

GENERAL TERMS AND CONDITIONS FOR BANKING TRANSACTIONS

VERSION 2009

GENERAL PROVISIONS

I. RULES GOVERNING THE RELATIONS BETWEEN CUSTOMER AND THE BANK

A. Scope of application of and amendments to the General Terms and Conditions

1. Scope of application

Section 1. (1) These General Terms and Conditions (hereinafter GTCs) shall apply to the entirety of the business relationship between the customer and all domestic and foreign branches of the bank. Provisions contained in agreements concluded with the customer or in any special conditions shall take precedence.

(2) The terms "consumer" and "entrepreneur" are used hereinafter within the meaning of the Austrian Consumer Protection Act [*Konsumentenschutzgesetz*].

2. Amendments

Section 2. (1) Amendments to these GTCs or the current account agreement shall enter into force for all present and future business relations between the customer and the bank following the expiration of a period of two months after notification of the customer, unless the bank has received a written objection from the customer by that time. Such notification of the customer may be given in any form agreed with the customer for the business relationship, particularly by way of notice on a statement of account. The agreed form of service for the bank's statements shall also apply for the notification of amendments to the GTCs or the current account agreement. If the customer has not provided the bank with an address and no agreement on the form of service has been concluded, the modified GTCs displayed in the bank's front office shall be applicable. The first sentence of this sub-section shall apply accordingly.

(2) In the notification, the bank shall call the customer's attention to the fact that the GTCs or the current account agreement have been amended and that upon expiration of two months following such notification his/her silence shall be deemed to constitute an acceptance of the amendment. For customers who do not provide the bank with an address and with whom no agreement on the form of service has been concluded a corresponding note will be included in the amended GTCs displayed.

(3) In case of such intended amendment to the GTCs or the current account agreement, the customer shall be entitled to terminate his/her current account agreement without notice and free of charge before the amendment takes effect.

B. Service of Statements

1. Customer orders

Section 3. (1) Orders shall be in writing.

(2) The bank shall also be authorised, however, to execute orders placed by means of telecommunications (in particular by telephone, telegraph, telex, fax or remote data transmission). Provided all the other requirements have been met, the bank shall be obligated to execute such orders only if agreed between the customer and the bank.

(3) In a business relationship with an entrepreneur, the bank shall be entitled to execute orders placed with it in whatever form for the account of the entrepreneur if the bank comes to the opinion - without negligence on its part - that they originate from the entrepreneur, and shall not be held accountable for any invalid order.

2. Request for confirmation by the bank

Section 4. For security reasons, the bank shall be entitled, particularly in the case of orders placed by means of telecommunications, to request a confirmation of the order through the same or other means of communication, as the case may be, before executing it.

3. Statements of the bank

Section 5. (1) Any disclosures and statements of the bank made by means of telecommunication shall apply subject to written confirmation, unless otherwise agreed in writing and in the absence of other bank practices. The above shall not apply to consumers.

(2) Any statements and information the bank is required to disclose or make available to the customer shall be issued in hardcopy (especially by means of statements of account), unless electronic availability or transmission has been agreed with the customer.

C. Discretionary authority after the customer's death

Section 6. (1) As soon as it receives notice of the death of a customer, the bank shall allow dispositions to be made on the basis of the probate court's decision [*Abhandlungsgericht*] or the certificate of inheritance [*Einantwortungsurkunde*]. Dispositions by an account/securities account holder with sole discretionary authority over the joint account/securities account shall not be affected by this provision.

(2) Signing authorities shall not expire as a result of the death of the customer if they have been granted by an entrepreneur for a business account. In case of doubt, the accounts of an entrepreneur shall be deemed business accounts.

D. Duties and liability of the bank

1. Duties to inform

Section 7. (1) Apart from the statutory duties to inform, the bank shall – in the absence of any separate agreement – have no duties to inform other than those specified in its General Terms and Conditions. Therefore, the bank shall not be obligated – unless it is legally or contractually obligated to do so – to inform the customer of any imminent price or exchange losses, of the value or worthlessness of objects entrusted to the bank, or of any facts or circumstances likely to affect or jeopardise the value of such objects, nor shall the bank be obligated to provide other advice or information to the customer.

(2) The duties to inform provided for in sections 26 (1) to (4), 28 (1), 31 and 32 of the Payment Services Act [*Zahlungsdienstegesetz*] shall not be applicable in relations with entrepreneurs.

2. Order execution

Section 8. (1) In assigning a third party to act in its name, the bank shall execute any order which, by its nature, ordinarily requires the assistance of a third party. In the event that the bank chooses the third party, it shall be liable for diligent selection.

(2) The bank shall be obligated to assign any claims against the third party to the customer upon his/her request.

(3) In addition, the bank shall be liable to consumers (but not to entrepreneurs) for payment services within the European Economic Area (EEA) in euros or in any other currency of an EEA member state for the proper execution of the payment transfer up until it is received by the beneficiary's payment service provider (section 39a of these GTCs).

Section 9. Omitted.

E. Obligations to cooperate and customer liability

1. Introduction

Section 10. In his/her dealings with the bank, the customer shall, in particular, meet his/her obligations to cooperate as set out below; any violation thereof shall obligate the customer to settle any damages payable or lead to a reduction of the customer's claims for damages against the bank.

2. Notification of important changes

a) Name or address

Section 11. (1) The customer shall notify the bank without delay in writing of changes to his/her name, company name, address or the service address disclosed by him/her.

(2) If the customer fails to notify address changes, then the bank's written statements shall be deemed received if sent to the most recently address advised to the bank.

b) Power of representation

Section 12. (1) The customer shall inform the bank without delay in writing of the expiration of or any changes to a power of representation it had been advised of, including any discretionary authority and authority to sign (sections 31 and 32), and provide appropriate documentary evidence.

(2) Any power of representation of which the bank has been advised shall continue to be effective up until the bank is informed in writing of its expiration or of a change to its current scope, unless the bank had knowledge of such expiration or change, or was not aware of it due to gross negligence. The same shall apply particularly if the expiration of or the change to the power of representation was recorded in a public register and a public announcement to this effect was made.

c) Capacity; dissolution of the company

Section 13. The bank shall be notified without delay in writing of any loss and/or any restriction to the customer's capacity to enter into contracts. If the customer is a company or a legal entity, then the bank must also be informed without delay in the event of dissolution.

3. Clarity of orders

Section 14. (1) The customer shall ensure that any orders he/she places with the bank are clear and unambiguous. Changes, confirmations and repeat orders must be explicitly designated as such.

(2) If the customer wishes to give the bank special instructions for the execution of orders, then he/she shall inform the bank of this separately and explicitly, and, if forms are used to place orders, the instructions shall be given separately. This shall apply in particular if the execution of the order is especially urgent or is subject to specific periods and dates.

4. Due care and diligence in using means of telecommunication

Section 15. If the customer places orders or other statements by means of telecommunications, he/she shall take appropriate precautions in order to avoid transmission errors and misuse.

Section 15a (1) When using payment instruments in accordance with the agreement to place an order with the bank, the customer shall take all reasonable precautions to protect the personalised security features against unauthorised access and to report any loss, theft, misuse, or any other unauthorised use of the payment instrument without delay to the bank or to a body specified by the bank as soon as he/she has become aware of the above. Entrepreneurs shall be liable for any losses sustained by the bank due to violations of these

duties of care and diligence without limitation in case of negligence on the part of the entrepreneur.

(2) The bank shall be authorised to cancel payment instruments issued to the customer

- if justified by objective reasons in connection with the security of the payment instrument, or
- if unauthorised or fraudulent use of the payment instrument is suspected, or
- in case of a significantly increased risk of the customer failing to meet his/her payment obligations under the credit line associated with the payment instrument.

The bank shall inform the customer – provided the notification of the cancellation or the reasons for the cancellation do not violate a court or administrative order or run counter to Austrian or Community law or any objective security considerations - of such cancellation and the reasons for such cancellation prior to, but no later than immediately after, the cancellation.

5. Objections

Section 16. (1) The customer shall immediately verify the completeness and correctness of statements from the bank, incl. confirmations of orders he/she has placed, notifications of their execution, statements of account, statements of securities accounts, closing statements and any other accounts as well as any letters and payments of the bank and raise objections, if any, without delay.

(2) If the bank receives no written objections within a period of two months, the specified statements and services of the bank shall be deemed approved. The bank shall in each case inform the customer about the consequences of his/her conduct at the beginning of the period.

(3) In case of any debit entries made as a result of unauthorised or erroneous payment transactions, the customer will get the bank to correct the entries only if he/she notifies the bank immediately after having determined such unauthorised or erroneous payment transactions, and, in any case, no later than 13 months after the relevant debit date, except if the bank has failed to provide the customer with or make available the information specified in section 39 (8) of these GTCs regarding the relevant payment transactions. The above period shall be reduced from 13 months to 3 months for entrepreneurs.

6. Notification in case of non-receipt of disclosures

Section 17. The customer shall inform the bank without delay if he/she fails to receive regular disclosures (such as account statements or statements of securities) or other disclosures or letters from the bank as would have been expected for the particular case within the time period usually allotted for the agreed form of transmission.

7. Translations

Section 18. Upon request, all types of foreign language documents shall be presented to the bank together with a German translation certified by a certified court translator.

F. Place of performance; choice of law; venue

1. Place of performance

Section 19. The place of performance for both parties shall be the offices of the branch of the bank with which the transaction was concluded.

2. Choice of law

Section 20. All legal relations between the customer and the bank shall be governed by Austrian law.

3. Venue

Section 21. (1) An entrepreneur may only bring legal actions against the bank before a court with subject-matter jurisdiction for the place of the registered office of the main branch of the bank. This shall also be the legal venue for actions the bank brings against an entrepreneur. In the latter case, the bank shall also be entitled to assert its rights in any other court with local jurisdiction and subject-matter jurisdiction.

(2) The general venue in Austria for actions by a consumer or against a consumer at the time of conclusion of the agreement with the bank shall remain the same even if the consumer moves his/her domicile abroad after conclusion of the agreement and Austrian court decisions are enforceable in that country.

G. Termination of the business relationship

1. Regular termination

2. Termination for good cause

3. Legal consequences

1. Regular termination

Section 22 (1) A customer who is a consumer shall be entitled to terminate a current account agreement at any time without prior notice. The right to terminate the current account agreement on account of the amendment to the GTCs or the current account agreement proposed by the bank shall remain unaffected.

(2) The bank shall be entitled to terminate a current account agreement with a consumer if the agreement had been concluded indefinitely and a notice period of 2 months is observed.

Notice of termination must be given in hardcopy or by using another agreed permanent data storage device.

(3) Otherwise, the bank and the customer shall be entitled to terminate the business relationship in whole or in part at any time for material reasons subject to a reasonable notice period. The above shall apply in particular to any termination of current account agreements with entrepreneurs. Section 30 (4) of the Payment Services Act [*Zahlungsdienstegesetz*], which provides for the prorated repayment of fees paid in advance in particular, shall not apply to current accounts for entrepreneurs.

b) Termination for good cause

Section 23. (1) If there is good cause for termination, then the bank and the customer may terminate the entire business relationship or individual elements thereof at any time with immediate effect, provided no other agreements have been made.

(2) Good cause for termination entitling the bank to terminate the agreement is given, in particular, if

- the financial situation of the customer or of a co-debtor deteriorates or is at risk and the fulfilment of obligations with respect to the bank is jeopardised as a result, or
- the customer furnishes incorrect details about his/her financial situation or other key facts, or
- the customer fails to or is unable to fulfil the obligation to provide or increase collateral.

2. Legal consequences

Section 24. (1) Upon termination of the business relationship in whole or in part, any amounts owed under this business relationship shall immediately become due. In addition, the customer shall be obliged to release the bank from all obligations undertaken on his/her behalf.

(2) Moreover, the bank shall be entitled to terminate all obligations undertaken for the customer and to settle these on behalf of the customer and, subject to the receipt of credit entries, to immediately redebit credited amounts. Claims arising from securities, in particular bills of exchange and cheques, may be asserted by the bank until any existing debit balance is covered.

(3) The GTCs shall continue to apply even after any termination of the business relationship until complete settlement.

II. BANKING INFORMATION

Section 25. General banking information on the financial situation of a company shall be provided without any commitment only and only in writing to entrepreneurs, unless there is an obligation to provide such information.

Section 26. Omitted.

Section 27. Omitted.

III. OPENING AND KEEPING ACCOUNTS AND SECURITIES ACCOUNTS

A. Scope of application

Section 28. Unless otherwise specified, the following regulations regarding accounts shall also apply to securities accounts.

B. Opening of accounts

Section 29. When opening an account, the future account holder must provide proof of his/her identity. Accounts shall be kept under the name or company name of the account holder and an account number.

C. Specimen signatures

Section 30. Persons who are to have discretionary and signing authority on the account shall deposit their signature with the bank. On the basis of the signatures deposited with the bank, the bank shall permit written dispositions regarding the customer's account.

D. Discretionary authority and authority to sign

1. Discretionary authority

Section 31. Only the account holder shall have authority to make dispositions regarding the account. Only persons whose power of representation is provided for by the law or who hold an express written power of attorney giving him/her discretionary authority over the account in question shall be authorised to represent him/her. Such persons must provide proof of their identity and power of representation. In the case of a precautionary power of attorney, a general power of attorney providing discretionary authority over the accounts held by the principal shall suffice.

2. Authority to sign

Section 32. (1) The account holder may expressly and in writing grant third parties authority to sign. The authorised signatory shall be exclusively authorised to undertake and revoke dispositions regarding the credit balance.

(2) The authority to sign on a securities account shall also include the authority to buy and sell securities within the scope of the available cover and the investment objective of the

securities account holder surveyed in accordance with the Securities Supervision Act [*Wertpapieraufsichtsgesetz*].

E. Special types of accounts

1. Sub-accounts

Section 33. An account may also have sub-accounts. Even if these are given sub-account names, only the account holder shall be authorised and obligated towards the bank.

2. Escrow accounts

Section 34. In the case of escrow accounts, only the escrow agent, as the account holder, shall be authorised and obligated towards the bank.

3. Joint accounts

Section 35. (1) An account may also be opened for several holders (joint account). Dispositions regarding the account, in particular its closure and the granting of authority to sign, may only be made jointly by all account holders. In individual cases, each account holder may arrange to be represented by his/her own representative authorised for this purpose.

(2) All account holders shall be jointly and severally liable for obligations arising out of the account.

(3) Unless expressly agreed otherwise, every joint account holder shall have sole authority to make dispositions regarding the account. Such authority shall also include the authority to buy and sell securities within the scope of the available cover and the joint investment objective of all securities account holders surveyed in accordance with the Securities Supervision Act. This authority, however, shall terminate anytime another account holder files an express objection. In this case, authority shall be given only if all joint account holders act jointly.

Section 36. Omitted.

4. Foreign currency accounts

Section 37. (1) If the bank keeps a foreign currency account for the customer, then payment transfers in the respective foreign currency shall, in the absence of any other payment transfer order, be credited to such account. If the customer does not have a foreign currency account, then the bank shall be entitled to credit foreign currency amounts in the domestic currency unless the customer has given express instructions to the contrary. This amount shall take be converted at the rate of the date on which the foreign currency amount is at the bank's disposal and can be used by it.

(2) Holders of foreign currency deposits shall bear any and all financial and legal disadvantages and impairments caused by measures or events not under the control of the bank that affect the total credit balance held by the bank in the respective currency in Austria and abroad on a pro rata basis up to the amount of their respective credit balances.

F. Balancing accounts and lists of securities

Section 38. (1) Unless otherwise agreed, the bank shall balance accounts on a quarterly basis. Any interest and fees which accrue in a quarter shall form part of the closing balance, which will subsequently be subject to interest (compound interest). Lists of securities shall be provided once a year.

(2) The bank shall hold the statement of account including the balance of account/list of securities ready for collection by the customer at the account-keeping branch.

IV. GIRO TRANSACTIONS

A. Payment transfer orders

Section 39. (1) Payment transfer orders shall state the beneficiary's payment service provider (branch code or Bank Identifier Code = BIC), the account number or the International Bank Account Number (=IBAN). The above information shall constitute the "customer identifier".

(2) The purpose of payment stated in the payment transfer order shall be irrelevant to the bank.

(3) Acceptance of a payment transfer order by the bank alone shall not give rise to any claims by a third party against the bank.

(4) The bank shall only be obligated to carry out a payment transfer order if sufficient cover for the total amount is available in the customer's account stated therein (credit balance, overdraft facility).

(5) If the customer provides more information than specified in subsection (1), the payment transfer order shall be executed solely on the basis of the customer identifier provided by the customer (subsection (1)).

(6) The customer may not unilaterally revoke a payment transfer order received by the bank. If a later date of execution has been agreed for a payment transfer order, it shall become irrevocable only upon expiration of the business day immediately preceding the execution date.

(7) If the bank refuses to execute a payment transfer order, the bank shall inform the customer, if possible, about the reasons for such refusal and about ways to amend the payment transfer order to allow for a future execution using the form agreed with the

customer. Payment transfer orders refused by the bank for justified reasons shall not make the execution deadlines stipulated in section 39a of these GTCs applicable.

(8) Upon request, the customer who qualifies as a consumer shall be provided information at the bank about executed payment transfer orders (reference, amount, currency, fees, interest, exchange rate, value date of the debit entry) as well as any other payments debited from the customer's account, particularly by way of direct debits and standing orders, on a monthly basis, unless already shown for the relevant transaction in the statement of account.

Execution deadlines

Section 39a (1) Payment orders received by the bank after the deadlines specified for the respective type of payment or on a day which is not a business day shall be deemed received on the following business day. A business day is any day on which the bank is open for business as required for the execution of payment transactions.

(2) If the customer placing a payment order and the bank agree that execution of a payment order should commence on a specific date or at the end of a specific period or on the day on which the customer provides the bank with the relevant amount of money, then the agreed date shall be deemed the date of receipt. If the agreed date is not a business day, the payment order shall be treated as received on the following business day.

(3) Starting from 1 January 2012, the bank shall ensure that after the time of receipt the amount of the payment transaction is received by the payment service provider of the beneficiary no later than by the end of the following business day. Until 1 January 2012, a period of up to 3 business days maximum shall be stipulated for this process. The above maximum periods shall be extended by one business day for payment transactions initiated in hardcopy. This subsection shall apply only to payment transactions made in euros within the EEA.

(4) The execution period specified in subsection (3) shall not exceed 4 business days in case of payment transactions made within the EEA that are not denominated in euros but in another currency of an EEA member state.

B. Credit entries and right to cancellation

Section 40. (1) In case of a valid current account agreement, the bank shall be obligated and irrevocably entitled to accept amounts of money on behalf of the customer and credit the same to his/her account. Even after termination of the current account agreement the bank shall be entitled to accept amounts of money on behalf of the customer insofar as the customer has obligations to meet in connection with the account. The bank shall execute the order to provide a customer with an amount of money by crediting the amount to the account of the beneficiary unless otherwise indicated in the order.

(2) Upon request, the customer who qualifies as a consumer shall be provided information at the bank on payment transfers credited to his/her account (reference, amount, currency,

fees, interest, exchange rate, value date of the debit entry) on a monthly basis, unless already shown for the relevant transaction in the statement of account.

(3) The bank shall be entitled to deduct its fees for the relevant payment transfer from the credited amount. The bank shall show the transferred amount and deducted fees separately.

(4) The bank shall be entitled to cancel any credit entries made due to an error on its part at any time. In other cases, the bank shall cancel the credit entry only if the ineffectiveness of the payment transfer order is clearly proven. The right to cancellation shall not be eliminated by any preliminary balancing of the account. If the right to cancellation exists, the bank may deny discretion over the credited amounts.

C. Credit entry subject to receipt

Section 41. (1) If the bank credits amounts it has to collect on behalf of the customer (in particular, within the scope of collecting cheques, bills of exchange and other securities, debit notes, etc.), or which are to be transferred to the customer's account, to the customer's account before the amount to be collected or transferred is received by the bank, the credit entry shall be made subject to actual receipt of the credited amount by the bank. This shall also apply if the amount to be collected should be payable to the bank.

(2) By virtue of this proviso, the bank shall be entitled to reverse the credit entry by means of a simple entry if the collection or payment transfer has failed or if due to the financial situation of a debtor, intervention by a public authority or other reasons it is to be expected that the bank will not obtain the unrestricted discretionary authority over the amount to be collected or transferred.

(3) This proviso shall also be applicable if the amount credited has been collected or transferred from abroad and re-debited to the bank by a third party in accordance with foreign law or on the basis of an agreement entered into with foreign banks.

(4) If the proviso is applicable, the bank shall also be entitled to deny the customer discretionary authority over the credited amounts. The proviso shall not be eliminated by the balancing of accounts.

D. Debit entries

Section 42. (1) In the event of payment transfer orders, debit entries shall only be considered a notification that the order has been executed if the debit entry is not reversed within two business days (cf. subsection 39a (1) of these GTCs).

(2) Cheques and other payment orders as well as debit entries are deemed cashed/honoured/collected if the debit entry on the customer's debited account is not cancelled within two business days, unless the bank has notified the presenter or paid out the amount in cash to him/her prior thereto.

E. Direct debit authorisations and standing orders

Section 42a. (1) The customer agrees to have the account he/she holds with the bank debited with amounts collected by third parties authorised by him/her. Such approval may be revoked by the customer at any time in writing. Such revocation shall take effect from the business day following receipt by the bank.

(2) If at the time of a debit the bank is in receipt of a relevant order from the customer to pay amounts collected from the customer's account ("standing order") by the third party specified in this order, the bank shall be obligated to reverse the debited amount from his/her account upon request by the customer who qualifies as a consumer. The above shall not apply if the bank is able to prove that the customer had authorised this exact amount in his/her debit order or that the bank or the beneficiary had provided the customer or made available to him/her information about the upcoming debit no later than four weeks prior to the due date in an agreed form. The bank must receive the customer's receipt for reversal of the debit entry within 8 weeks from the date of such debit entry. Entrepreneurs shall not be entitled to make such a request.

(3) If at the time of a debit the bank has not received a standing order by the customer ("**procedure for direct debit authorisation**"), the bank shall be required to meet the request of a customer (including entrepreneurs) received within 8 weeks from the date of the debit entry to reverse the debit from his/her account.

(4) A justified request by a customer to reverse a debit shall be met within 10 business days.

V. CONSIDERATION FOR SERVICES AND REIMBURSEMENT OF EXPENSES

A. Consideration; Changes to scope of service

1. Principle that services are rendered subject to payment of consideration

Section 43. (1) The bank shall be entitled to request consideration from the customer for the services it provides, in particular interest, fees and commissions.

(2) This shall also apply to expedient services provided by the bank without order but in the case of emergency or for the customer's benefit or in connection with the settlement of the customer's estate.

(3) Subsection (1) shall not apply to the non-recurring provision of information to consumers about the bank, the use of payment services, consideration, interest, and exchange rates, about communication, protective and corrective measures, amendments to or termination of the current account agreement and legal remedies if this information is provided in the form agreed with the customer as part of the business relationship.

(4) Subsection (1) shall furthermore not apply to services provided by the bank to consumers in connection with the customer's termination of the current account agreement.

2. Amount of consideration

Section 44. The bank shall be entitled to reasonable consideration for its services, the amount of which shall be determined by the bank and displayed in the form of a price list for specific typical services. Consideration for services provided under a consumer loan agreement or a consumer current account agreement shall be payable only if agreed with the customer.

3. Changes to the consideration for permanent services

Section 45. (1) For entrepreneurs, the bank shall be entitled to amend the consideration for permanent services (interest, account keeping fee, etc.) by taking into account all the relevant circumstances (in particular, changes in the legal framework conditions, changes in the money market or capital market, changes in the refinancing cost, changes in staff expenses and operating expenses, changes in the consumer price index, etc.) at its reasonable discretion.

(2) Interest rates applicable to legal transactions with consumers as well as any other consideration agreed with consumers for the permanent services provided by the bank may be changed in accordance with an adjustment clause to be agreed separately with the customer. The statutory obligation to include the said adjustment clause in a consumer loan agreement shall remain unaffected. Adjustments of consideration under the adjustment clauses mentioned in this subsection (2) shall take effect upon expiration of two months upon conclusion of the agreement.

(3) Adjustments of consideration or changes to the scope of services that go beyond those provided by of subsections (1) or (2) above shall require the customer's consent. Such adjustment shall take effect 2 months after notification of the customer about the adjustments sought by the bank, unless the bank has received a written objection from the customer by that time. The bank shall inform the customer in such notification about the respective adjustment sought and point out that upon expiration of the deadline his/her silence shall be deemed to constitute an acceptance. The customer shall be entitled to terminate his/her current account agreement free of charge without notice prior to such adjustment taking effect. The bank shall advise the customer of this right to terminate when notifying him/her of the adjustment.

B. Reimbursement of expenses

Section 46. (1) The customer shall bear all necessary and expedient expenses, disbursements, costs and charges, in particular stamp and legal duties, taxes, postage, costs for insurance, legal representation, debt collection, business consulting, telecommunications and the provision, administration and liquidation or release of collateral, arising out of the business relationship between him/her and the bank. If the bank is unable to execute a payment order from the customer due to lack of cover, or if it is obliged to take action against the customer as a result of enforcement measures by third parties, then it shall be entitled to levy a reasonable flat rate for expenses in accordance with the notice displayed in the bank.

(2) The bank may invoice these expenses as a non-itemised total, unless the customer explicitly requests an itemised list.

VI. COLLATERAL

A. Providing and increasing collateral

1. Entitlement to collateral

1. Section 47. The bank may require the customer to provide reasonable collateral within a reasonable period for all claims arising out of the business relationship with him/her, even if the claims are conditional, limited in time or not yet due.

2. Changes in risk

Section 48. (1) If, subsequently, circumstances should arise or become known to the bank that would justify an increased risk rating of the claims against the customer, then the bank shall be entitled to require the provision of or an increase in collateral within a reasonable period. This shall be the case, in particular, if the customer's financial situation has altered or appears likely to deteriorate, or if the value of the available collateral has decrease or appears likely to decrease.

(2) This shall also apply if no provision of collateral was requested at the time the claims arose.

B. The bank's lien rights

1. Scope and creation

Section 49. (1) The customer shall grant the bank a lien on any property and titles which come into the bank's possession.

(2) In particular, the lien shall also apply to all the customer's distrainable claims against the bank, from credit balances for example. If securities are subject to the bank's lien, then the lien shall also extend to the interest and dividend coupons attached to these securities.

Section 50. (1) The lien shall guarantee the bank's claims against the customer arising out of the business relationship, including joint accounts, even if the claims are conditional, limited in time or not yet due.

(2) The lien shall arise when the bank takes possession of the pledged property, provided the bank has claims pursuant to subsection (1), and otherwise at any future point in time when such claims arise.

2. Exceptions from the lien

Section 51. (1) The lien shall not cover items and rights assigned by the customer for the execution of a specific order prior to the time the lien arose, for example amounts for cashing

a certain cheque or honouring a bill of exchange, and for the execution of a certain payment transfer. This, however, shall apply only as long as the assignment remains effective.

(2) Notwithstanding the existing lien, the bank shall carry out the customer's dispositions with regard to balances on current accounts for the benefit of third parties for as long as the customer has not received a notification from the bank for the assertion of the lien. Distraint of the credit balance shall not be considered a disposition by the customer.

(3) The lien shall also not extend to assets which the customer has disclosed to the bank as assets in trust prior to the lien arising or which have come into the possession of the bank without the customer's intent.

C. Release of collateral

Section 52. The bank shall release collateral at the customer's request if it has no justified collateral interest therein.

D. Realisation of collateral

1. Sale

Section 53. The bank shall realise collateral which has a market or stock market price at such price on the open market in accordance with the relevant statutory provisions.

Section 54. The bank shall arrange for an expert to value collateral that has no market or stock market price. The bank shall inform the customer of the result of the estimate, asking him/her to designate an interested purchaser within a reasonable period willing to pay the bank at least the amount of the estimate as a purchase price within this period. If the customer fails to designate an interested purchaser within this period or if the purchase price is not paid by the designated interested purchaser, then the bank shall be irrevocably entitled to sell the security in the customer's name at the estimated value or higher. The proceeds of the sale shall serve to redeem the collateralised claims, with any surplus being due to the customer.

2. Forced sale or out-of-court auction

Section 55. The bank shall also be entitled to effect forced realisation of the collateral or, if such collateral has no market or stock market price, to arrange for its sale by auction out of court.

3. Collection

Section 56. (1) The bank shall be entitled to terminate and collect all kinds of claims it has been provided as collateral (including those whose ownership is evidenced in securities) when the collateralised claim becomes due. Prior thereto, it shall be entitled to collect the claim serving as collateral when it becomes due. In the event of an imminent loss in value of the claim serving as collateral, it may be terminated before it becomes due. To the extent

possible, the customer shall be informed of this in advance. Amounts collected prior to the due date of the collateralised claim shall be used as security to replace the collected claim.

(2) The provisions of subsection (1) shall not apply to the wage and salary claims of consumers provided as collateral for claims not yet due.

4. Admissibility of realisation

Section 57. Even if the purchaser does not immediately pay the purchase price in cash, the bank shall nevertheless be entitled to realise the collateral provided no offer or no equivalent offer with immediate cash payment has been made and payment at a later point time has been secured.

E. Right of retention

Section 58. The bank shall be entitled to retain the services it is obliged to provide to the customer in the event of claims arising out of the business relationship even if they are not based on the same legal relationship. Sections 50 and 51 shall apply accordingly.

VII. OFFSETTING AND NETTING

A. Offsetting

1. By the bank

Section 59. (1) The bank shall be entitled to offset all of the customer's claims, insofar as they are distrainable against all the customer's liabilities towards the bank.

(2) Notwithstanding the existing right to offset, the bank shall carry out the customer's dispositions for the benefit of third parties with regard to credit balances from current accounts for as long as the customer has not received an offsetting statement. Distraint of the credit balance shall not be considered a disposition by the customer.

2. By the customer

Section 60. The customer shall only be entitled to offset his/her liabilities if the bank is insolvent or if the customer's claim is associated with his/her liability or has been approved by a court or acknowledged by the bank.

B. Netting

Section 61. Notwithstanding the provisions of section 1416 of the Austrian Civil Code *[ABGB]*, the bank may credit payments to accounts payable to the bank only where no collateral has been provided for these claims or where the value of the collateral provided does not cover the claims. In so doing, it shall be irrelevant when the individual claims have become due. This shall also apply to a current account relationship.

SPECIAL TYPES OF TRANSACTIONS

I. TRADE IN SECURITIES AND OTHER ASSETS

A. Scope of application

Section 62. The provisions of sections 63 through 67 shall apply for securities and other assets even if they are not evidenced by certificates.

B. Type of execution

Section 63. (1) As a rule, the bank executes its customer's orders to sell and purchase securities as a commission agent.

(2) If, however, the bank agrees a fixed price with the customer, then it shall conclude a contract of sale.

(3) The customer hereby gives his/her consent to the bank's execution policy, on the basis of which the bank - in the absence of instructions to the contrary - shall execute the customer's orders. The bank shall inform the customer of any material changes to the execution policy.

(4) The bank may also execute orders it receives for the purchase and sale of securities in part if the market situation does not permit complete execution.

C. Place of execution

Section 64. The legal regulations and market practices applicable at the place of execution shall be applicable to the execution of an order.

D. Timing of execution

Section 65. If the order for same day execution is not received in a timely manner for consideration in the ordinary course of work, then its execution shall be scheduled for the next trading day.

E. Insufficient cover

Section 66. (1) The bank may refrain from executing securities transactions in whole or in part if insufficient cover is available.

(2) The bank shall, however, be entitled to execute such securities transactions if it is unaware of the customer wishes for the order to be executed only if cover is available.

(3) If the customer provides no cover, despite a request to do so, then the bank shall be entitled to conclude a close-out transaction at the best possible price for the account of the customer.

F. Foreign transactions

Section 67. If the customer is granted a claim to the delivery of securities (securities invoice), the customer's claim against the bank shall correspond to the portfolio of securities of the same type held abroad by the bank for the account of the customer of the total inventory of securities of the same type in compliance with the respective statutory regulations and market practices.

G. Transaction in shares

Section 68. In the case of transactions in shares where the final shares are not yet being traded on the market, the bank shall not be liable either for issue of the shares by the joint stock company concerned nor for the option of exercising the shareholders' rights prior to issuance of the shares.

II. SAFEKEEPING OF SECURITIES AND OTHER VALUABLES

A. Securities held in account

Section 69. (1) The bank shall be entitled to keep securities deposited with it in the beneficiary's securities account.

(2) The bank is expressly authorised to keep securities issued in Austria abroad and to keep securities issued abroad in Austria. Likewise, it is authorised to have bearer securities issued abroad registered in the name of the Austrian depository or in the name of the nominee of the foreign depository.

(3) The bank shall be liable to an entrepreneur only for the careful selection of the third party depository.

B. Redemption of securities, coupon renewal, drawing, termination

Section 70. (1) The bank shall ensure the detachment of due interest, profit participation certificates and dividend coupons and shall collect their money equivalent. The bank shall procure new interest, profit and dividend certificate coupons without being given a special order to do so.

(2) The bank shall monitor drawings, terminations and other similar measures with respect to the securities held in safekeeping, insofar as announcements related to these appear in the official gazette "*Amtsblatt der Wiener Zeitung*" or in the "*Mercur Authentischer Verlosungsanzeiger*". The bank shall redeem drawn and terminated securities as well as interest, profit participation certificates and dividend coupons.

(3) In case of securities held in safekeeping by a third party, the third party depository shall assume the obligations under subsections (1) and (2). In case of securities held in safekeeping abroad, the bank shall not be obliged to notify the customer of the numbers of the securities credited and, also in particular, of securities redeemable by drawing lots. By drawing lots, the bank shall then determine to which customers the drawn securities shall be allocated. If, however, the numbers of the securities redeemable by drawing lots are notified,

then these shall only be relevant for the drawing of lots and for redemption, and only for as long as this is the practice abroad. If, according to the practice abroad, the amounts redeemed through drawn securities are distributed pro rata, and if the shares remaining for the individual customers cannot be represented in units, then the customers whose shares are to be redeemed shall be determined by drawing lots.

C. The bank's duty to verify

Section 71. The bank shall undertake a one-off verification to check whether domestic securities are affected by public notices, payment stops, and the like, at the time of delivery to the bank on the basis of the domestic documents available to it. Public notice procedures for the invalidation of securities shall also be checked following delivery.

D. Notification of conversion and other measures

Section 72. In the event of conversion, capital increase, capital reduction, fusion, exercise or realisation of subscription rights, requests for payment, merger, redenomination, exchange offer, coupon increase and other material measures affecting the securities, the bank shall attempt to inform the customer if an announcement has appeared in the official gazette "*Amtsblatt der Wiener Zeitung*" or has been communicated to the bank in the name of the issuing agency or the foreign depository in good time. If the customer fails to give instructions in good time, then the bank shall act to the best of its knowledge by taking into account the customer's interests, and, in particular, realise any rights that would otherwise expire at the last possible opportunity.

III. TRADE IN FOREIGN EXCHANGE AND FOREIGN CURRENCIES

A. Type of execution

Section 73. For foreign exchange and foreign currencies, the bank shall conclude a purchase agreement with the customer. If it is agreed that the bank is to act as commission agent for the customer, then the provisions for commission business set forth in the section relating to trade in securities shall apply accordingly. If the bank decides to contract in its own name no express disclosure pursuant to section 405 of the Austrian Business Code [UGB] shall be required.

B. Forward contracts

Section 74. (1) In the event of forward contracts, the bank may require the customer to provide proof at a reasonable time before the due date that the payment owed by the customer will actually be credited to the agreed account in good time. If such proof is not provided, or if it becomes clear due to other circumstances that the customer will not meet his/her obligations, then the bank shall be entitled to conclude a close-out transaction at the best possible price even before the agreed due date.

(2) If, in its professional opinion, the risk of loss has increased or if the customer's financial position has deteriorated, the bank shall be entitled, even without prior agreement, to

demand cover for this risk. Cover shall be provided in cash, unless otherwise agreed. The bank shall hold a lien on the assets provided as cover. If no cover is provided, then the bank shall be entitled to conclude a close-out transaction at the best possible price.

(3) If the bank concludes a close-out transaction pursuant to subsections (1) or (2), then any price difference shall be debited from/credited to the customer. The customer shall bear all and any expenses incurred in this regard.

IV. FOREIGN CURRENCY LOANS

Section 75. Foreign currency loans shall be repayable in the currency in which the bank granted them. Payments made in another currency shall be considered security payments unless the bank informs the customer that they are being used to repay the loan liabilities. The bank shall also be entitled to convert into Austrian currency any outstanding debt balance in a foreign currency upon notification of the customer, if

- the credit risk increases due to the development of the exchange rate for the foreign currency, and the bank does not acquire sufficient security within a reasonable period, or
- refinancing in the foreign currency is no longer possible due to statutory or other circumstances not in the control of the bank, or
- the loan is due for repayment in its entirety and is not repaid despite a reminder.

V. COLLECTION, DISCOUNT BUSINESS, BILL OF EXCHANGE AND CHEQUE TRANSACTIONS

A. Scope of application

Section 76. These terms and conditions shall apply to bills of exchange, cheques and other collection documents (such as payment orders issued by a merchant and promissory notes).

B. Collection or negotiation

Section 77. Generally, such documents shall be accepted by the bank unless their negotiation (discounting) has been agreed.

C. Timeliness of orders

Section 78. Collection orders shall be placed sufficiently in advance to ensure that they can be executed during the ordinary course of business without having to resort to express services.

D. Rights and obligations of the bank

Section 79. In discount business, the bank may debit the seller with the full nominal amount plus all expenses incurred by the bank if the circumstances defined in subsections 41 (2) and

(3) apply; if the negotiable instruments are denominated in a foreign currency, the customer shall also assume the exchange rate risk.

Section 80. In the events stated above and if "subject to receipt" credits are redebited (Section 41), the bank shall retain the right to payment of the full amount plus ancillary claims against the customer and anyone obligated under the negotiable instrument, as provided under securities law, until the debt balance resulting from such redebiting has been covered.

Section 81. The bank may require the customer to transfer the claim underlying the negotiable instrument or its purchase by the customer and all current and future rights arising out of the underlying transactions, including the associated collateral.

Section 82. The bank shall only be required to redeem negotiable instrument presented to it for payment if an order from the customer has been received in good time and sufficient cover is provided.