmation of the order via the same means of communication or by another method, depending on the situation concerned.

3. Bank declarations

Fig. 5. (1) The bank's notifications and declarations made via telecommunication shall be effective subject to written confirmation unless otherwise negotiated in writing or other bank practices exist in this regard.

(2) The provision set out in Par. 1 shall not apply to consumers.

C. Right of disposition upon the client's demise

Fig. 6. (1) As soon as it has been informed of a client's demise, the bank shall permit dispositions based on a ruling of the probate court or the inheritance certificate. This arrangement shall not affect joint accounts/joint securities accounts and dispositions made by an account holder with individual authority to dispose.

(2) No authority to sign on an account assigned by an entrepreneur for a business account shall terminate upon the client's demise. Entrepreneur accounts shall be deemed business accounts in a case of doubt.

D. Bank obligations and liability

1. Information Duties

Fig. 7. Unless negotiated otherwise, the bank shall be under no obligation to supply information in addition to that set out in its GTC, apart from its statutory duty to supply information. Accordingly, unless there is a statutory or contractual obligation, the bank shall not be under obligation to inform the client of imminent rate or exchange loss, the value or worthlessness of objects entrusted to it or of any facts and circumstances likely to compromise or jeopardise the value of such objects or to provide the client with other recommendations or information.

2. Execution of orders

Fig. 8. (1) The bank shall execute an order which, by its nature, typically requires the assistance of a third party by calling in a third party in its own name. The bank shall be liable for prudent selection if it chooses the third party.

(2) The bank shall undertake to assign claims vis-à-vis the third party to the client at the latter's request. The bank's obligations toward the client as set out in the 1999 Credit Transfer Act [*Überweisungsgesetz*] shall not be affected by these conditions.

Fig. 9. no longer applicable

E. Client's obligation to co-operate and liability

1. Introduction

Fig. 10. The client must comply in particular with his obligation to co-operate as set out below in his transactions with the bank. Infringement thereof shall entail obligatory restitution of damages or a reduction of his claims for damages against the bank.

2. Notification of important changes

a) Name or address

Fig. 11. (1) The client shall notify the bank without delay and in writing of changes of his name, company name, address or the address for service which he has given to the bank.

(2) Should the client fail to announce a change of address, the bank's written declarations shall be deemed served if they are sent to the address most recently made known to the bank.

b) Power of representation

Fig. 12. (1) The client shall notify the bank without delay and in writing of any cancellation or changes of power of representation which has been announced to the bank, including authorisation to dispose of and sign on account (Fig. 31 and 32) and provide appropriate documentation thereon.

(2) All power of representation announced to the bank shall continue to be effective until cancellation thereof or change in its scope is reported in writing unless the bank was aware of such cancellation or change or was not aware thereof due to gross negligence. The same shall apply in particular if such cancellation or change is entered in a public register and has been duly published.

c) Capacity to enter into legal transactions; dissolution of a company

Fig. 13. The bank must be notified without delay and in writing of any loss or reduction of the client's capacity to enter into legal transactions. If the client is a company or legal entity, the bank must be notified of the dissolution thereof without delay.

3. Clarity of orders

Fig. 14. (1) The client must ensure that his orders to the bank are formulated clearly and unambiguously. Amendments, confirmations and repetitions must be expressly indicated as such.

(2) Should the client wish to give the bank special instructions on the execution of orders, he must inform the bank thereof separately and explicitly and, in the case of orders given on forms, place the instructions elsewhere than on the forms. This shall especially apply if the execution of the order is urgent or subject to specific terms and deadlines.

4. Diligence in the use of means of telecommunication

Fig. 15. When placing orders or making declarations via telecommunication, the client must take appropriate precautions to avoid transmission error or abuse.

5. Raising objections

Fig. 16. (1) The client must verify without delay the bank's declarations, such as confirmations of his orders placed with the bank, notifications on their execution, account statements, securities account statements, closing statements and any other accounting, as well as dispatches and payments from the bank for correctness and completeness; he must raise any objections he may have without delay.

(2) The bank's statements and services shall be deemed approved unless it receives written objection within six weeks. The bank shall inform the client at the beginning of each period of the significance of this. In such a case, the information on the account statement shall suffice.

6. Notification of non-receipt of communications

Fig. 17. The client shall notify the bank without delay of any non-receipt of regular communications (such as closing statements or securities statements) or other communications or dispatches from the bank which the client would have to expect according to the circumstances within the period of time normally to be anticipated with respect to the form of communication arranged.

7. Translations

Fig. 18. Documents in foreign languages of any kind must be submitted to the bank along with a German translation certified by a court-approved translator.

F. Place of fulfilment; choice of law; jurisdiction

1. Place of fulfilment

Fig. 19. The place of fulfilment shall be the location of that branch of the bank with which the transaction has been concluded.

2. Choice of law

Fig. 20. All legal relationships between the client and the bank shall be subject to Austrian law.

3. Jurisdiction

Fig. 21. (1) Legal actions which the client brought against the bank may only be filed at the court competent *in rem* for jurisdiction over the place of the bank's head office. This shall also be the place of jurisdiction in a case of legal action brought by the bank against the entrepreneur, whereby the bank shall be entitled to assert its rights at any other locally and substantively competent court.

(2) The general place of jurisdiction in Austria in the case of legal actions brought by or against a consumer with respect to agreements with the bank shall not change, even if, after concluding an agreement, the consumer transfers his residence to a location outside Austria and Austrian court decisions are enforceable in that country.

G. Termination of the business relationship

1. Termination by the bank

a) Ordinary termination

Fig. 22. Unless the agreement has been negotiated for a definite period of time, the bank and the client may terminate the entire business relationship or parts thereof at any time by giving reasonable advance notice.

b) Termination for cause

Fig. 23. (1) Notwithstanding any arrangements to the contrary, the bank and the client shall be entitled to terminate the business relationship or parts thereof with immediate effect for cause.

(2) Cause entitling the bank to terminate is deemed in particular to include

* deterioration of or risk to the client's financial situation or a co-obligor which jeopardises their ability to meet their commitments to the bank;

* the client furnishing incorrect information on his financial situation or other important circumstances, or

* the client failing or being unable to provide or increase collateral.

2. Legal consequences

Fig. 24. (1) The sums owed under the business relationship shall immediately become due and payable per the termination thereof. In addition, the client shall be under obligation to release the bank from any liabilities it has assumed for him.

(2) Moreover, the bank shall be entitled to terminate all liabilities assumed for the client and to settle them on the client's behalf and to redebit credited accounts immediately contingent upon the receipt thereof. The bank may assert claims in connection with securities – bills of exchange and cheques in particular – until any and all debit balances are covered.

(3) These GTC shall continue to apply even after the business relationship is terminated until the time of complete settlement.

II. Bank Information

Fig. 25. General information on an enterprise's financial situation which is customary in banking practice shall only be provided non-bindingly and in writing only, unless an obligation to do so exists.

Fig. 26 no longer applicable

Fig. 27 no longer applicable

III. Opening and keeping accounts and securities deposit accounts

A. Scope of applicability

Fig. 28. Unless stipulated otherwise, the following arrangements regarding accounts shall also apply to deposit accounts.

B. Opening accounts

Fig. 29. Future account holders must evidence their identity when opening an account. Accounts shall be maintained under the name of the account holder or company name along with an account number.

C. Specimen signatures

Fig. 30. Persons who are to be authorised to operate or sign on an account must deposit their [specimen] signatures with the bank. The bank shall permit written disposition within the scope of the account based on the signatures deposited.

D. Authority to operate and to sign

1. Authority to operate

Fig. 31. Only the account holder shall be entitled to operate the account. Only persons whose power of representation is stipulated by law or who hold express written power of attorney to operate the account shall be entitled to represent the account holder; they shall be obligated to evidence their identities and power of representation. In a case of enduring powers of attorney, a power of attorney encompassing a general authorisation to access the accounts given by the party conferring the authority shall suffice.

2. Authority to sign

Fig. 32. (1) The account holder may expressly and in writing assign authority to third party to sign on an account. Such person authorised to sign shall be entitled to make and revoke dispositions on the account exclusively.

(2) Authority to sign on a securities account shall also include the power to purchase and sell securities within the scope of the available coverage and in accordance with the securities deposit account holder's investment objective pursuant to the Securities Supervision Act [*Wertpapieraufsichtsgesetz*].

E. Special types of accounts

1. Sub-account

Fig. 33. An account may also include sub-accounts. The account holder shall be exclusively entitled and obligated vis-à-vis the bank in this regard even if they are given sub-account names.

2. Escrow account

Fig. 34. In the case of escrow accounts, the trustee shall be exclusively entitled and obligated vis-à-vis the bank as the account holder.

3. Joint account

Fig. 35. (1) An account may also be opened for several account holders (joint account). Dispositions thereon, including in particular the closing thereof and the assignment/cancellation of signing authorisation, may only be made by all the account holders jointly. Every account holder may be represented by an authorised proxy in individual cases.

(2) The account holders shall be jointly and severally liable for obligations in connection with the account.

(3) Unless expressly negotiated otherwise, each joint account holder shall have individual power to dispose of the account. This power shall also include purchasing and selling securities within the scope of the available cover and the joint investment objective of all the security deposit account holders in accordance with the Securities Supervision Act. However, authority shall be terminated upon the express objection of another account holder. In such a case the joint account holders shall be authorised to act jointly only.

Fig. 36. no longer applicable

4. Foreign currency account

Fig. 37. (1) If the bank maintains a foreign currency account for a client, transfers in the foreign currency concerned shall be credited to that account unless a different transfer instruction has been given. If no foreign currency account exists, the bank shall be entitled to credit foreign currency amounts in national currency unless the client expressly instructs otherwise. The amount shall be converted at the rate applicable on the day on which the amount in foreign currency is at the bank's disposal and can be used by it.

(2) Holders of credit balances in foreign currency shall bear any and all financial and legal consequences and losses pro rata up to the amount of their credit balance which affect the total credit balance in the foreign currency concerned held by the bank in Austria and abroad and which ensued due to actions or occurrences for which the bank is not responsible.

F. Balancing accounts and lists of securities

Fig. 38. (1) In the absence of other arrangements, the bank shall balance the account on a quarterly basis. All interest and considerations accruing in a quarter shall form part of the closing balance which, in turn, shall accrue further interest (compound interest). Lists of securities shall be drawn up once a year.

(2) The account statement (including the account balance/list of securities) shall be kept available for the client at the branch office of the bank keeping the account.

IV. Giro transactions

A. Transfer orders

Fig. 39. (1) Transfer orders must contain the name of the receiving bank, the account number and should include the complete name of the beneficiary's account.

(2) The designated purpose given in the transfer instruction shall be of no significance to the bank.

(3) The bank's acceptance of the transfer instruction alone shall not substantiate any third-party rights vis-à-vis the bank.

(4) The bank shall only be obligated to carry out a transfer order if the client's account contains sufficient funds to cover the total amount given in the order (credit balance, credit line granted).

B. Credit entries and cancellation right

Fig. 40. (1) Should there be a valid account agreement, the bank shall be obligated and irrevocably entitled to accept sums of money on the client's behalf and credit them to his account. The bank shall be entitled to accept sums of money on the client's behalf even after the account agreement has terminated in the event that client liabilities still exist in connection with the account. The bank shall carry out the instruction to provide a client with a sum of money by crediting the latter to the beneficiary's account, unless the instruction states otherwise.

(2) The bank shall be entitled at any time to cancel any credit entries made due an error on its part. In other cases the bank shall only cancel the credit entry if the ineffectiveness of the transfer is clearly evidenced to the bank. The right to cancel shall not be eliminated by a balancing of the account which was conducted in the meantime. The bank may refuse disposal of the accounts if the cancellation right exists.

C. Provisional credit entry

Fig. 41. (1) Should the bank credit amounts to the client's account which it has to collect on his behalf (in particular within the framework of collecting cheques bills of exchange and other securities, debit notes, etc.) before the bank receives the amount to be collected, the credit is made provisionally only, contingent upon the bank's actual receipt of the credited amount. This shall also apply if the amount to be collected should be payable to the bank.

(2) Based on this credit entry provision, the bank shall be entitled to reverse the credit entry by way of simple booking if collection has failed or if, due to the debtor's financial situation, intervention by a public authority or other reason, it is to be anticipated that the bank will not obtain the unrestricted right of disposition of the amount to be collected.

(3) The provision may also be exercised if the credited amount has been collected abroad and the bank has been redebited for the amount by a third party pursuant to foreign law or on the basis of an agreement with a foreign bank.

(4) Should the provision be in force, the bank shall also be entitled to refuse the client the right to dispose of the credited amounts. Balancing of accounts shall not eliminate the provision.

D. Debit entries

Fig. 42. (1) In a case of transfer instruction, debit entries shall merely be considered a confirmation that the instruction has been carried out if the debit entry has not been reversed within two banking days (Saturdays, Good Friday and December 24 are not considered banking days).

(2) Cheques and other payment instructions as well as debit entries shall be deemed collected if the debit entry has not been cancelled on the client's debited account within two

banking days (Saturdays, Good Friday and December 24 are not considered banking days) unless the bank has informed the presenter or paid him the amount in cash prior thereto.

V. Considerations for services and reimbursement of expenses

A. Consideration.

1. The principle that services are rendered subject to a consideration

Fig. 43. (1) The bank shall be entitled to charge the client a consideration for its services, especially in the form of interest, levies and fees.

(2) This shall also apply to expedient services which the bank renders without instruction but in a case of emergency, to the client's benefit or in connection with the settlement of the estate of a deceased client.

2. Amount of consideration

Fig. 44. The bank shall be entitled to reasonable consideration for its services, the amount for specific typical services displayed in the bank. The statutory obligation to include such consideration in a client loan agreement or consumer giro account agreement shall remain unaffected thereby.

3. Change of consideration for continuous services

Fig. 45. (1) The bank shall be entitled to amend the consideration vis-à-vis entrepreneurs for permanent services (interest, account maintenance fee, etc.) by taking into consideration all pertinent circumstances (changes of the statutory framework conditions, the money market, the capital market, refinancing costs, staff expenses, operating expenditure, the Consumer Price Index, etc. in particular) at its own reasonable discretion.

(2) In a case of legal transactions with consumers the consideration for permanent services the bank renders may be altered in accordance with an adjustment clause in the agreement or in the cost list displayed at the time of signing the agreement. The statutory obligation to include such adjustment cause in a consumer loan agreement shall remain unaffected thereby.

B. Reimbursement of expenses

Fig. 46. (1) The client shall bear all expenses, outlays, charges and costs, in particular revenue stamp charges and legal fees, taxes, postage, expenses for insurance, legal counsel, appropriation, collection, business administration consultation, telecommunication and the provision, management, utilisation and release of collaterals in connection with the business relationship between him and the bank. Should the bank be unable to carry out a client's payment order due to lack of cover or if it is obliged to take legal action due to third-party enforcement measures, it shall be entitled to collect an appropriate lump-sum payment as reimbursement for expenses as displayed in the bank.

(2) The bank shall be entitled to invoice such expenses as a lump-sum charge without itemising the individual amounts unless the client expressly requests such itemisation.

VI. Collateral

A. Provision and increase of collateral

1. Right to collateral

Fig. 47. The bank shall be entitled to demand provision or increase of appropriate collateral from the client within a reasonable period of time for all claims under the business relationship with him, viz. even if the claims are conditional, time-limited or not yet due.

2. Change in risk

Fig. 48. (1) Should circumstances arise or become known subsequently which justify and increase risk assessment of the claims vis-à-vis the client, the bank shall be entitled to demand the provision or increase of collateral within a reasonable period of time. This shall also apply in particular if the client's financial circumstances have deteriorated or threaten to deteriorate or if the available collateral has decreased in value or threatens to do so.

(2) This shall also apply even if no collateral was required at the time the claim arose.

B. Bank lien

1. Scope and commencement

Fig. 49. (1) The client shall grant the bank a lien on any items and rights which come into the bank's possession.

(2) The lien shall in particular apply to all the client's distrainable claims vis-à-vis the bank, such as in connection with credit balances. The lien shall also extend to the securities' interest and dividend coupons if the securities are subject to the lien.

Fig. 50. (1) The lien shall secure the bank's claims vis-à-vis the client in connection with the business relationship, joint accounts included, even if the claims are conditional, time-limited or not yet due.

(2) The lien shall commence per the bank taking possession of the item, to the extent that claims pursuant to Par. 1 exist, otherwise at any future time when such claims arise.

2. Exemptions from lien

Fig. 51. (1) The lien shall not include items and rights which the client assigned for carrying out a specific order prior to the commencement of the lien, such as amounts earmarked for cashing of a specific cheque, honouring a specific bill of exchange or transferring a specific sum. However, this shall only apply as long as the assignment is effective.

(2) Notwithstanding the extant lien, the bank shall make client dispositions in connection with giro account credit balances to the benefit of third parties as long as the client has not received a notification from the bank on the assertion of the right of lien. Distraint of the credit balance shall not be deemed a client disposition.

(3) The lien shall not include assets which the client has disclosed to the bank in writing as escrow assets prior to the commencement of the lien or which have come into the bank's possession without the client's will.

C. Release of collateral

Fig. 52. The bank shall release collateral at the client's request unless it has justified interest in retaining it as security.

D. Realisation of collateral

1. Sale

Fig. 53. The bank shall realise collateral having a market or stock exchange price in compliance with the pertinent statutory provisions by selling them at that price on the open market.

Fig. 54. The bank shall cause a technical expert to assess collateral having no market or stock exchange price. The bank shall notify the client of the assessment result, simultaneously asking the client to name a party interested in purchasing the collateral within a reasonable period of time, who will pay the assessed value as the purchase price to the bank within that period of time. Should the client fail to name an interested party within such a period or if the party named does not pay the purchase price, the bank shall irrevocably be entitled to sell the collateral on the client's behalf for not less than the assessed value. The

sale proceeds shall be used to redeem secured claims, the client being entitled to any residual surplus.

2. Execution and out-of-court auction

Fig. 55. The bank shall also be entitled to realise the collateral via writ of execution or to sell it in an out-of-court auction if it has no market or stock exchange price.

3. Collection

Fig. 56. (1) The bank shall be entitled to terminate and collect the receivables it has been provided as collateral (even if securitised) at the time the collateralised receivable becomes due. Prior thereto, it shall be entitled to collect the receivable serving as collateral when it becomes due. In the event of imminent loss in value thereof, the bank shall already be entitled to terminate it prior to its due date. The client shall be notified thereof in advance to the extent possible. Sums collected prior to the secured receivable's due date shall serve as a pledge in place of the collected receivable.

(2) The provisions set out in Par. 1 shall not apply to client wage and salary receivables which have been provided for receivables not yet due.

4. Permissibility of realisation

Fig. 57. Even if the purchaser does not pay the purchase price in cash immediately, the bank shall nevertheless be entitled to realise the collateral unless an offer or equivalent offer of immediate payment in cash has been made and payment at a later date has been secured.

E. Right of withholding

Fig. 58. The bank shall be entitled to withhold services it is to render to the client due to claims arising in connection with the business relationship even if they are not based on the same legal relationship. Figures 50 and 51 shall apply accordingly.

VII. Offset and crediting

A. Offset

1. By the bank

Fig. 59. (1) the bank shall be entitled to set off all of the client's claims to the extent that they are distrainable against all client liabilities vis-à-vis the bank.

(2) Notwithstanding the offset right, the bank shall carry out client dispositions to the benefit of third parties in connection with current account credit balances as long as the client has not received a declaration of offset. Distraint of the credit balance shall not be deemed a client disposition.

2. By the client

Fig. 60. The client shall only be entitled to set off his liabilities if the bank is insolvent or if a client claim is related to his liability or has been ascertained via court decision or acknowledged by the bank.

B. Crediting

Fig. 61. Notwithstanding the provisions set out in Art. 1416 of the Austrian Civil Code, the bank may initially credit payments to bank receivables for which no collateral was provided or if the collateral's values does not cover the receivables. In this regard, the due date of the individual receivables is not germane. This shall also apply to a current account relationship.

Special types of transactions

I. Trade in securities and other assets

A. Scope of applicability

Fig. 62. The terms and conditions set out in Fig. 63 through 67 shall apply to securities, even if they are not certificated.

B. Mode of execution

Fig. 63. (1) As a rule, the bank shall execute client orders for purchase and sale of securities as a commissioned agent.

(2) However, agreement between the bank and the client on a fixed price shall constitute the conclusion of a purchase agreement.

(3) The client hereby declares his agreement with the bank's principles on carrying out orders (execution policy), on the basis of which the bank shall execute the client's orders in the absence of any other instructions. The bank shall inform the client of any major changes to its principles for carrying out orders.

(4) The bank may also execute orders for purchasing and selling securities in part if the market situation does not allow purchase or sale in full.

C. Place of execution

Fig. 64. The statutory provisions and practices in effect at the place of carrying out orders shall apply.

D. Date of execution

Fig. 65. If an order which is to be carried out on the same day is not received early enough to be handled that day during ordinary workflow, it shall be scheduled to be executed the next trading day.

E. Insufficient coverage

Fig. 66. (1) The bank shall not be obligated to perform securities transactions in whole or in part if sufficient coverage is not available.

(2) However, the bank shall be entitled to perform such securitised transactions if it is not aware that the client only wishes such performance if coverage is available.

(3) Should the client not provide coverage despite being requested to do so the bank shall be entitled to execute a closing transaction for the client's account at the best possible price.

F. Foreign transactions

Fig. 67. If a client is credited for securities held abroad, the client's claim vis-à-vis the bank shall be equal to the share of the total portfolio of the same type of securities which the bank holds abroad for the client's account, observant of the pertinent statutory provisions and market practices.

G. Transactions in stocks

Fig. 58. With transactions in stock whose definitive units are not yet being traded, the bank shall not be liable either for the securities' issuance by the joint-stock company or for the option of exercising any stockholders' rights prior to the securities' issuance.

II. Safekeeping of securities and other valuables

A. Safekeeping of securities

Fig. 69. (1) The bank shall be entitled to assign securities deposited with it to the beneficiary's custody account.

(2) The bank is hereby expressly authorised to keep securities issued in Austria abroad and securities issued abroad in Austria. Likewise, it is authorised to arrange for registered securities issued abroad to be registered in the name of the domestic depository or in that of the nominee of the foreign depository ("nominee").

(3) The bank shall be exclusively liable vis-à-vis the entrepreneur for prudent selection of the third-party depository.

B. Redemption of shares, renewal of coupons, drawing, termination

Fig. 70. (1) The bank shall be responsible for the detachment of mature interest coupons, profit participation certificates and dividend coupons and shall collect their counter-value. The bank shall procure new interest coupons, profit participation certificates and dividend coupons without being given specific instruction to do so.

(2) Drawing lots, terminations and other comparable measures with respect to the securities held in safekeeping shall be overseen by the bank insofar as they are published in the Official Gazette of the *Wiener Zeitung* daily newspaper and in the "*Mercur*" *Authentischer Verlosungsanzeiger*. The bank shall redeem drawn and cancelled securities as well as interest coupons, profit participation certificates and dividend coupons.

(3) With securities deposited with a third-party depository, the latter shall take on the obligations set out in Par. 1 and 2 above. With securities held abroad, the bank shall not be under obligation to inform the client of the numbers of securities credited and in particular of securities redeemable by drawing lots. The bank shall then draw lots to determine the clients to whom the securities are to be allocated. If, however, numbers of securities redeemable by drawings are advised, they shall only be pertinent to the drawing and redemption and only for as long as this is the practice abroad. If, according to foreign practice, the collection amounts of the drawn securities would have to be distributed pro rata and if, in doing so, it would not be possible to represent the remaining parts for individual clients in securities, the client whose securities are to be redeemed shall be determined by lot.

A. Bank duty to verify

Fig. 71. The bank shall verify whether Austrian securities are affected by public notification procedures, payment stops and the like on the basis of the Austrian documents available to it only upon the securities' delivery to the bank. Verification regarding invalidation procedures for securities lost or stolen shall also be carried out upon delivery.

D. Notification of conversion or other measures

Fig. 72. In the event of conversion, capital increase or reduction, merger, exercise or realisation of subscription rights, request for payment, grouping, change, exchange/conversion offer, coupon increase or other significant measures in connection with securities, the bank shall, to the extent that a corresponding announcement has been published in the Official Gazette of the *Wiener Zeitung* or notified in time by the issuer of the foreign depository, attempt to notify the client thereof. Should the client fail to provide instructions in sufficient time, the bank shall act to the best of its knowledge and ability, taking the client's interests into consideration and, in particular, realising rights which would otherwise be forfeit at the latest possible time.

III. Trade in foreign exchange and foreign currency

A. Procedure

Fig. 73. The bank shall conclude a purchase agreement with the client on foreign exchange and foreign currency. If it is agreed that the bank is to act for the client as commissioned agent, the provisions on commission transactions set out in the section on trade in securities shall apply accordingly. Should the bank transact in its own name, no express notification in accordance with Art. 495 of the UGB (Austrian Business Code) shall be required.

B. Forward transactions

Fig. 74. (1) With forward transactions, the bank shall be entitled to demand from the client at a reasonable date prior to the due date evidence of the fact that the amount the client owes will be placed in sufficient time in the negotiated account. If such evidence is not submitted or if, due to other circumstances, it is evident that the client will not fulfil his obligations, the bank shall already be entitled to perform a closing transaction at the best possible price prior to the negotiated due date.

(2) Even without prior agreement, the bank shall be entitled to demand coverage for the risk of loss if, according to a technical expert's opinion, such risks have increased or if the client's asset situation has deteriorated. Coverage shall be provided in cash unless negotiated otherwise. The bank shall hold a lien on the assets deposited as coverage. Should the client fail to provide coverage, the bank shall be entitled to perform a closing transaction at the best possible price.

(3) Should the bank perform a closing transaction in accordance with Par. 1 or 2, any resultant price difference shall be debited or credited to the client respectively. The client shall bear any and all expenses incurred in connection therewith.

IV. Loans in foreign currency

Fig. 75. Loans in foreign currency shall be repaid in the currency in which they were granted by the bank. Payments effected in other currencies shall be considered security payments unless the bank informs the client that they will be used to redeem the loan. The bank shall also be entitled to convert an outstanding debt balance in a foreign currency into Austrian currency upon notifying the client if the credit risk increases due to price development of the foreign currency and if the bank is not provided with sufficient security within a reasonable time, or if pursuant to statutory or other circumstances not attributable to the bank, refinancing in the foreign currency is no longer possible, or if the entire loan is due for repayment and, despite reminder, is not repaid..

V. Collection, discount business, bills of exchange and cheque operations

A. Scope of applicability

Fig. 76. These terms and conditions shall apply to bills of exchange, cheques and other collection documents (such as commercial instructions and certificates of obligation).

B. Collection or negotiation of documents

Fig. 77. As a rule, such documents shall be accepted by the bank for collection unless negotiation (discounting) thereof has been negotiated.

C. Timeliness of orders

Fig. 78. Orders for collection must be received sufficiently in advance so that they may be executed in the ordinary course of business without taking special express handling measures.

B. Rights and obligations of the bank

Fig. 79. With respect to discounting as defined in Fig. 41 Par. 2 and 3, the bank shall be entitled to debit the seller for the full nominal amount plus all expenses the bank has incurred; the client shall also bear the exchange risk connected with documents denominated in foreign currency.

Fig. 80. In the cases stated above as well as recredits “under reserve” credits (Fig. 41), the claims under security law for payment of the full amount plus ancillary expenses vis-à-vis the client and any party obligated under the document shall be retained by the bank until the resultant debit balance from such recredit is covered.

Fig. 81. The bank may demand of the client that the receivable on which the document or acquisition thereof by the client is based as well as all present and future rights in connection with the underlying transactions (including the collateral pertaining thereto) be transferred.

Fig. 82. The bank shall only be under obligation to cash documents which are due for payment at the bank if it has received an order from the client in due time and if sufficient coverage is ensured.

END OF TRANSLATION