

## General Terms and Conditions of Bank Gutmann Aktiengesellschaft

as of February 2014

### GENERAL PROVISIONS

#### I. BASIC RULES FOR BUSINESS RELATIONS BETWEEN CUSTOMER AND 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 referred to as GTC) shall apply to the overall business relation between the customer and all branch offices of Bank Gutmann Aktiengesellschaft (hereinafter the “bank”) in Austria and abroad, including all master agreements for payment services such as the current account agreement and the credit card agreement. Provisions of agreements concluded with the customer or of special terms and conditions shall prevail.

(2) The terms “consumer” and “entrepreneur” are used hereinafter in the meaning they have in the Consumer Protection Act.

###### 2. Amendments to the General Terms and Conditions and the master agreements for payment services

**Section 2.** (1) Amendments to these GTC shall be offered by the bank to the customer no later than two months before the date proposed for their entry into force. The customer is deemed to have accepted the amendments offered unless the bank has received an objection from the customer before the date proposed for their entry into force. The offer to amend the GTC shall be notified to the customer. This notification to the customer may be made in any form agreed with the customer. In business with an entrepreneur, notification is deemed to have been given if the offer relating to the amendment of the GTC is made available for viewing in a manner agreed with the entrepreneur.

(2) In the notice proposing the amendment of the GTC, the bank shall inform the customer of the provisions of the GTC affected by the amendment and point out that the customer shall be deemed to have accepted the amendment to the GTC unless the bank receives an objection from the customer before the date proposed for the entry into force of the amendment of the GTC. In addition, the bank shall publish a comparison of the provisions of the GTC affected by the amendment as well as the complete version of the revised GTC on its website and provide this comparison to the customer at the latter's request. The bank shall inform the customer of this option in its offer to amend the GTC.

(3) In case of such an intended amendment of the GTC, customers having the status of consumers shall be entitled to terminate their master agreements for payment services (including specifically the current account agreement) without notice and free of charge prior to such amendment taking effect. The bank shall inform the customer of this option in its offer to amend the GTC.

(4) Subsections (1), (2) and (3) shall also apply to amendments to the master agreements for payment services (especially the current account agreement) that do not relate to

services of the bank or fees. Changes to bank services agreed in such master agreements (including interest on credit balances) and fees payable by the customer (including interest on debit balances) is regulated separately in sections 41 to 44a.

##### B. Statements

###### 1. Customer orders

**Section 3. (1)** Orders shall be given in writing. The customer may also place an order by using a facility for electronic signature capturing which may possibly be made available by the bank for this purpose.

(2) The bank shall furthermore be entitled to execute orders placed via telecommunications (in particular over the phone, via fax or remote data transmission). Subject to the fulfilment of all other prerequisites, the bank shall be obliged to execute such orders only if this has been agreed between the customer and the bank.

(3) The bank shall be entitled to execute orders of any kind that are placed with the bank within the scope of a business relation with an entrepreneur for the customer's account if the bank is, without fault, of the opinion that they originate from the entrepreneur and if the ineffective order cannot be attributed to the bank. This shall not apply to orders relating to payment services.

###### 2. Obtaining of confirmations by the bank

**Section 4.** For security reasons the bank shall be entitled, in particular in case of orders given via telecommunications, to obtain a confirmation of the order by the same or a different means of communication, as the case may be, before executing the order.

###### 3. Statements of the bank

**Section 5. (1)** Notifications and statements of the bank made via telecommunications shall be effective subject to written confirmation unless otherwise agreed in writing or other banking practices exist in this respect. The above shall not apply vis-à-vis consumers.

(2) Statements and information which the bank is required to provide or make available to the customer shall be issued to the customer on paper, with a statement of account being adequate for this purpose.

##### C. Right of disposal upon the death of a customer

**Section 6. (1)** As soon as it receives notice of the death of a customer, the bank shall permit dispositions on the basis of a decision rendered by the probate court or the certificate of inheritance. In case of joint accounts/joint securities accounts, dispositions made by an account holder holding individual authority to dispose of the account shall not be affected by this provision.

(2) An authority to sign on an account granted by an entrepreneur for a business account shall not terminate upon the death of a customer. In case of doubt, the accounts of an entrepreneur shall be considered business accounts.

## D. Obligations and liability of the bank

### 1. Information duties

**Section 7.** (1) Apart from the statutory duties to provide information, the bank shall have no other duties to provide information in addition to those stated in its terms and conditions unless separately agreed. For this reason, the bank shall not be obligated - unless there is a legal or contractual obligation - to inform the customer of any imminent losses in prices or exchange rates, 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 is it obligated to provide other advice or information to the customer.

(2) The obligations to inform provided for in sections 26 (1) to (4), 28 (1), 31 and 32 of the Austrian Payment Services Act shall not be applicable to entrepreneurs.

### 2. Execution of orders

**Section 8.** (1) The bank shall execute an order which, due to its nature, requires the assistance of a third party, by calling in a third party in its own name. If the bank selects the third party, it shall be liable for diligent selection.

(2) The bank shall be obligated to assign claims vis-à-vis the third party, if any, to the customer upon his/her request.

**Section 9.** Further to section 8 of these GTC, with regard to payment services within the European Economic Area (EEA) in euros or in any other currency of an EEA member state, the bank shall be liable to consumers (but not entrepreneurs) for the proper execution of the credit transfer until receipt by the payee's payment service provider (section 37a of these GTC).

## E. Obligations to co-operate and customer's liability

### 1. Introduction

**Section 10.** In his/her dealings with the bank the customer shall, in particular, observe the obligations to co-operate stated below. Any violation thereof shall lead to an obligation to pay damages on the part of the customer or to a reduction in his/her claims for damages vis-à-vis the bank.

### 2. Notification of important changes

#### a) Name or address

**Section 11.** (1) The customer shall notify the bank immediately in writing of any changes in his/her name, company name, address or the service address advised by him/her.

(2) If the customer fails to notify changes in the address, written communications of the bank shall be deemed received if they were sent to the address most recently advised to the bank by the customer.

#### b) Power of representation

**Section 12.** (1) The customer shall immediately notify the bank in writing of any cancellation or of changes to any power of representation advised to it, including an authority to operate and sign on an account (sections 29 and 30), and shall provide appropriate documentary evidence in this regard.

(2) Any power of representation advised to the bank shall continue to be effective until written notification of cancellation of the same or of a change in its current scope, unless the bank had knowledge of such cancellation or change or was not aware thereof due to gross negligence. In particular, the above shall apply even if the cancellation or change in the power of

representation is registered in a public register and was duly published.

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

**Section 13.** The bank shall immediately be notified in writing of any loss of or reduction in the customer's capacity to enter into legal transactions. If the customer is a company or legal entity, dissolution of the same shall be immediately notified to the bank.

### 3. Clarity of orders

**Section 14.** (1) The customer shall ensure that his/her orders to the bank are clear and unambiguous. Modifications, confirmations or reminders shall expressly be marked as such.

(2) If the customer wishes to give special instructions to the bank regarding the execution of orders, he/she shall inform the bank thereof separately and explicitly, and in case of orders given by means of forms, the instructions shall be given separately, i.e. not on the form. This shall apply especially if the execution of the order is extremely urgent or subject to certain periods and deadlines.

### 4. Due care and diligence in using means of telecommunication; payment instruments

**Section 15.** When placing orders or other statements via telecommunications, the customer shall take reasonable precautions in order to avoid transmission errors and misuse. This provision shall not apply to orders and statements issued by the customer in relation to payment services.

**Section 15a.** (1) When using payment instruments in accordance with the agreement to place orders 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. Any obligations resulting from special terms and conditions shall not be affected thereby. 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 entitled to block payment instruments issued to the customer whenever

- this is justified by objective reasons relating to the security of the payment instrument, or
- unauthorised or fraudulent use of the payment instrument is suspected, or
- there is a significantly increased risk that the customer will fail to meet his/her payment obligations under a credit line associated with the payment instrument.

The bank shall notify the customer prior to, but in any event immediately after, such blocking using the means of communication agreed with the customer and indicate the reasons for such blocking, unless notification of the blocking or of the reasons for the blocking would violate a judicial or administrative order or would run counter to Austrian or Community legislation or objective security considerations.

(3) The provisions of this section shall also apply to instruments that in accordance with an agreement may be used outside of payment services for placing an order with the bank.

## 5. Raising of objections

**Section 16.** (1) The customer shall check statements of the bank not relating to payment services (such as confirmations of orders placed concerning financial instruments and communications about their execution and confirmations of trades; statements of account, closing statements and any other accounts relating to lending and foreign currency transactions, securities accounts statements and/or statements of securities accounts) for their completeness and correctness and shall raise objections, if any, without delay.

(2) If the bank receives no written objections against these statements within a period of two months, the bank's statements shall be deemed approved. In each case, the bank shall inform the customer about the significance of his/her behaviour at the beginning of the period.

(3) In case of debit entries having been made to the customer's current account as a result of an unauthorised or erroneous executed payment transaction, the customer shall be entitled to obtain a correction by the bank in any event if he/she notifies the bank immediately after detection of such unauthorised or erroneous execution of a payment transaction, but no later than 13 months after the debit date. This time limitation shall not apply if the bank has failed to provide the customer the information pursuant to section 37 (9) of these GTC regarding the payment transaction or failed to give the customer access to such information. This provision shall not exclude any of the customer's other rights to corrections.

## 6. Notification in case of non-receipt of communications

**Section 17.** The customer shall notify the bank immediately if he/she does not receive regular communications from the bank (such as closing statements or statements of securities) or other communications or deliveries from the bank which the customer would have had to expect in his/her circumstances within the period of time normally to be expected with respect to the agreed form of transmission. This shall not apply to communications and deliveries relating to payment services.

## 7. Translations

**Section 18.** Any foreign-language instruments shall be presented to the bank also in a German translation of a court-appointed and certified translator if the bank so requires.

## F. Place of performance; choice of law; legal venue

### 1. Place of performance

**Section 19.** The place of performance for both parties shall be the offices of that branch of the bank with which the transaction was concluded. This shall not be applicable for payments that are payable to the bank by a consumer.

### 2. Choice of law

**Section 20.** All legal relations between the customer and the bank shall be subject to Austrian law.

### 3. Legal venue

**Section 21.** (1) Legal actions of an entrepreneur against the bank may only be taken in the court having subject-matter jurisdiction at the place of the bank's registered office. This shall also be the legal venue in case of legal actions of the bank against an entrepreneur, with the bank being entitled to assert its rights in every court having local jurisdiction and jurisdiction over the subject-matter.

(2) The general legal venue in Austria provided for by law in case of legal actions of a consumer or against a consumer regarding agreements with a bank shall remain the same even if the consumer, after conclusion of the agreement, transfers his/her domicile abroad and Austrian court decisions are enforceable in that country.

## G. Termination of the business relation

### 1. Ordinary termination in business relations with entrepreneurs

**Section 22.** (1) Unless an agreement has been concluded for a definite period of time, the bank and the customer may terminate the entire business relation or individual parts thereof (including loan agreements and master agreements for payment services, including specifically current account agreements) at any time subject to a reasonable notice period. Fees paid in advance will not be reimbursed.

### 2. Ordinary termination in business relations with consumers

**Section 22a.** (1) A customer may terminate a master agreement for payment services, including specifically the current account agreement, at any time free of charge subject to a notice period of one month. The right to terminate a master agreement for payment services, including specifically the current account agreement, free of charge and without notice in response to a change in the GTC or in a master agreement for payment services, including specifically the current account agreement (section 2), proposed by the bank shall remain unaffected thereby.

(2) Open-ended loan agreements may be terminated by the customer free of charge at any time upon one month's notice.

(3) Any other open-ended contracts concluded with the bank may be terminated by the customer at any time subject to a reasonable notice period.

(4) The bank may terminate master agreements for payment services, including specifically current account agreements and loan agreements concluded for an indefinite time period upon two months' notice.

(5) Any other open-ended contracts may be terminated by the bank at any time subject to a reasonable notice period.

### 2. Termination for important reason

**Section 23.** (1) The bank and the customer shall be entitled to terminate the entire business relation or individual parts thereof at any time with immediate effect for important reason notwithstanding any agreements entered into for definite periods of time.

(2) Important reasons entitling the bank to termination are, in particular, if

- the financial situation of the customer or of a co-debtor deteriorates or is put at risk,
- the customer furnishes information about his/her financial situation or other facts and circumstances which is incorrect in important aspects, or
- the customer fails or is unable to fulfil an obligation to provide or increase collateral

and the fulfilment of obligations vis-à-vis the bank is jeopardised as a result.

### 3. Legal consequences

**Section 24.** (1) Upon termination of the entire business relation or individual parts thereof the amounts owed thereunder will imme-

diately become due and payable. In addition, the customer shall be obliged to release the bank from all liabilities assumed for him/her.

(2) In addition, the bank shall be entitled to terminate all liabilities assumed for the customer and to settle the same on behalf of the customer as well as to immediately redebit amounts credited subject to collection. Claims arising from securities, in particular bills of exchange or cheques, may be asserted by the bank until potential debit balances, if any, are covered.

(3) In the event of termination of the entire business relation or individual parts thereof or of individual business relations, the bank shall reimburse customers having the status of consumers fees paid in advance for payment services for a certain time period on a prorated basis.

(4) These GTC shall continue to apply even after termination of the business relation until complete settlement.

## II. BANK INFORMATION

### Bank information

**Section 25.** General information about the financial situation of an enterprise as is customary in banking practice will only be provided in a non-binding manner and, vis-à-vis entrepreneurs, only in writing unless an obligation to provide such information exists.

## III. OPENING AND KEEPING OF ACCOUNTS AND SECURITIES ACCOUNTS

### A. Scope of application

**Section 26.** Unless otherwise provided, the following regulations regarding accounts shall also apply to securities accounts.

### B. Opening of accounts

**Section 27.** When opening an account the future account holder shall prove his/her identity. Accounts shall be kept under the name of the account holder or the company name together with an account number.

### C. Specimen signatures

**Section 28.** Persons who are to be authorised to operate or sign on an account or securities account shall deposit their signatures with the bank. Based on the signatures deposited, the bank shall permit written disposition within the scope of the account.

### D. Authority to operate and sign

#### 1. Authority to operate

**Section 29.** (1) Only the account holder shall be entitled to make dispositions regarding the account. Only persons whose power of representation is provided for by law or persons who hold an express written power of attorney to operate the account shall be entitled to represent the account holder. They shall be obliged to prove their identity and power of representation.

(2) In the case of powers of attorney issued as a precaution (in particular when a person becomes legally incapacitated) whose effectiveness has been recorded in the Austrian Central Register of Powers of Representation, a general power of attorney to operate the accounts of the grantor of the power of attorney shall suffice.

#### 2. Authority to sign

**Section 30.** (1) The account holder may expressly and in writing grant third parties authority to sign on an account. The authorised signatory shall provide the bank with proof of his/her identity. The authorised signatory shall only be entitled to make and revoke dispositions on the account.

(2) The authority to sign on a securities account also includes the power to buy and sell securities within the scope of the coverage available and in accordance with the investment objectives, risk tolerance and financial situation of the securities account holder determined - to the extent required - pursuant to the Austrian Securities Supervision Act.

### E. Special types of accounts

#### 1. Sub-account

**Section 31.** An account may also include sub-accounts. Even if they are given sub-account names, the account holder shall be exclusively entitled and obligated vis-à-vis the bank in connection with the same.

#### 2. Escrow account

**Section 32.** In case of escrow accounts the escrow agent shall be exclusively entitled and obligated vis-à-vis the bank as account holder.

#### 3. Joint account

**Section 33.** (1) An account may also be opened for several account holders (joint account). Dispositions regarding the claim underlying the account, in particular the closing thereof and the granting of authority to sign, may only be made by all account holders jointly. In individual cases, every account holder may be represented by a duly authorised representative.

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

(3) Unless expressly agreed otherwise, each joint account holder shall have individual power to make dispositions regarding the account. This power includes the authority to buy and sell securities within the scope of the coverage available and in accordance with the joint investment objectives, joint risk tolerances and financial situation of all security account holders determined - to the extent required - pursuant to the Austrian Securities Supervision Act. Such authority shall, however, be terminated upon the express objection of another account holder. In such case, the joint account holders shall only be authorised to act jointly.

(4) Authorisations to sign may be revoked by each individual joint account holder.

**Section 34.** deleted

#### 4. Foreign currency account

**Section 35.** (1) If the bank keeps a foreign currency account for the customer, transfers in the respective foreign currency shall be credited to such 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 expressly instructed to the contrary by the customer. The amount shall be converted at the conversion rate of the day on which the amount in foreign currency is at the bank's disposal and may be used by it.

(2) Holders of credit balances in foreign currency shall bear, pro rata up to their respective credit balances, any and all financial and legal consequences and losses affecting the total credit balance in

the respective currency held by the bank in Austria and abroad which were caused by measures or events for which the bank is not responsible.

#### F. Balancing of accounts and lists of securities

**Section 36.** (1) Unless otherwise agreed, the bank shall balance accounts on an annual basis. All interest accrued and fees charged in a year form part of the closing balance, which in turn will carry further interest ("compound interest"). Statements of securities shall be prepared once a year.

(2) The statement of account including the closing balance/the statement of securities shall be kept available for the customer at the bank's branch office keeping the account/securities account.

### IV. GIRO TRANSACTIONS

#### A. Credit transfer orders

**Section 37.** (1) When making credit transfer orders to a payee whose account is kept by a payment service provider in Austria, in other countries of the European Economic Area (EEA) or in Switzerland, the customer shall identify the payee by his/her International Bank Account Number (IBAN). If the payee's payment service provider is based in an EEA member country other than Austria or Switzerland, then the payee's payment service provider's Bank Identifier Code (BIC) must be specified in addition to the IBAN until 31 January 2016.

(2) When making credit transfer orders to a payee whose account is kept by a payment service provider outside the EEA or Switzerland, the customer shall identify the payee as follows:

- by providing the payee's name and account number and either the name, sort code or BIC of the payee's payment service provider; or
- by providing the payee's IBAN and the BIC of the payee's payment service provider.

**(3) The IBAN and BIC details to be provided by the customer in accordance with subsections (1) and (2) constitute the payee's unique identifier on the basis of which the credit transfer is carried out. Any further payee details, including the payee's name, are not part of this unique identifier and will not be taken into account when the transfer is carried out.**

(4) The designated purpose stated in the credit transfer order is in any case irrelevant to the bank.

(5) Acceptance of a credit transfer order by the bank alone shall not lead to any rights of a third party vis-à-vis the bank.

(6) The bank shall be obliged to execute a credit transfer order only if sufficient funds to cover the total amount are available in the customer's account stated therein (credit balance, overdraft facility).

(7) Transfer orders received by the bank (section 37a) may not be unilaterally revoked by the customer. If a later date of execution has been agreed for a transfer order, it shall become irrevocable only upon expiration of the business day immediately preceding the execution date.

(8) If the bank refuses execution of a transfer order, the bank shall notify the customer as soon as possible in the form agreed with the customer, but in any event within the time periods named in section 37a (3) and (4), about the reasons for

such refusal and about ways to amend the transfer order to allow for a future execution. A reason for such refusal shall only be provided if this does not constitute a violation of Austrian or Community law or of orders issued by a court or an administrative authority. Transfer orders refused by the bank for justified reasons shall not trigger the execution deadlines stipulated in Section 37a of these GTC.

(9) Information about executed transfer orders (reference, amount, currency, fees, interest, exchange rate, value date of the debit entry) as well as any other payments debited to the customer's account, particularly in relation to direct debit orders and direct debit authorisation schemes, shall be provided to customers having the status of consumers - unless already shown for the relevant transaction in the statement of account - on a monthly basis.

#### Execution deadlines

**Section 37a.** (1) Payment orders received by the bank after the deadlines ("cut-off-times") specified by the bank for the respective type of payment near the end of the business day and to be notified to the customer or on a day which is not a business day shall be treated as if received on the subsequent business day. In addition, the bank shall publish these deadlines in the "Client Information of Bank Gutmann Aktiengesellschaft pursuant to ZaDiG, the Austrian Payment Services Act", which it shall make available electronically on its website. A business day shall be any day on which the bank is open for business as required for the execution of payment transactions.

(2) If the customer making 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 banking day, the payment order shall be treated as received on the following business day.

(3) The bank shall ensure that after the point in time of receipt the amount of the payment transaction will be received by the payee's payment service provider no later than by the end of the following business day (in case of paper-initiated payment transactions by the end of the second business day that follows). This subsection shall apply only to payment transactions made in euros within the European Economic Area ("EEA").

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

#### B. Credit entries and right to cancel

**Section 38.** (1) In case of a valid existing current account agreement, the bank shall be obliged 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 to the extent that obligations of the customer exist in connection with the account. Any order to provide a customer with an amount of money shall be executed by the bank by crediting the amount to the payee's account unless otherwise indicated in the order.

(2) Information about credit transfers credited to his/her account (reference, amount, currency, charges, interest, exchange rate, value date of the credit entry) shall be provided to customers having the status of consumers - unless already shown for the relevant transaction in the statement of account - on a monthly basis.

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

(4) When cash is paid into a consumer's current account held with the bank in the currency of the relevant current account, the bank shall ensure that the amount is made available and effectively booked without delay upon receipt. If the account holder is an entrepreneur, the amount shall be made available and effectively booked to the payee's account no later than on the business day following receipt of the amount.

(5) 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 will cancel the credit entry only if the ineffectiveness of the credit transfer order is clearly proven to it. The right to cancel shall not be eliminated by any balancing of the account effected in the meantime. If the right to cancel exists, the bank may deny disposal over the amounts credited.

#### **C. Credit entry - subject to collection**

**Section 39.** (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 the 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) Due to this reservation, the bank shall be entitled to reverse the credit entry by means of a simple entry if the collection or the credit transfer has failed or if due to the financial situation of a debtor, intervention by a public authority or for other reasons it is to be expected that the bank will not obtain the unrestricted right of disposition over the amount to be collected or transferred.

(3) The reservation may also be exercised if the amount credited was collected or transferred from abroad and the bank is re-debited the amount by a third party pursuant to foreign law or on the basis of an agreement entered into with a foreign bank.

(4) While the reservation is in force, the bank shall also be entitled to deny the customer the right to dispose of the credited amounts. The reservation will not be eliminated by the balancing of accounts.

#### **D. Debit entries**

**Section 40.** (1) In the event of transfer orders, debit entries shall be deemed to constitute notice of execution only if the debit entry is not reversed within two banking days (Section 37a (1) of these GTC).

(2) Cheques and other payment orders as well as debit entries are deemed collected/cashed/honoured if the debit entry has not been cancelled on the debited account of the customer within two banking days unless the bank has informed the presenter or paid him/her the amount in cash already prior thereto.

#### **E. Direct debit authorisations schemes and direct debit orders**

**Section 40a.** (1) The customer agrees to his/her account being debited with amounts collected by third parties authorised by

him/her from the account he/she holds with the bank. 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. In the same way, starting from 1 February 2014, the customer may instruct the bank that the customer's consent to debit collection by an authorised third party is limited to a certain amount or a certain periodicity, or both.

(2) If at the time of a debit the bank had received a relevant order from the customer to pay from the customer's account amounts collected by a third party specified in such order ("direct debit order"), the bank must meet the request of a customer who is a consumer to reverse the debiting of the amount collected from his/her account with the same value date. The above shall not apply if the bank is able to prove that the bank or the payee had in an agreed manner provided or made available information about the upcoming debit to the customer no later than four weeks prior to the due date. The bank must have received the customer's request for reversal of the debit within eight weeks from the date of such debit. Entrepreneurs shall not be entitled to make such a request.

(3) If at the time of a debit the bank had not received a direct debit order from the customer ("direct debit authorisation scheme"), the bank shall meet the request of a customer (including entrepreneurs) received within eight weeks from the date of the debit, to reverse the debiting from his/her account.

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

#### **V. CHANGES TO FEES AND SERVICES AND REIMBURSEMENT OF EXPENSES**

##### **A. Changes to fees and services in business with entrepreneurs**

**Section 41.** (1) In business with entrepreneurs, the bank may change fees for permanent services to be provided by the bank or the customer (including credit and debit interest on current and other accounts, account-keeping fee, etc.), taking into account all relevant circumstances (in particular, changes in the legal and regulatory framework, changes in the money or capital markets, changes in refinancing costs, changes in personnel and administrative expenses, changes in the Consumer Price Index, etc.) at its reasonable discretion. The same shall apply to changes to other services provided by the bank due to a change in legal requirements, the security of bank operations, technological development or a substantial decline in the use of a service resulting in a significant impairment of cost recovery.

(2) Any changes beyond those specified in subsection 1 to services by the bank or fees payable by the customer, the introduction of new remunerable services and of new fees for services previously agreed, shall be offered to the customer by the bank no later than two months prior to the date of their proposed entry into force, defining the changes proposed and/or the services or fees to be introduced. The customer is deemed to have accepted the changes offered and the services and fees to be introduced unless the bank has received a written objection from the customer before the effective date proposed. The offer to change and/or introduce services or fees shall be notified to the customer. Such notification to the customer may be made in any form agreed with the customer. Notification is deemed to have been given if the offer relating to the change and/or introduction of services and fees is made available for viewing in a manner agreed with the customer. In its notice offering the change and/or introduction of services or fees, the bank shall inform the customer that the customer will be deemed to have accepted the change or introduction unless the

bank has received a written objection from the customer before the effective date proposed for the change or introduction.

**B. Changes to fees charged to consumers outside of payment services (except interest on debit balances)**

**Section 42.** (1) In transactions with consumers, fees (except interest) for permanent services rendered by the bank outside of payment services (e.g. safekeeping fees, account-keeping fees for accounts not used for payment services, safe deposit box rental fees) will be changed, unless otherwise agreed, in accordance with the increase or decrease of the national Consumer Price Index 2006 (VPI) as determined and published by Statistik Austria or in accordance with any Index replacing the Consumer Price Index 2006 (VPI), with commercial rounding of amounts to full cents. The calculation of such changes shall be based on the VPI value of 100 for the year 2006. Changes shall be based on the average development of the VPI during the preceding calendar year and shall be effected at 1st of July of the following year. If, for whatever reason, fees are not increased even though the bank would be entitled to an increase due to a rise in the annual average of the index, the right to increases in the following years shall not be affected in any way. This shall also apply when increases in fees are not based on the full rise of the index. Increases in fees that have not been carried out may be taken into account when raising fees in subsequent years. Adjustments of fees under this clause shall take effect no earlier than upon the expiration of two-month period following conclusion of the agreement.

(2) Changes beyond those specified in subsection 1 to fees for permanent services provided by the bank outside the payment services shall be offered to the customer by the bank no later than two months before the date of their proposed entry into force, indicating the changes. The customer is deemed to have accepted the changes offered unless the bank has received an objection from the customer prior to the date of the proposed entry into force. The offer to change fees shall be notified to the customer. This notification to the customer may be made in any form agreed with the customer. In its offer to change fees, the bank shall inform the customer that the customer will be deemed to have accepted the change in fees unless the bank has received an objection from the customer before the date of the proposed entry into force.

A change to fees agreed with the customer for permanent services of the bank may be effected in the manner set out in this subsection 2 only if the following additional requirements are met:

- The development of costs incurred by the bank in connection with the respective permanent service deviates from the development of the indicator pursuant to subsection 1 (VPI), taking into account all relevant and objectively justified circumstances (including in particular changes in the legal and regulatory framework, changes in personnel or other administrative expenses) and the change to fees offered corresponds to this deviating development of costs;
- The change offered – including any change effected pursuant to subsection 1 – amounts to no more than three times the change resulting from the development of the VPI; and
- in its offer, the bank informs the customer that the change offered deviates from the development of the VPI.

**C. Changes to fees charged to consumers for payment services (except interest on debit balances)**

**Section 42a.** (1) Changes to fees for permanent services agreed in a master agreement for payment services (including in particular the current account agreement) will be offered to the customer by the bank no later than two months before the date of their proposed entry into force, indicating the changes. The customer is deemed to have accepted the changes offered unless the bank has received an objection from the customer prior to the date of the proposed entry into force. The offer to change fees shall be notified to the customer. This notification to the customer may be made in any form agreed with the customer. In its offer to change fees the bank shall inform the customer that the customer will be deemed to have accepted the change to fees unless the bank has received an objection from the customer before the date of the proposed entry into force. In case of such an intended change to fees, the customer shall be entitled to terminate his/her master agreements for payment services without notice and free of charge prior to such change taking effect. The bank shall inform the customer of this option in its offer to change fees.

(2) In the manner set out in subsection 1, fees agreed with the customer may be changed in accordance with the development of the national Consumer Price Index 2006 (VPI) as determined and published by Statistik Austria or in accordance with any Index replacing it, with commercial rounding of amounts to full cents. The calculation of such changes shall be based on the VPI value of 100 for the year 2006. Changes shall be based on the average development of the VPI during the preceding calendar year and shall be effected at 1st of July of the following year. If a change to fees was not offered following a change in the index level of the annual average, the right to offer a change in the subsequent years shall not be lost. This shall also apply when a change to fees is not based on the full change of the index. Changes to fees that have not been carried out may be taken into account when making changes in subsequent years.

(3) Changes to fees for permanent services deviating from the development of the VPI may be effected in the manner set out in subsection 1 provided that the following additional requirements are met:

- The development of costs incurred by the bank in connection with the respective permanent service deviates from the development of the indicator pursuant to subsection 2 (VPI), taking into account all relevant and objectively justified circumstances (including in particular changes in the legal and regulatory framework, changes in personnel or other administrative expenses) and the change to fees offered corresponds to this deviating development of costs;
- The change offered – including any change effected pursuant to subsection 2 – amounts to no more than three times the change resulting from the development of the VPI; and
- in its offer, the bank informs the customer that the change offered deviates from the development of the VPI.

**D. Changes to interest rates on debit balances charged to consumers**

**Section 43.** (1) If an adjustment clause ties a debit interest rate to a reference interest rate (such as EURIBOR), any changes will take effect immediately, without any prior notification to the customer. Consumers are informed of effective changes in the interest rate no later than in the subsequent calendar quarter. In business with consumers, adjustments of interest rates shall take

effect no earlier than upon the expiration of a two-month period following conclusion of the agreement.

(2) If no adjustment clause was agreed or if the bank intends to change the debit interest rate beyond the adjustment option agreed, the bank shall offer the client a change to the interest rate no later than two months before the date proposed for their entry into force, indicating the change. The customer is deemed to have accepted the change offered unless the bank has received an objection from the customer before the date of the proposed entry into force. The offer to change the interest rate shall be notified to the customer. This notification to the customer may be made in any form agreed with the customer. In its offer to change to the interest rate, the bank shall inform the customer that the customer will be deemed to have accepted the change to the interest rate unless the bank has received an objection from the customer before the date proposed for the entry into force of the change. If the change offered affects an account used for payment services, the customer shall be informed accordingly and shall be entitled to terminate the respective master agreement without notice and free of charge prior to such change taking effect. The bank shall inform the customer of this option in its offer to change the interest rate.

A change to a debit interest rate agreed with the customer may be effected in the manner set out in this subsection 2 only if the following additional requirements are met:

- The interest rate change offered reflects the development of costs incurred by the bank in connection with the respective loan (overdraft facility or overrunning) since the conclusion of the agreement on which the current interest rate is based, with all objectively justified circumstances (including in particular changes in the legal and regulatory framework, changes in the money or capital markets, changes in refinancing costs, changes in personnel or other administrative expenses) to be taken into account;
- such an interest rate change does not exceed 0.5% points;
- in its notice offering the change the bank informs the customer that the interest rate change offered is higher than the change that would result from the adjustment clause agreed; if no adjustment clause has been agreed, the bank shall point out that the agreement on which the interest rate is based does not provide for any unilateral adjustment of the interest rate; and
- a change in the interest rate may be effected no earlier than two years after conclusion of the agreement on which the current interest rate is based.

#### **E. Changes to permanent services for consumers (except interest on credit balances)**

**Section 44.** (1) Changes to permanent services to be rendered by the bank to the customer shall be offered by the bank to the customer no later than two months before their proposed entry into force, indicating the change. The customer is deemed to have accepted the changes offered unless the bank has received an objection from the customer prior to the date of the proposed entry into force. The offer to change permanent services shall be notified to the customer. This notification to the customer may be made in any form agreed with the customer. In its offer to change a permanent service, the bank shall inform the customer that the customer will be deemed to have accepted the change to the permanent service unless the bank has received an objection from the customer before its

proposed entry into force. If the change offered concerns payment services, the customer shall be informed accordingly and shall be entitled to terminate the respective master agreement without notice and free of charge prior to such change taking effect. The credit institution will inform the customer of this option in its offer to change permanent services.

(2) A change to permanent services to be rendered by the bank to the customer may be effected in the manner set out in subsection 1 only if the change is objectively justified taking into account all circumstances (including in particular a change in actual customer requirements, legal and regulatory requirements, the security of bank operations, technological development or a substantial decline in the use of a service resulting in a significant impairment of cost recovery).

#### **F. Changes to interest rates on credit balances paid to consumers**

**Section 44a.** (1) If an adjustment clause ties a credit interest rate to a reference interest rate (such as EURIBOR), any changes will take effect immediately, without any prior notification to the customer. Consumers are informed of effective changes in the interest rate no later than in the subsequent calendar quarter.

(2) If no adjustment clause was agreed or if the bank intends to change a credit interest rate beyond an adjustment option agreed, the bank shall offer the customer a change to the interest rate no later than two months before its proposed entry into force, indicating the change. The customer is deemed to have accepted the change offered unless the bank has received an objection from the customer before the effective date proposed. The offer to change the interest rate shall be notified to the customer. This notification to the customer may be made in any form agreed with the customer. In its offer to change the interest rate, the bank shall inform the customer that the customer will be deemed to have accepted the change in the interest rate unless the bank has received an objection from the customer before the effective date proposed for the change. If the change offered affects an account used for payment services, the customer shall be informed accordingly and shall be entitled to terminate the respective master agreement without notice and free of charge prior to such change taking effect. The bank shall inform the customer accordingly in its offer to change the interest rate.

A change to a credit interest rate agreed with the customer may be effected in the manner set out in this subsection 2 only if the following additional requirements are met:

- The interest rate change offered reflects the development of costs incurred by and reinvestment opportunities available to the bank in connection with the respective credit balance since the conclusion of the agreement on which the current interest rate is based, with all objectively justified circumstances (including in particular changes in the legal and regulatory framework, changes in the money or capital markets, changes in personnel or other administrative expenses) to be taken into account;
- such an interest rate change does not exceed 0.5% points;
- in its notice offering the change, the bank informs the customer that the interest rate change offered is higher than the change that would result from the adjustment clause agreed; if no adjustment clause has been agreed, the bank shall point out that the agreement on which the interest rate is based does not provide for any unilateral adjustment of the interest rate; and

- a change in the interest rate may be effected no earlier than two years after conclusion of the agreement on which the current interest rate is based.

#### **D. Reimbursement of expenses by entrepreneurs**

**Section 45.** (1) Customers having that status of entrepreneurs shall bear all necessary and useful expenses, disbursements and costs incurred in connection with the business relation between them and the bank, including in particular stamp duties and legal transaction charges, taxes, postage, cost of insurance, legal counsel, collection, consultancy services in business administration matters, telecommunications as well as provision, administration and realisation or release of collateral.

(2) The bank may charge such expenses as a lump-sum amount without specifying individual amounts unless the customer expressly demands an itemised account.

### **VI. COLLATERAL**

#### **A. Provision of additional collateral**

**Section 46.** (1) If in business relations with entrepreneurs circumstances occur or become known at a later date that justify an increased risk assessment of claims vis-à-vis the customer, the bank shall be entitled to demand the provision or increase of collateral within a reasonable period of time. In particular, this shall be the case if the customer's financial situation has deteriorated or threatens to deteriorate or if the collateral available has deteriorated in value or threatens to deteriorate.

(2) This shall also apply if no collateral was required at the time the claims came into existence

#### **B. Bank's lien**

##### **1. Scope and coming into existence**

**Section 47.** (1) The customer shall grant the bank a lien on any items and rights which come into the possession of the bank.

(2) The lien shall, in particular, also exist on all distrainable claims of the customer vis-à-vis the bank, such as under credit balances. If securities are subject to the lien, the lien shall also extend to the interest and dividend coupons pertaining to such securities.

**Section 48.** (1) The lien shall secure the bank's claims vis-à-vis the customer under the business relation, including joint accounts, even if the claims are conditional or limited as to time or not yet due.

(2) The lien shall come into existence upon the bank's taking possession of the item to the extent claims pursuant to subsection 1 exist; otherwise at any future point in time when such claims arise.

##### **2. Exemptions from the lien**

**Section 49.** (1) The lien shall not include items and rights which have been assigned by the customer for execution of a certain order prior to the coming into existence of the lien, such as amounts designated for the cashing of a specific cheque or honouring of a specific bill of exchange or for the execution of a specific credit transfer. This shall, however, apply only as long as such assignment is effective.

(2) Notwithstanding the existing lien the bank will carry out dispositions of the customer regarding credit balances on

current accounts in favour of third parties as long as the customer has not received a notification from the bank of the assertion of the lien. Distraint of the credit balance shall not be considered a disposition by the customer.

(3) Furthermore, the lien shall not include assets which the customer has disclosed in writing to the bank as escrow assets prior to the coming into existence of the lien or which have come into the possession of the bank without the customer's will.

#### **C. Release of collateral**

**Section 50.** Upon the customer's request the bank will release collateral to the extent it has no justified interest in keeping it as security.

#### **D. Realisation of collateral**

##### **1. Sale**

**Section 51.** Collateral having a market price or stock exchange price shall be realised by the bank in compliance with the relevant statutory provisions by being sold at such a price in the open market.

**Section 52.** Collateral not having a market price or stock exchange price shall be assessed by an expert commissioned by the bank. The bank shall notify the customer of the result of the assessment and at the same time ask the customer to nominate a party interested in purchasing the same within a reasonable period of time who will pay at least the assessed value as purchase price to the bank within such period. If the customer fails to nominate an interested party within such period or if the purchase price is not paid by the interested party nominated, the bank shall irrevocably be entitled to sell the collateral in the name of the customer for not less than the assessed value. The proceeds from the sale shall be used for redemption of the secured claims, with the customer being entitled to the surplus, if any.

##### **2. Realisation by enforcement and out-of-court auction**

**Section 53.** The bank shall also be entitled to realise the collateral by enforcement or - if it has no market price or stock exchange price - to sell it at an out-of-court auction.

##### **3. Collection**

**Section 54.** (1) The bank shall be entitled to terminate and collect claims of any kind provided to it as collateral (including securities) at the time the secured claim becomes due. Prior thereto it shall be entitled to collect a claim serving as collateral when it becomes due. In case of an imminent loss in value of a claim serving as collateral the bank shall be entitled to terminate the same already before it becomes due. To the extent possible the customer shall be informed thereof in advance. Amounts collected prior to the due date of the secured claim shall serve as pledge instead of the claim collected.

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

##### **4. Admissibility of realisation**

**Section 55.** Even if the purchaser does not immediately pay the purchase price in cash, the bank shall be entitled to realise the collateral nevertheless provided that no or no equivalent offer for immediate payment in cash has been made and payment at a later point in time is secured.

## **E. Right of retention**

**Section 56.** The bank shall be entitled to retain services to be rendered by it to the customer due to claims arising out of the business relationship even if they are not based on the same legal relationship. Sections 48 and 49 shall apply accordingly.

## **VII. OFFSETTING AND CREDITING**

### **A. Offsetting**

#### **1. By the bank**

**Section 57.** (1) The bank shall be entitled to offset all of the customer's claims to the extent they are distrainable against all liabilities of the customer vis-à-vis the bank.

(2) Notwithstanding the existing right to offset, the bank shall carry out dispositions of the customer in favour of third parties regarding credit balances on current accounts 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 58.** The customer shall be entitled to offset his/her liabilities only if the bank is insolvent or if the claim of the customer is related to his/her liability or has been ascertained by court decision or recognised by the bank.

### **B. Crediting**

**Section 59.** Notwithstanding the provisions of Section 1416 ABGB (Austrian General Civil Code) the bank may initially credit payments to accounts payable to the bank to the extent no collateral has been provided for the same or if the value of the collateral provided does not cover the claims. In this respect it is irrelevant at what time the individual claims have become due. This shall also apply to a current account relationship.

## **SPECIAL TYPES OF BUSINESS TRANSACTIONS**

### **I. TRADE IN SECURITIES AND OTHER ASSETS**

#### **A. Scope of application**

**Section 60.** The terms and conditions under Sections 61 to 65 shall apply to securities and other assets even if these are not securitised.

#### **B. Type of execution**

**Section 61.** (1) In general, the bank executes customer orders for the purchase and sale of securities as commission agent.

(2) However, if the bank agrees on a fixed price with the customer, it concludes a purchase agreement.

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

(4) The bank may also execute orders for the purchase and sale of securities in part if the market situation does not allow that they be carried out in full.

#### **C. Practices at the place of execution**

**Section 62.** The statutory provisions and market practice applicable at the place of execution shall apply to the execution of an order.

#### **D. Time of execution**

**Section 63.** If an order that is to be executed on the same day has not been received early enough to be executed on that day within the scope of ordinary workflow, its execution shall be scheduled for the next trading day.

#### **E. Insufficient coverage**

**Section 64.** (1) The bank shall be entitled to refrain from executing transactions in securities in whole or in part if sufficient coverage is not available.

(2) However, the bank shall be entitled to execute such securities transactions if it is not apparent to the bank that the customer wants the order to be executed only on the condition that coverage is available.

(3) If the customer does not provide coverage despite being asked to do so, the bank shall be entitled to enter into a closing transaction for the customer's account at the best possible price.

#### **F. Transactions abroad**

**Section 65.** If a customer receives a credit from the bank for securities held by a third-party custodian (safekeeping of securities abroad), the customer's claim towards the bank shall correspond to the share held by the bank for the account of the customer in the overall portfolio of equivalent securities held abroad by the bank on behalf of all its customers according to the relevant statutory provisions and market practices.

#### **G. Transactions in stocks**

**Section 66.** In case of transactions in stocks the physical securities of which are not being traded yet the bank shall neither be liable for the issuance of the securities on the part of the joint-stock company nor for the possibility of exercising the shareholders' rights prior to the issuance of the securities

## **II. SAFEKEEPING OF SECURITIES AND OTHER ASSETS**

### **A. Safekeeping of securities**

**Section 67.** (1) The bank shall be entitled to place securities deposited with it in the beneficiary's securities account.

(2) The bank is hereby expressly authorised to keep securities issued in Austria abroad and securities issued abroad in Austria. Likewise it shall be authorised to cause 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) Vis-à-vis an entrepreneur the bank shall be liable only for careful selection of the third-party depository.

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

**Section 68.** (1) The bank shall ensure detachment of due interest coupons, profit participation certificates and dividend coupons and collect their countervalue. The bank shall procure new interest coupons, profit participation certifications and dividend coupons without specific instruction.

(2) Drawings, terminations and other comparable measures in respect of the securities held in safekeeping shall be monitored by the bank insofar as they are published in the official gazette "Amtsblatt zur Wiener Zeitung" or in "Mercur, Authentischer Verlosungsanzeiger". The bank shall redeem drawn and terminated securities as well as interest coupons, profit participation certificates and dividend coupons.

(3) In case of securities deposited with a third-party depository, the same shall assume the obligations described in subsections 1 and 2 above. In case of securities held abroad the bank shall not be obliged to inform the customer about the numbers of the securities credited and in particular of securities redeemable by drawings. The bank shall then determine by drawing what customers are to be allotted the securities drawn. If, however, numbers of securities redeemable by drawings are advised, they shall be relevant only to the drawing and redemption and only for as long as this is the practice abroad. If, according to the practice abroad, 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 customers in securities, the customers whose securities are to be redeemed shall be determined by means of a drawing.

#### **C. The bank's obligation to examine**

**Section 69.** The bank shall examine whether Austrian securities are affected by public notification procedures, payment stops and the like on the basis of the Austrian documents available to it once, namely on the occasion of delivery of the securities to the bank. The examination regarding invalidation procedures for securities lost or stolen shall likewise be carried out upon delivery.

#### **D. Notification of conversion or other measures**

**Section 70.** In case of conversion, capital increase, capital reduction, merger, exercise or realisation of subscription rights, request for payment, grouping, change, exchange/conversion offer, coupon increase or other important measures regarding securities the bank shall, to the extent a respective notification has been published in the official gazette "*Amtsblatt zur Wiener Zeitung*" or communicated in time by the issuing house or the foreign depository, try to notify the customer thereof. If the customer fails to provide instructions in time, the bank shall act to the best of its knowledge by taking into account the customer's interests and, in particular, realise rights which would otherwise forfeit at the latest point in time possible.

### **III. TRADE IN FOREIGN EXCHANGE AND FOREIGN CURRENCY**

#### **A. Type of execution**

**Section 71.** The bank shall conclude a purchase agreement with the customer on foreign exchange and foreign currency. If it is agreed that the bank acts as commission agent for the customer, the provisions on commission transactions contained in the section on trade in securities shall apply accordingly. In case the bank contracts in its own name no express notification pursuant to Section 405 UGB (Austrian Commercial Code) shall be required.

#### **B. Forward transactions**

**Section 72.** (1) In case of forward transactions, the bank may ask the customer at a reasonable date before the due date to furnish evidence that the amount owed by the customer will be received in the agreed account in time. If such evidence is not provided or if due to other circumstances it is obvious that the customer will not fulfil his/her obligations, the bank shall be entitled to conclude a closing transaction at the best possible price already prior to the agreed due date.

(2) Even without prior agreement the bank shall be entitled to demand coverage for the risk of loss if according to the opin-

ion of an expert such risk has increased or if the assets situation of the customer has deteriorated. Unless otherwise agreed coverage shall be provided in cash. The bank shall hold a lien on the assets deposited as coverage. If the customer fails to provide coverage, the bank shall be entitled to conclude a closing transaction at the best possible price.

(3) If the bank concludes a closing transaction pursuant to subsections 1 or 2, any resulting price difference shall be debited or credited to the customer, respectively. Any and all expenses incurred in connection therewith shall be borne by the customer.

### **IV. FOREIGN CURRENCY LOANS**

**Section 73.** Foreign currency loans shall be paid back in the currency in which they were granted by the bank. Payments made in other currencies shall be considered security payments unless the bank informs the customer that they will be used for redemption of the loan. The bank shall also be entitled to convert an outstanding debit balance in a foreign currency into Austrian currency upon notification of the customer if

- due to statutory or other circumstances for which the bank is not responsible refinancing in the foreign currency is no longer possible, or
- the entire loan is due for repayment and is not repaid despite a reminder, or
- in business relations with entrepreneurs, the credit risk increases due to exchange rate movements in the foreign currency and the bank does not receive sufficient security within a reasonable period of time.

### **V. COLLECTION, DISCOUNT BUSINESS, BILL OF EXCHANGE AND CHEQUE OPERATIONS**

#### **A. Scope of application**

**Section 74.** 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**

**Section 75.** In principle, such documents shall be accepted by the bank for collection unless negotiation (discounting) of the same has been agreed upon.

#### **C. Timeliness of orders**

**Section 76.** Orders for collection shall be received so much in advance that they may be carried out in the ordinary course of business without making use of special means of express handling.

#### **D. Rights and obligations of the bank**

**Section 77.** In case of discounting as defined under Section 39 (2) and (3) the bank shall be entitled to debit the seller with the full nominal amount plus all expenses incurred by the bank; in case of documents denominated in foreign currency the customer shall also bear the exchange risk.

**Section 78.** In the events stated above as well as in case of redebts of "subject to collection" credits (Section 39), the claims under the law on securities for payment of the full amount plus ancillary expenses vis-à-vis the customer and any party obligated under the document shall remain with the bank until coverage of the debit balance resulting from such redebit.

**Section 79.** The bank may ask the customer to transfer the claim on which the document or acquisition of the same by the customer

is based as well as all present and future rights arising from the underlying transactions, including the collateral pertaining thereto.

**Section 80.** The bank shall be obliged to cash documents which are due for payment with it only if it has received an order from the customer in time and if sufficient coverage is ensured.