



FORM OF GENERAL TERMS AND CONDITIONS FOR BANKING

07/2018

GENERAL PROVISIONS

I. Basic rules for business relations between customer and Bank

A. Scope of application of and modifications of or amendments to these general terms and conditions

1. Scope of application

Item 1.

(1) These General Terms and Conditions of Business (hereinafter “GTC”) shall apply to the entire business relationship between the customer and all domestic and foreign branch offices of the Bank. In this context all respective amendments and proposed amendments to these GTC shall be described by way of comparison. The business relationship comprises all business relations between the customer and the Bank and thus all master agreements for payment services (e.g. giro account or credit card agreement). Applicable by priority shall be regulations in agreements reached with the customer or in special terms.

(2) The terms ‘consumer’ and ‘entrepreneur’ shall be understood as defined by consumer protection law.

2. Amendments to the GTC and the master agreements for payment services

Item 2.

(1) Any amendments to these GTC shall be proposed by the Bank to the customer as governed below. This proposal shall include a description of the regulations of the GTC that are affected by the amendment proposal and a comparison of the suggested amendments (hereinafter referred to as “comparison”). The Bank shall publish the comparison as well as the full version of the new GTC on its website. This shall be pointed out by the Bank in the amendment proposal.

The customer’s consent shall be deemed given, if the Bank does not receive an objection from the customer prior to the proposed date of the offered amendments’ entry into force. The Bank shall also inform the customer thereof in the amendment proposal. The customer, who is a consumer, shall be informed about the amendment proposal. The amendment proposal and the comparison shall be sent to the customer, who is a consumer:

- to the electronic Banking mailbox of the customer agreed with the Bank (hereinafter referred to as “hypo@online Mailbox”). The Bank shall inform the customer about every notification sent to the hypo@online Mailbox separately by mail or – if agreed with the customer – by e-mail (to an e-mail address notified by the Client for this purpose), or
- by e-mail, if communication via e-mail was agreed between customer and Bank or
- by mail.

From the date of notification – also provided to the hypo@online Mailbox - the amendment proposal and the comparison can no longer be changed by the Bank. If sent by e-mail or to the hypo@online Mailbox, the customer can save the amendment proposal and the comparison electronically and/or print them. Any kind of information regarding the amendment proposal, the corresponding comparison or any notification sent to the hypo@online Mailbox shall be provided by the Bank and sent to the customer, who is a consumer, to the hypo@online Mailbox no later than two months prior to the suggested effective date of the amendments. As far as entrepreneurs are concerned, it shall be sufficient to serve the amendment proposal to the hypo@online Mailbox no later than two months prior to the suggested effective date of the amendments or to keep it available on demand in a manner agreed with the entrepreneur.

(2) In case of a planned amendment to the GTC, the customer, who is a consumer, is entitled, prior to the amendment going into effect, to cancel its master agreements for payment services (in particular the giro account agreement) with immediate effect and for no charge. The Bank shall point this out in the notification about the amendment.

(3) Paragraph (1) shall also apply to amendments to master agreements between the customer and the Bank. Regarding amendments to master agreements for payment services paragraph (2) shall additionally apply.

(4) The aforementioned paragraphs (1) and (2) shall not apply to changes regarding the services provided by the Bank (except credit interest) and fees charged to the customer (except debit interest). Unless individually agreed with the customer otherwise items 44 to 46a shall apply to such changes.

B. Statements

1. Customer orders and instructions

Item 3.

(1) Orders shall be placed in writing. The customer may also place the order on a device for electronic signature registration provided by the Bank for this purpose.

(2) The Bank shall, however, also be entitled to carry out instructions given via telecommunications (in particular over the phone, via cable, telex, telefax or data communication). Subject to the fulfilment of all other prerequisites, the Bank shall only be obliged to carry out such orders if the customer has agreed with the Bank.

(3) The Bank is authorised to grant orders to an entrepreneur in every form within the framework of the General Terms and Conditions, at the costs of the aforementioned businessman/businesswoman. This is only applicable when the Bank is satisfied that there is no liability for the Bank and the Bank is not accountable for any ineffective order.

2. Obtaining of confirmations by the Bank

Item 4.

For security reasons the Bank shall be entitled, in particular in case of instructions given via telecommunications, to obtain a confirmation of the order via the same or a different means of communication, as the case may be.

3. Statements of the Bank

Item 5.

(1) The Bank’s notifications and declarations made by means of telecommunications, unless written agreements to another effect have been reached or unless the Bank has other customs, shall apply with reservation made for written confirmation. This shall not apply in relation to consumers.

(2) Declarations and information of which the Bank must notify the customer shall be on paper, for which purpose the Bank may use an account statement. In addition, the Bank shall be entitled to use a permanent data carrier (e.g. PDF sent by e-mail or to the hypo@online Mailbox, whereas separate notification regarding such delivery shall be provided by mail or – if agreed with the customer – by e-mail to an address notified by the customer). Declarations and information which shall be made accessible by the Bank shall be provided to the customer and kept available on demand by the Bank in the manner agreed in the payment service agreement (e.g. internet Banking, account statement printer).

(3) Notwithstanding section (2), the Bank shall provide the customer, who is a consumer, with a list of payment account charges (fees, debit and credit interest) on paper to be prepared pursuant to Section 8 of the Austrian Consumer Payment Accounts Act (Verbraucherzahlungskontogesetz - VZKG) on an annual basis and when the framework contract is terminated.

C. Right of disposal upon the death of a customer

Item 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) No authority to sign on an account granted by an entrepreneur for a business account shall terminate upon the death of a customer. In case of any doubt the accounts of an entrepreneur shall be considered business accounts.

D. Obligations and liability of the Bank

1. Obligations to inform

Item 7.

(1) In the absence of any separate agreement to the contrary, the Bank is not subject to any obligations to inform other than those mentioned in its terms and conditions of business and over and above the statutory obligations to inform. Consequently, the Bank – in the absence of any statutory or contractual obligations – is not obliged to inform the customer of imminent price falls, of the value or lack of value of items entrusted or of circumstances that impair or could threaten the value of these items, or to provide the customer with any other advice or information.

(2) The obligations to inform envisaged in §§ 32 to 54 of the Law on Payment Services do not apply with respect to entrepreneurs.

2. Execution of orders

Item 8.

(1) An order whose content typically necessitates the involvement of a third party will be fulfilled by the Bank through appointment of a third party on its own behalf. If the Bank selects the third party, it shall be liable for the thoroughness of its selection.

(2) Upon request by the customer, the Bank is obliged to assign any claims against the third party to the customer.

Item 9

(1) Beyond item 8, the Bank shall be liable to consumers but not to entrepreneurs for payment transactions within the European Union as follows:

- when the payment transaction is initiated directly by the payer, the Bank shall be liable for the correct execution of the payment transaction until receipt by the payment service provider of the payee (item 40a of the present GTC);

- when the payment transaction is initiated by or through the payee the Bank shall be liable for the correct transmission of the payment transaction to the payment service provider of the payer (item 40a of the present GTC) and from the time of receipt by the payment service provider of the payee the Bank shall be liable for the correct execution and valuation of the payment transaction, and

- the Bank shall be liable for any charges and interest for which the consumer is responsible due to non-execution or defective execution of payment transactions.

(2) In the event that the payment service provider of a payee is located outside the European Union section (1) shall apply to those components of payment transactions to the payee that are executed within the European Union.

E. Obligations to co-operate and liability of the customer

1. Introduction

Item 10.

In transacting with the Bank the customer shall comply, in particular, with his/her duties to co-

operate as stipulated below. Any violation thereof shall require the customer to compensate for damages to reduce his/her claims for damages against the Bank. Provided the customer, who is a consumer, violates his/her duties to co-operate in connection with payment transactions, the customer's liability shall be limited in accordance with the 2018 Payment Services Act article 68.

2. Notification of important changes

a) Name, address or contact details

Item 11.

(1) The customer shall immediately notify the Bank in writing of any changes regarding his/her name, company name, address, service address advised the customer, e-mail address and telephone number.

(2) Should the customer fail to notify changes to address, written declarations from the Bank shall be deemed received if they have been sent to the address the customer has given to the Bank most recently. Should the customer fail to notify changes to e-mail address or telephone number, written declarations from the Bank shall be deemed delivered to the customer, with whom such means of communication was agreed, if they have been sent to the e-mail address or telephone number the customer has given to the Bank most recently.

(b) Power of representation

Item 12.

(1) The customer shall immediately notify the Bank in writing of any cancellation or of changes of any power of representation advised to it, including an authority to operate and sign on an account (Items 32 and 33), 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. The same shall, in particular, also apply 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

Item 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.

d) Business relations on its own account or on the account of a third party

Item 13.a

If the customer enters into a business relationship or performs occasional business transactions, the customer shall notify the Bank upon request whether the customer engages in the relationship and/or the transaction on his/her own account or on the account of a third party or on behalf of a third party. The customer shall immediately notify the Bank of his/her own accord of any changes in this regard over the course of the proper business relationship.

3. Clarity of orders

Item 14.

(1) The customer shall ensure that his/her orders/instruction 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 carrying out of orders s/he 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, above all, apply if the carrying out of the order is extremely urgent or subject to certain periods and deadlines.

4. Due care and diligence in using payment instruments

Item 15.

(1) The customer shall, when using a payment instrument that per agreement may be used to place an order with the Bank, comply with all requirements regarding the issue and use of such instruments and take all reasonable precautions in order to protect the personalised security features against unauthorised access. The customer shall immediately report any loss, theft, improper use or otherwise unauthorised use of the payment instrument to the Bank or to an authority designated by the latter as soon as he/she gains knowledge thereof. Entrepreneurs are liable to the Bank for damages incurred by a breach of these diligence obligations, and for any type of fault by the entrepreneur for an unlimited amount.

(2) The Bank shall be entitled to block payment instruments it has issued to the customer, if

- objective grounds in connection with the security of the payment instrument justify this, or
- there is any suspicion of unauthorised or fraudulent use of the payment instrument, or
- the customer has not fulfilled its payment obligations in connection with any line of credit linked to the payment instrument (exceeding or overdrawing), and either
 - the fulfilment of such payment obligations is at risk due to deterioration or jeopardy of the financial condition of the customer or any other jointly obliged party, or
 - the customer suffers from insolvency or impending insolvency.

The Bank will inform the customer, provided notification of blocking or of the reasons for blocking does not violate a court or regulatory authority order or is in contradiction to Austrian law or Union legislation or objective security considerations, and shall do so in a form of communication agreed with the customer, if at all possible prior to but at the latest immediately after the blocking.

(3) The Bank shall be entitled to deny a payment initiation service provider or an account information service provider access to the customer's payment account if this is justified by objective and duly evidenced reasons associated with unauthorised or fraudulent access to the payment account. The Bank shall immediately inform the customer – to the extent that notification of such blocking or of the reasons for such blocking would not infringe a court order or an order issued by an administrative authority or contravene Austrian or Community law or objective security considerations – that the access to the customer's payment account is denied and the reasons therefor by using one of the methods of communication agreed with the customer, before access is denied and at the latest immediately thereafter.

5. Raising of objections

Item 16.

(1) The customer must check declarations by the Bank which do not refer to payment services (such as confirmations of orders placed for financial instruments and notifications of their execution and transaction confirmations; account statements, account closings and other settlements in credit and foreign exchange transactions; securities account statements or listings) for completeness and accuracy and to raise any eventual objections without delay and not later than two months. Minor negligent action shall not damage the customer. If the Bank

receives no objections regarding the closing of an account not referring to a payment account within two months then the closing is deemed to be approved; even after expiry of this period the customer shall be entitled to claim adjustment of the account closing, however he must then prove that the account was debited wrongly or that a credit due to him was not issued. The Bank shall in each instance at the beginning of the period of time point out to the customer the consequences if such objection is not raised within a timely manner.

(2) In case of any giro account debit occurring due to an unauthorised or incorrectly executed payment transaction the customer may in any case then obtain adjustment by the Bank if it has notified the Bank, immediately after discovering it, of any unauthorised or incorrectly executed payment transaction, however at the latest by 13 months after the date of debit. The deadlines shall not apply if the Bank has not notified the customer of the information provided in Item 40 (9) of these GTC on the payment transaction in question, or not made it available. This regulation shall not bar other claims to adjustment by the customer.

Notification in case of non-receipt of communications

Item 17.

Lapses

7. Translations

Item 18.

Any foreign-language instruments shall be presented to the Bank also in a German translation of a court-appointed and certified interpreter if the Bank so requires.

F. Place of performance; choice of law; legal venue; dispute resolution; appeal proceedings and alternative dispute resolution;

1. Place of performance

Item 19.

Venue of fulfilment for both parties in business with an entrepreneur shall be the business premises of that office of the Bank with which the business was transacted.

2. Choice of law

Item 20.

All legal relations between the customer and the Bank shall be subject to Austrian law.

3. Legal venue

Item 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.

Item 21a.

(1) Regarding the settlement of disputes with the Bank an internal ombudsman service is provided that can be contacted at:

Hypo Tirol Bank AG Ombudsstelle

Meraner Straße 8, 6020 Innsbruck

Telefon: +43 (0) 50 700 800 1

E-Mail: beschwerde@hypotiro.com

<https://www.hypotiro.com/ombudsstelle>

(2) Apart from that, for alternative dispute resolutions regarding obligations arising out of Banking transactions (Banking Act, article 1) with the Bank, the Joint Conciliation Board of the Austrian Banking industry may also be contacted:

Gemeinsame Schlichtungsstelle der Österreichischen Kreditwirtschaft

Wiedner Hauptstraße 63, 1045 Wien

Telefon: +43 (0)1 505 42 98

E-Mail: office@Bankenschlichtung.at

www.bankenschlichtung.at

G. Termination of the business relation

1. Ordinary termination in the business relationship with entrepreneurs

Item 22.

Unless there is an agreement for a fixed term, the Bank and the customer may at any time terminate the entire business relationship or specific portions thereof (including loan agreements and master agreements for payment services such as, in particular, giro account agreements) at any time when complying with an appropriate advance notice period. Fees paid in advance will not be refunded.

2. Ordinary termination in the business relationship with consumers

Item 23.

(1) The customer may terminate at no charge a master agreement for payment services, in particular the giro account agreement, at any time when complying with an advance notice period of one month. The right to free and immediate termination of a master agreement for payment services, in particular a giro account agreement, occasioned by an amendment to the GTC proposed by the Bank or a master agreement for payment services, in particular a giro account agreement (Item 2), shall not be impaired.

(2) The customer may at any time, and by complying with an advance notice period of one month, terminate loan agreements concluded for an indefinite period of time at no charge.

(3) The customer may terminate all other agreements with the Bank concluded for an indefinite period of time at any time while complying with an appropriate advance notice period.

(4) The Bank may terminate master agreements for payment services (in particular giro account agreements) concluded for an indefinite period of time while complying with an advance notice period of two months. The termination shall be sent to the customer, who is a consumer, in writing on paper or on any other permanent data carrier.

(5) The Bank may at any time terminate all other agreements concluded for an indefinite period of time while complying with an appropriate advance notice period.

3. Termination for good cause

Item 24.

(1) Where there is good cause, the Bank and the customer may at any time terminate with immediate effect the entire business relationship or specific portions thereof.

(2) There is, in particular, good cause entitling the Bank to terminate, if

- there occurs a deterioration or jeopardy of the customer's financial conditions or those of a jointly obliged party and thus, the fulfilment of liabilities in relation to the Bank is jeopardised.
- the customer has given inaccurate information about an essential part of its financial conditions or about other essential circumstances or if the customer does not fulfil or

cannot fulfil an obligation to post or reinforce collateral and thus, the fulfilment of liabilities in relation to the Bank is in jeopardised.

4. Legal consequences

Item 25.

Where, in connection with a call-in, a termination of the entire business relationship or of specific giro or payroll accounts ensues, the Bank shall be entitled, upon expiry of the termination deadline, to switch from the agreed conditions to the particular applicable standard conditions in accordance with the survey of conditions open for inspection in the Banking hall or with the notice posted at the teller's window. In addition, overdraft interest will be charged at the agreed rate.

Item 26.

(1) Upon termination of the entire business relationship or of specific portions thereof the amounts owed on that basis shall be due immediately. The customer shall furthermore be obliged to release the Bank from all obligations assumed on its behalf.

(2) The Bank shall moreover be entitled to terminate all obligations assumed on the customer's behalf and to compensate them with legal effect and, with reservation made for receipt, to re-charge credits given. Claims for securities, in particular drafts and checks, may be asserted by the Bank to cover any eventually obtaining debit balance.

(3) In case of termination of the entire business relationship or of specific business relations, the Bank shall give the customer, who is a consumer, a pro rata refund for fees paid for payment services for a certain period of time in advance.

(4) The GTC shall also apply after termination of the business relationship up through complete windup

H. Right to refuse disbursement

Item 27.

(1) The Bank may refuse disbursement of the loan amount on objectively justified grounds.

(2) Objectively justified grounds within the meaning of paragraph 1 obtain if after conclusion of the agreement

- circumstances emerge indicating a deterioration of the borrower's financial situation or devaluation of committed collateral to such an extent that repayment of the loan or payment of interest is jeopardised even upon liquidation of the collateral, or
- an objectively justified suspicion arises for the Bank that the loan amount is being used by the borrower contrary to the agreement or contrary to law.

(3) The Bank must immediately notify consumers of this intention in hardcopy or in another permanent medium, indicating the reasons. The indication of reasons must be dispensed with if public safety or the public order would thereby be jeopardised.

II. Bank REFERENCE

A. Bank reference

Item 28.

Generally phrased conventional Bank references on the financial situation of a business enterprise, where no obligation to provide them obtains, shall only be provided without obligation and only in writing to businessmen/businesswomen.

III. Opening and Keeping of Accounts and SECURITIES ACCOUNTS

A. Scope of application

Item 29.

Unless otherwise provided the following regulations regarding accounts shall also apply to securities accounts.

B. Opening of accounts

Item 30.

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 signature

Item 31.

Persons who are to be authorised to operate or sign the account shall deposit their signature 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

Item 32.

Only the account holder shall be entitled 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. Authority to sign

Item 33.

(1) The account holder may explicitly and in writing grant other parties the authority to sign. The party authorised to sign must prove its identity to the Bank. The party authorised to sign is solely entitled to undertake and revoke transactions regarding the account balance.

(2) The authorisation to sign a securities portfolio shall also encompass the authority to buy and sell securities in connection with the existing cover as well as with the joint investment objective, the financial situation, the loss capacity and the willingness to assume risk pursuant to the Austrian Securities Supervision Act. For that reason, such information about the account holder is also disclosed to the authorised signatory. An authorised signatory shall only be entitled to hold a deposit if he/she has sufficient knowledge and experience.

E. Special types of accounts

1. Sub-account

Item 34.

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

Item 35.

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

Item 36.

(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. Every account holder may be represented by an authorised representative in the individual case.

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

(3) Unless otherwise explicitly agreed, each joint account holder shall be entitled to control the account balance. However, the authorisation of the joint account holder shall be ended by the express objection of another joint account holder; in this case, only all joint account holders shall be entitled jointly. This also includes the authority to buy and sell securities. In the assessment of the experience and knowledge regarding the person who acts as the contracting party in connection with the specific transaction, investment targets and financial situation are recognised.

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

Item 37

Lapses

4. Foreign currency account

Item 38.

The Bank's obligation to settle a foreign-currency liability or to execute an order to debit a foreign-currency balance is suspended to the extent that and for as long as the Bank has limited or no access to the currency in which the foreign currency balance or the liability is denominated due to politically related measures or events in that currency's country. To the extent that and for as long as such measures or events persist, the Bank shall further not be obligated to fulfil its obligation in a country other than the currency's country, in a different currency (neither in Euro), or through the procurement of cash. However, the Bank's obligation to execute an order to debit a foreign-currency balance is not suspended if it can be executed completely in-house. The right of the customer and the Bank to offset reciprocal claims in the same currency remains unaffected by the aforementioned arrangements.

F. Balancing of accounts and lists of securities

Item 39.

(1) In the absence of any agreement the Bank shall settle accounts on a quarterly basis. The interest and fees incurred in each quarter shall be included in the final balance that shall subsequently bear interest („compound interest“).

(2) The Bank shall provide the customer with an account statement including the final balance in the manner as stipulated in the master agreement (e.g. internet banking, account statement printer) on demand. Lists of securities are provided to the customer on a quarterly basis.

IV. Giro transactions

A. Transfer instructions

Item 40.

(1) With regard to transfer instructions to the benefit of a payment beneficiary whose account kept with a payment service provider within Austria or other states of the European Economic Area (EEA), the customer must designate the payment beneficiary with its International Bank Account Number (IBAN). In case of transfer instructions concerning other currencies than Euro to the benefit of a recipient whose account is maintained with a payment service provider in Austria or other states of the EEA, the customer must indicate the payment beneficiary with its IBAN and the Bank Identifier Code (BIC)

(2) In case of transfer instructions to the benefit of a payment beneficiary whose account is kept with a payment service provider outside of the EEA, the customer must designate the payment beneficiary with its name as well as with the account number of the payment beneficiary and either the name, sorting code or BIC of the payment beneficiary's payment service provider, or with the payment beneficiary's IBAN and the BIC of the payment beneficiary's payment service provider.

(3) The information on IBAN and BIC or the account number and name/sort code/BIC of the beneficiary's payment service provider, that are to be to be given by the customer in the framework of paragraphs (1) and (2) constitute the payment beneficiary's customer identifier on the basis of which the transfer instructions are carried out. Additional information about the payment beneficiary, in particular the name of the payment beneficiary are not a part of this customer identifier. Such information shall only serve for documentation purposes and is not considered by the Bank when carrying out the transfer.

(4) The reason for the transaction given in the transfer instructions is in any case of no relevance for the Bank.

(5) The acceptance of transfer instructions by the Bank shall not in itself give rise to any third-party rights in relation to the Bank.

(6) The Bank shall only be obliged to carry out transfer instructions if complete cover (account balance, overdraft granted) is available in the customer's account indicated.

(7) Transfer instructions received by the Bank (Item 40a) – and transfer instructions, which (after approval), will be executed by a payment service provider – may not be unilaterally revoked by the customer. If a later date for execution has been agreed, the irrevocable nature only applies as of the end of the business day preceding the execution date.

(8) Where the Bank rejects carrying out transfer instructions it will inform the customer as soon as possible in the manner agreed with the customer, in any case within the deadlines cited in Item 40a (3) of such rejection and on how the transfer instructions may be adjusted in order to make their execution possible in the future. Transfer instructions justifiably rejected by the Bank do not trigger the execution deadlines agreed in Item 40a of these GTC.

(9) Information on transfer instructions carried out (reference, amount, currency, fees, interest, exchange rate, value date of debit) and other payments carried out to the debit of the account, in particular in connection with the debit transfer procedure, shall be made available by the Bank to the customer, who is a consumer, once a month at the latter's claim, free of any charge in the manner agreed with the customer and in such a way that the customer can store and reproduce such information without any changes. The customer is entitled to claim the provision of such information once a month for reasonable reimbursement.

B. Execution deadlines

Item 40a

(1) Transfer instructions reaching the Bank after the hours stipulated for the payment mode in question (times of receipt) near the close of business hours or on a day that is not a business day of the Bank, will be treated as if they had been received on the following business day. The Bank shall in good time notify the customer, prior to and when concluding the giro account agreement and thereafter upon every change to the set times of receipt, of the new times of receipt and shall do so in hardcopy or in another permanent medium. Considered to be a business day is every day on which the Bank maintains the business operations required for the execution of payment transactions (Monday to Friday except official holidays, 24 December and Good Friday).

(2) If it is agreed between the customer issuing transfer instructions and the Bank that execution of payment instructions is to commence on a specific day or at the end of a specific period of time or on the day when the customer makes a sum of money available to the Bank, then the

time of receipt thereof is considered the agreed date. If the agreed date does not fall on one of the Bank's business days, then the payment instructions are treated as if they were received on the following business day.

(3) The Bank shall ensure that after the time of receipt the amount that is the subject of the payment transaction is received by the payment beneficiary's payment service provider at the latest at the end of the following business day (for payment transactions initiated in hardcopy at the end of the second day following receipt). This paragraph shall only apply to payment transactions in Euro, to domestic payment transactions in the currency of a member state of the European Union that is not part of the eurozone and to payment transactions involving a transfer in Euro within the European Union for which a currency translation must be made in a member state of the European Union that is not part of the eurozone.

(4) For payment transactions not mentioned in section (3) the execution deadline referred to in section (3) shall not exceed four business days.

C. Crediting and right of cancellation

Item 41.

(1) Regarding valid giro account contracts, the Bank is obliged and irrevocably authorised to receive money for the customer and to credit this to his account. Even after termination of the giro account agreement the Bank shall be entitled to accept funds on behalf of the customer if and to the extent that the customer has liabilities from the account and thus shall be entitled to able to set off such liabilities against the claims of the customer with the funds received. The Bank shall inform the customer thereof. The accepted amount of money exceeding the outstanding receivables of the Bank will be transferred to a giro account defined by the customer. The order to make an amount of money available to the customer will be executed by the Bank by crediting the amount to the account of the payment beneficiary, provided nothing to the contrary is stipulated by the order.

(2) Information on transfers credited to the account (reference, amount, currency, charges, interest, exchange rate, value date of the credit note) shall be made available by the Bank to the customer, who is a consumer, once a month at the latter's claim, free of any charge in the manner agreed with the customer and in such a way that the customer can store and reproduce such information without any changes. The customer is entitled to claim the provision of such information once a month for reasonable reimbursement.

(3) The Bank is entitled to deduct own charges for the transfer from the amount to be credited. The Bank will show the amount transferred and charges deducted separately.

(4) The Bank can cancel credit notes issued as a result of an error at any time. In other cases, the Bank will only cancel a credit note if it receives clear evidence of the invalidity of the transfer order. The right of cancellation shall not be removed by any interim balancing of account. If the right of cancellation applies, the Bank can refuse disposal of the amounts credited.

D. Receipt of credit note reserved

Item 42.

(1) If the Bank credits amounts to the customer's account that it is required to collect on behalf of the customer (in particular within the scope of the collection of cheques, bills of exchange and other securities, direct debits etc.), or amounts which are to be transferred to the customer's account, before the amount to be collected or transferred has reached the Bank, this will be done solely subject to the reserve of the Bank actually receiving the amount credited. This shall also apply if the amount to be collected is payable to the Bank.

(2) As a result of the reserve, the Bank is entitled to cancel the credit note by means of simple posting if the collection or transfer fails or if, as a result of the economic position of a party obliged to pay, official intervention or other reasons, it is foreseeable that the Bank will not obtain the right of unrestricted disposal of the amount to be collected or transferred.

(3) The reserve can also be exercised if the amount credited has been collected abroad or transferred from abroad and is debited back to the Bank by a third party under foreign law or on the basis of an agreement made with a foreign Bank.

(4) In the event of a valid reserve, the Bank is also entitled to refuse the customer disposal of the amounts credited. The reserve is not removed by balancing of account.

E. Debit postings

Item 43.

(1) With transfer orders, debit postings are not to be understood as notification of execution until two business days have passed without cancellation of the debit posting (see Point 40a (1) of these terms and conditions).

(2) Cheques and other payment instructions as well as company debit notes (item 43a sec. (1)) are considered honoured if the debit posting to the customer account drawn on is not cancelled within two business days unless the Bank has already informed the presenter of the honouring or made payment to him in cash. Debit notes (item 43a sec. (1)) are considered honoured after five banking days.

F. Debit orders

Item 43a.

(1) Direct debit means that the payer directly authorises the payee, by means of a debit mandate, to collect amounts. Business to business direct debit means that both, the payer and the payee are entrepreneurs, whereas the payer directly authorises the payee, by means of a business to business direct debit mandate, to collect amounts. The customer consents to the debiting of his account with amounts, which third parties authorised by him collect through debiting his account with the Bank by means of direct debit mandate and business to business direct debit mandate. This consent can be revoked by the customer at any time in writing. Any such revocation shall be effective as from the business day following its receipt by the Bank. In the same manner, approval for direct debits by an authorised third party can be limited vis-à-vis the Bank to a specific amount or a specific period or both. The customer is entitled to authorise the Bank to block all direct debits to his/her account or all direct debits authorised by one or more defined payees or solely authorise direct debits by one or more defined payees.

(2) The Bank executes direct debits and business to business direct debits that are to be debited to the customer's account on the basis of the International Bank Account Number (IBAN) provided by the single collecting Bank. The IBAN information represents the customer identifier that is used to execute the direct debit or the business to business direct debit. If the collecting Bank provides further information about the customer, such as the name of the account holder whose account is to be debited, this is therefore merely for documentation purposes and thus, is not considered when executing the direct debit or business to business direct debit.

(4) Notwithstanding section (3), the customer shall not have the right to claim a refund of the amount debited to his/her payment account due to a business to business direct debit mandate.

V. Consideration of Services and Reimbursement of expenses

A. Changes in fees and services in relation to entrepreneurs

Item 44.

(1) The Bank may, in its business with entrepreneurs and at its equitable discretion, change its fees for services provided on a recurrent basis, which the Bank or the customer must pay (including credit and debit interest on giro or other accounts, account maintenance fees, etc.), taking into account all relevant circumstances (in particular changes in the legislative and regulatory framework conditions, changes on capital markets and money markets, changes to refinancing costs, changes in personnel or materials expenses, changes in the consumer price index, etc.). The same applies to changes in other services offered by the Bank occurring due to changes in legal requirements, Bank operations security, technical developments or considerably reduced use of a service significantly impairing its cost cover.

(2) Changes to services provided by the Bank or customer fees going beyond paragraph 1, introduction of new services subject to a fee or new fees for already agreed services will be offered to the customer by the Bank at the latest two months prior to the proposed date of their going into effect. The customer's consent to such changes will be deemed to be granted if no written objection is received by the Bank by the proposed date for their going into effect. The Bank shall point this out to the customer in its proposal for changes. The Bank may provide the proposal for changes retrievable in the hypo@online Mailbox or in a manner agreed with the customer.

B. Changes in the fees agreed with consumers for payment services (except for interest charged)

Item 45.

(1) Changes in the fees agreed in connection with the master agreement for payment services (in particular for the giro account) provided by the Bank on a recurrent basis shall be offered to the customer at the latest two months prior to the proposed time of their going into effect, which is in any case 1 April of a given year. The customer's consent to such changes will be deemed to be granted if no written objection is received by the Bank by the proposed date for their going into effect. The Bank shall point this out for the customer in its proposal for changes in which the extent of the change must be presented. The customer has the right to terminate the master agreement, at no charge and with immediate effect, up through when the change goes into effect. The Bank must also point this out in its proposal for changes. The Bank shall provide the proposed changes to the customer as stipulated in item 2 section (1).

(2) An adjustment of the fees to the fluctuation of the national 2000 consumer price index published by the Austrian Statistics Office ("consumer price index") may be agreed with the customer in the manner provided for in paragraph 1. The adjustment is made by comparing the November index values of the past year with November of the preceding year. The fee emerging from the adjustment is rounded to the nearest whole cent according to commercial custom.

If the customer was not offered a fee adjustment resulting from fluctuations in the consumer price index in one year then such an adjustment may still be offered to the customer later on with effect for the future.

C. Changes in the fees agreed with consumers other than payment services (except for interest charged)

Item 46.

The fees agreed with consumers for services provided by the Bank on a recurrent basis other than payment services (such as safe rental,, account maintenance fees for accounts via which no payment services are transacted) are adjusted (raised or lowered) annually with effect as from 1 April of each year to the fluctuation of the national 2000 consumer price index published by the Austrian Statistics Office with the amount being rounded to the nearest whole cent according to commercial custom. The adjustment is made by comparing the November index values of the past year with November of the preceding year. If no increase in the fee occurs despite an increase in the index, then the right to such an increase with effect for the future does not lapse. Fee adjustments occur at the earliest at the end of two months, reckoned from the date of concluding the agreement.

D. Changes in the services by the Bank on a recurrent basis agreed with consumers (except for credit interest)

Item 46a.

(1) Changes in the customer services provided by the Bank on a recurrent basis shall be offered to the customer by the Bank at the latest two months prior to the proposed date for their going into effect. The customer's consent to such changes will be deemed to be granted if no objection by the customer is received by the Bank by the proposed date for their going into effect. The Bank shall point this out to the customer in its proposal for changes.

The Bank may provide the proposal for changes in the hypo@online Mailbox or in any manner agreed with the customer. Should the proposal for changes, however, relate to payment services then the customer must be notified thereof as stipulated in item 2. section (1) and the customer shall be entitled to terminate the relevant master agreement, at no charge and with immediate effect, up through the time when the changes go into effect. The Bank must point this right of termination out as well in its proposal for changes.

(2) The Bank may, however, only agree a change in services with the customer in the manner provided for in paragraph 1 if this, taking account of all circumstances (change in the customer's prevalent needs, legislative and regulatory requirements, Bank operations security, technical developments or considerably reduced use of a service significantly impairing its cost cover), is objectively justified. Such objective justification is given only if the proposed change in service implies an extension of the services provided by the Bank or a restriction of the services provided by the Bank which is reasonable for the customer and if it does not result in excessive changes of substantial rights and obligations for the benefit of the Bank.

E. Reimbursement of expenses by the businessman/businesswoman

Item 47.

The customer who is a businessman/businesswoman shall bear all necessary and useful expenses, advances, ancillary expenses and costs, in particular stamp and legal fees, taxes, postage, costs for insurance, legal representation, collection and recovery, business consulting, telecommunications as well as posting, management and liquidation or release of collateral, incurred due to the business relationship. The Bank may invoice such expenses in a total non-itemised amount unless the customer specifically demands an itemised listing.

F. Adjustment of interest rates on the basis of reference interest rates

Item 48.

Should an adjustment clause peg the interest rate to a reference interest rate (such as EURIBOR) then changes shall be effective directly without prior notification of the customer. The consumer shall be informed of changes in the interest rate that have gone into effect at the latest in the following calendar quarter.

VI. Collateral

A. Posting and reinforcement of collateral

1. Change in risk

Item 49.

(1) If in business relations with business enterprises circumstances subsequently occur or

become known, justifying an increased risk assessment of claims on the customer, the Bank shall be entitled to demand the posting or reinforcement of collateral within an appropriate period of time. This shall particularly be the case if the customer's financial conditions have changed adversely or threaten to change or if existing collateral has deteriorated in value or threatens to deteriorate.

(2) This shall also apply if the posting of collateral was not demanded when claims were incurred.

B. Bank's lien

1. Scope and coming into existence

Item 50.

(1) The customer, who is a consumer, shall grant the Bank a lien on accounts payable to the Bank, for which no separate collateral agreement was concluded, or the value of the existing lien is not considered appropriate to secure the accounts payable to the Bank as a result of the deterioration of the pledged asset, for which the Bank is not liable. The lien shall exist on all drainable claims of the customer against the Bank (account balance) which come into the possession of the Bank with the customer's will in connection with a Banking transaction concluded with the Bank up to the amount of the claims of the Bank. If securities are subject to the lien, the lien shall also extend to the interest and dividend coupons pertaining to such securities; if noble metal is subject to the lien, the lien shall also exist on up to double the amount of the claims of the Bank. In accordance with the Austrian Law on the Enforcement and Security Procedure (Execution Act) article 291a, the lien shall not comprise the monthly subsistence level based on the customer's income.

(2) The customer, who is an entrepreneur, shall grant the Bank a lien on any items and rights which come into the possession of the Bank with the customer's will in connection with a Banking transaction concluded with the Bank.

Item 50a

The following items 51 to 58 specify the Bank's way of proceeding with regard to the realisation of collateral. This requires (with the exception of the case described in item 57, where a claim provided as collateral becomes due prior to the due date of the secured claim) that the secured claims becomes due and the Bank is entitled to collect the collateral in compliance with all legal and contractually agreed regulations. Provided the customer has been notified about the intended realisation of the secured claim and the amount of the secured claim in advance and that at least one month has passed since such notification. In case the customer is an entrepreneur the period is one week. Notification may be omitted if it is infeasible due to unknown whereabouts of the customer. In such a case the mentioned period expires on the day the unsecured claims becomes due. The realisation prior to the expiry of this period is permitted if the deferral results in substantial and enduring loss of value.

Item 51.

(1) The lien shall secure the Bank's claims on the customer under the business relationship, including joint accounts, even if the claims are contingent, fixed-term or not yet due. If the customer is a businessman/businesswoman, the lien shall also secure the Bank's legal claims as well as claims on third parties for fulfilment of which the customer is personally liable.

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

2. Exemptions from the lien

Item 52.

(1) The lien shall not include items and rights which have been assigned by the customer to a certain instruction prior to coming into existence of the lien, such as amounts designated for the cashing of a certain cheque or honouring of a certain bill of exchange as well as for the carrying out of a certain transfer. This shall, however, apply only as long as the 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 by the Bank of the assertion of the lien. Distraint of the credit balance shall not be considered a disposition by the customer.

(3) 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

Item 53.

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

Item 54.

Collateral having a market price or stock exchange price shall be realised by the Bank by selling them at such price in the open market.

Item 55.

Movable, physical items serving as collateral and having no market price or stock exchange price provided to the Bank shall be assessed by an authorised independent expert. 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 one month who will pay 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 and out-of-court auction

Item 56.

The Bank shall also be entitled to realise the collateral by enforcement or - to the extent it has no market price or stock exchange price - to sell it by an authorised entrepreneur at an out of court public auction. Time, location and a general description of the collateral shall be promulgated. The provider of the collateral and third parties having specific rights in the collateral shall be notified thereof.

3. Collection

Item 57.

(1) The Bank shall be entitled to terminate and collect the claims provided as security (including securities) if the secured claim is not paid at the time when it becomes due. Prior thereto it shall be entitled to collect the claim serving as collateral when it becomes due. In case of imminent

substantial and enduring loss in value of the claim serving as collateral the Bank shall be entitled to terminate the same already prior to the same becoming due provided that such substantial and enduring loss in value would jeopardise the collectability of the claim. 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 section (1) shall not apply to wage and salary claims of consumers which have been provided as security for claims not yet due.

4. Admissibility of realisation

E. Right of retention

Item 58. Lapses

Item 59.

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. Items 51 and 52 shall apply accordingly.

Bulletin of the "Wiener Zeitung" or is received by the Bank in good time on behalf of the issuing body or from the foreign safe keeper. If the customer does not issue instructions in good time, the Bank shall act as it thinks best and taking account of the customer's interests; in particular, it shall exploit rights, otherwise to be forfeited, at the last possible opportunity.

VII. Offsetting and Crediting

A. Offsetting

1. By the Bank

Item 60.

(1) The Bank shall be entitled to offset all of the customer's claims to the extent they are drainable 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

Item 61.

The customer, who is a consumer, shall only be entitled to offset his/her liabilities if the Bank is insolvent or if the claim of the customer is legally related to his/her liability or if the claim of the customer has been ascertained by court decision or recognised by the Bank. The customer, who is an entrepreneur, hereby unconditionally and irrevocably waives his/her right also in these cases to offset his/her liabilities.

B. Credit

Item 62.

(1) In the context of doing business with companies, 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.

(2) In the context of doing business with consumers the Bank shall be entitled to credit payments, dedicated to settle specific claims, to the unsecured part of the claim, even if it deviates from the customer's dedication.

Special Types of Business Transactions

I. Trade in securities and other assets

A. Scope of application

Item 63. The terms and conditions under items 64 to 68 shall apply to securities and other assets even if they are not certificated.

B. Implementation

Item 64.

(1) As a rule, the Bank executes orders from its customer to sell and purchase securities as a commission agent.

(2) If, on the other hand, the Bank agrees a fixed price with the customer, it concludes a contract of purchase.

(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 – will execute the customer's orders. The Bank will inform the customer of any fundamental alterations to the execution policy.

(4) The Bank can also execute orders, received by it for the purchase and sale of securities, in part if the

Bank does not receive sufficient security within a reasonable period of time or pursuant to statutory or other circumstances for which the Bank is not responsible refinancing in the foreign currency is not possible anymore or the entire loan is due for repayment and is not repaid despite reminder.

C. Customs at the place of performance

Item 65.

The legal regulations and customs applicable at the place of performance are applicable for the performance.

D. Date of carrying out instructions

Item 66.

If an instruction which is to be carried out on the same day has not been received early enough to be carried out that day within the scope of ordinary workflow, it shall be scheduled to be carried out on the next trading day.

E. Insufficient coverage

Item 67.

(1) The Bank shall be entitled to refrain from carrying out transactions in securities in whole or in part if no sufficient coverage is available.

(2) However, the Bank shall be entitled to execute such securities transactions if it is unable to note that the customer wants the order to be carried out only on the condition that coverage is available.

(3) If the customer does not provide coverage despite demand the Bank shall be entitled to enter into a closing transaction for account of the customer at the best possible price.

F. International transactions

Item 68.

If the customer is given a credit for a claim to the delivery of securities (securities invoice), the customer's claim against the Bank shall correspond to the share, held by the Bank for the account of the customer, of the total inventory of securities of the same kind, held by the Bank abroad for its customers in accordance with the respective legal regulations and customs.

G. Transactions in stocks

Item 69.

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 valuables**A. Safekeeping of securities****Item 70.**

(1) The Bank shall be entitled to place securities deposited with it in the safekeeping deposit of the beneficiary.

(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 depositary or in that of the nominee of the foreign depositary („nominee“).

(3) The Bank shall be exclusively liable, against a businessman/businesswoman, for careful selection of the third-party depositary.

B. Redemption of shares, renewal of coupons, drawing, termination**Item 71.**

(1) The Bank shall ensure detachment of due interest coupons, profit participation certificates and dividend coupons and collect their counter value. 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 depositary the same shall assume the obligations described in paras 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 only be relevant 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**Item 72.**

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. Also the examination regarding invalidation procedures for securities lost or stolen shall be carried out upon delivery.

D. Notification of exchange and of other measures**Item 73.**

In the event of conversion, increase in capital, reduction in capital, merger, exercise or exploitation of subscription rights, requests to make contributions, grouping, changeover, exchange offers, raising of the interest rate subject to the provision of further capital and other important measures concerning the securities, the Bank shall attempt to inform the customer if a corresponding announcement has appeared in the “Official

III. Trade in Foreign exchange and foreign currency**A. Procedure****Item 74.**

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 HGB [Austrian Commercial Code] shall be required.

B. Forward transactions**Item 75.**

(1) In case of forward transactions the Bank shall be entitled to demand from the customer at a reasonable date before the due date evidence on the fact 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 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 opinion 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 paras 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**Item 76.**

Foreign currency loans must be repaid effectively, that is, in the currency in which the Bank provided them. Payments in other currencies shall be considered security payments. In case payment is received before 11 a.m., the currency is converted by using the current rate of the Bank; if payment is received after 11 a.m., the Bank's current rate of the next day shall be used. The Bank shall also be entitled to convert an outstanding debit balance in a foreign currency in the domestic currency, while notifying the customer thereof,

- if, due to legal circumstances or other circumstances for which the Bank is not liable, refinancing that is required to control or avoid the foreign currency risk of the Bank is no longer possible in the foreign currency, due to exchange restrictions imposed by a state or due to unfavourable market conditions, or
- if the loan is due for repayment in its entirety and is not repaid despite being declared delinquent, or
- if the credit risk increases in business relations with business enterprises due to exchange rate fluctuations for the foreign currency and the Bank does not obtain adequate collateralisation within an appropriate period of time.

V. Collection, Discount Business, Bill of exchange and cheque operations**A. Scope of application****Item 77.**

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 order**Item 78.**

The collection of the aforementioned single documents is handled by means of a collection order, whereas the Bank shall not be obligated to accept a collection order. Negotiation (discounting) of collection documents via the Bank shall be agreed separately.

C. Timeliness of orders**Item 79.**

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**Item 80.**

In case of discounting as defined under items 41 (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.

Item 81.

In the events stated above as well as in case of redebits of „due payment provided“ credits (item 42) the claims under security law 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 which results from such redebit.

Item 82.

The Bank may demand from the customer that 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 be transferred. The Bank shall only be obliged to cash documents which are due for payment with it if it has received an order from the customer in time and if sufficient coverage is ensured.