

# General terms and conditions

Austrian branch



## 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

**Section 1** (1) These General Terms and Conditions (hereinafter referred to as GTC) shall apply to the overall business relation between the customer and Fortis Bank SA/NV, Montagne du Parc 3, 1000 Brussels, in the business of its Austrian branch, Euro Plaza/D, Wienerbergstrasse 41, A-1120 Wien, Österreich, FN 263765s of the Commercial Court Vienna as well as all other offices of Fortis Bank SA/NV in Austria (the "bank"). Provisions contained in agreements concluded with the customer or in special terms and conditions shall prevail.

(2) The terms "consumer" and "entrepreneur" shall hereinafter have the same meaning as in the Austrian Consumer Protection Act. These GTC are drafted with the understanding and on the basis that the customer is not a consumer.

##### 2. Modifications or amendments

**Section 2** (1) Modifications of or amendments to these GTC shall enter into force at the beginning of the second month following the notification to the customer with effect on all present and future business relations between the customer and the bank unless the bank has received a written objection from the customer by that time. Such notification may be effected in any form agreed with the customer within the scope of the business relation.

The agreed form of service of statements of the bank shall also apply to the notification of modifications of or amendments to the GTC.

(2) By means of the notification the bank shall inform the customer about the fact that the GTC have been amended and shall point out that after expiration of the month following the notification pursuant to para 1 his/her acquiescence shall be deemed a consent to the modification or amendment.

#### B. Statements

##### 1. Customer orders and instructions

**Section 3** (1) As a rule, instructions shall be given in writing.

(2) The bank shall, however, also be entitled to carry out instructions given via telecommunications (in particular over the phone, telefax or electronically). Subject to the fulfilment of all other prerequisites the bank shall only be obliged to carry out such orders if the customer has made an agreement to this effect with the bank.

(3) The bank is entitled to carry out orders of any kind which are placed within the scope of the business relation with an entrepreneur, for its account, if the bank believes without default that these orders stem from the entrepreneur and an ineffective order is not attributable to the bank.

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

**Section 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. For any damages customers incur for delays due to such obtaining confirmations, the bank shall be liable only for intent or gross negligence.

##### 3. Statements of the bank

**Section 5** The 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.

## 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) 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. Information duties

**Section 7** 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. Unless there is a statutory or contractual obligation, the bank shall not be obliged to inform the customer about imminent price or exchange losses, about the value or worthlessness of objects entrusted to it or any facts or circumstances likely to affect or jeopardise the value of such objects nor to give other advice or furnish information to the customer.

### 2. Carrying out of orders

**Section 8** (1) The bank shall carry out 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 obliged to assign claims vis-à-vis the third party, if any, to the customer upon his/her request. The bank's obligations vis-à-vis the customer under the Austrian Credit Transfers Act of 1999 shall not be restricted by these GTC.

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

### 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 immediately notify the bank 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.

#### b) Power of representation

**Section 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 (Sections 31 and 32), 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

**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, a 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/instructions 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 means of telecommunication**

**Section 15** If the customer makes orders or other statements via telecommunications the customer shall take appropriate precautions in order to avoid transmission errors and abuse.

#### 5. **Raising of objections**

**Section 16** (1) The customer shall immediately verify statements of the bank, such as confirmations of his/her orders, communications about the carrying out of the same, statements of account, statements of securities, closing statements and any other statements as well as mail and payments of the bank immediately as to their completeness and correctness and shall raise objections, if any, without delay.

(2) If the bank receives no written objections within a period of six weeks the statements and services of the bank stated shall be deemed approved. The bank shall in each case inform the customer about the significance of his/her behaviour at the beginning of the period. It shall be sufficient if such information is provided on the statement of account.

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

**Section 17** The customer shall notify the bank immediately if s/he does not receive regular communications from the bank (such as closing statements or statements of securities) or other communications or mail 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.

#### 7. **Notification in absence of communication**

**Section 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

### 1. **Place of performance**

**Section 19** The place of performance for both parties shall be Vienna, Inner City.

### 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** Legal actions of an entrepreneur against the bank may only be taken in the court having subject-matter jurisdiction for commercial matters in Vienna, Inner City. 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.

## G. Termination of the business relation

### 1. **Termination by the bank**

#### a) Ordinary termination

**Section 22** Unless the agreement has been concluded for a definite period of time the bank and the customer shall be entitled to terminate the entire business relation or individual parts thereof at any time by observing an appropriate period of notice.

#### b) 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 to the contrary.

(2) Important reasons which entitles the bank to terminate are, in particular, if

- the financial situation of the customer or of a co-debtor deteriorates or is put at risk and the fulfilment of obligations vis-à-vis the bank is jeopardised as a result thereof,
- the customer furnishes incorrect information about his/her financial situation or other essential facts and circumstances,
- the customer fails or is unable to fulfil the obligation to provide or increase collateral.

### 2. **Legal consequences**

**Section 24** (1) Upon termination of the entire business relation or individual parts thereof the amounts owed

there under will immediately 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) These GTC shall continue to apply even after termination of the business relation until complete settlement.

## II. Bank information

**Section 25** General information about the financial situation of an enterprise which 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.

**Section 26** Cancelled

**Section 27** Cancelled

## III. Opening and keeping of accounts and securities accounts

### A. Scope of application

**Section 28** Unless otherwise provided the following regulations regarding accounts shall also apply to securities accounts.

### B. Opening of accounts

**Section 29** When opening an account the future account holder 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 30** Persons who are to be authorised to operate or sign on an 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 relationship.

## D. Authority to operate and sign

### 1. Authority to operate

**Section 31** 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. In respect to a durable power of attorney, a power of representation that generally includes representation for account of the customer is sufficient.

### 2. Authority to sign

**Section 32** (1) The account holder may expressly and in writing grant third parties authority to sign on an account. The person authorised to sign shall be entitled only to make and revoke dispositions within the drawing limit of 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 objective of the securities account holder ascertained pursuant to the Austrian Securities Supervision Act.

## E. Special types of accounts

### 1. Sub-account

**Section 33** 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 34** 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 35** (1) An account may also be opened for several account holders (joint account). Dispositions regarding 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 expressly agreed otherwise every joint account holder shall have individual power to make dispositions

within the drawing limit of the account. Such authority also includes the power to buy and sell securities within the scope of the coverage available and the joint investment objective of all security deposit holders ascertained in accordance with the Austrian Securities Supervision Act. The authority will, however, be terminated by 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 36** Cancelled

#### 4. Foreign currency account

**Section 37** (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 any and all financial and legal consequences and damage 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 pro rata up to their respective credit balances.

## F. Balancing of accounts and statements of securities

**Section 38** (1) Unless otherwise agreed the bank shall balance the account on a quarterly basis. Interest accrued in and charges due for the respective quarter shall be included in the closing balance, which shall subsequently continue to carry interest ("compound interest"). Statements of securities shall be prepared once a year.

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

## IV. GIRO TRANSACTIONS

### A. Transfer instructions

**Section 39** (1) Transfer instructions shall state the receiving bank, the account number and the complete name of the beneficiary's account.

(2) The designated purpose stated in the transfer instruction shall be irrelevant to the bank.

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

(4) The bank shall only be obliged to carry out a transfer instruction if sufficient funds to cover the total amount are available in the customer's account stated therein (credit balance, credit line granted).

### B. Credit entries and right to cancel

**Section 40** (1) In case of a valid existing account maintenance 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 account maintenance agreement the bank shall be entitled to accept amounts of money on behalf of the customer to the extent obligations of the customer exist in connection with the account. The instruction to provide a customer with an amount of money shall be carried out by the bank by crediting the amount to the account of the beneficiary unless otherwise indicated in the instruction.

(2) 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 only cancel the credit entry if the ineffectiveness of the transfer instruction is clearly proven to it. The right to cancel shall not be eliminated by a balancing of the account which took place in the meantime. If the right to cancel exists the bank may deny disposal of the amounts credited.

## C. Credit entry subject to collection

**Section 41** (1) If the bank credits amounts which 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.) to the customer's account before the amount to be collected is received by the bank, the credit entry is only made subject to actual receipt of the credited amount by the bank. This shall also apply if the amount to be collected should be payable at 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 has failed or if due to the economic 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 of the amount to be collected.

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

(4) If 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 42** (1) In the event of transfer instructions, debit entries shall only be considered a confirmation that the instruction has been carried out if the debit entry was not reversed within two banking days (Saturdays, Good Friday and 24 December are not considered banking days).

(2) Cheques and other payment instructions as well as debit entries are deemed collected/cashed/honored 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.

## V. Consideration for services and reimbursement of expenses

### A. Consideration

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

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

(2) This shall also apply to expedient services rendered by the bank without instruction but in the case of emergency or to the benefit of the customer or in connection with the settlement of the estate of a deceased customer.

#### 2. Amount of consideration

**Section 44** The bank shall be entitled to adequate consideration for its services, the amount of which will be determined by the bank and shown in the form of a display containing the prices of certain typical services.

#### 3. Change of consideration for permanent services

**Section 45** The bank shall be entitled vis-à-vis entrepreneurs to amend the consideration for permanent services (interest, account keeping fee, etc.) by taking into account all relevant circumstances (in particular, changes in the legal framework conditions, changes in the money market or capital market, changes in the refinancing cost, changes in staff and operating expenses, changes in the Consumer Price Index, etc.) at its reasonable discretion.

### B. Reimbursement of expenses

**Section 46** (1) The customer shall bear all necessary and useful expenses, disbursements and costs, 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 utilisation or release of collateral incurred in connection with the business relation between him/her and the bank. If the bank is unable to carry out a payment order by the customer due to lack of coverage or if it has to take action vis-à-vis the customer due to enforcement measures of third parties, it shall be entitled to collect an appropriate lump-sum expense allowance pursuant to the price displays.

(2) The bank shall be entitled to charge such expenses as a lump-sum amount without specifying the individual amounts unless the customer expressly demands itemisation of the individual amounts.

## VI. Collateral

### A. Provision and increasing of collateral

#### 1. Right to collateral

**Section 47** The bank shall be entitled to demand from the customer the provision of appropriate collateral for all claims under the business relationship with him/her within an appropriate period of time, even if the claims are conditional, limited as to time or not yet due.

#### 2. Change in the risk

**Section 48** (1) If circumstances occur or become known subsequently which justify an increased risk assessment of the 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. This shall, in particular, be the case if the economic situation of the customer 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 demanded at the time the claims came into existence.

### B. Bank's lien

#### 1. Scope and coming into existence

**Section 49** (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 50** (1) The lien shall secure the bank's claims vis-à-vis the customer under the business relation 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 paragraph 1 exist; otherwise at any future point in time when such claims arise.

#### 2. Exemptions from the lien

**Section 51** (1) The lien shall not include items and rights which have been assigned by the customer to the execution of 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 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

**Section 52** 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 53** Collateral having a market price or stock exchange price shall be realised by the bank in compliance with the relevant statutory provisions by selling them at such price in the open market.

**Section 54** The bank shall have assessed by an expert, collateral having no market price or stock exchange price. 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 not less than 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. Enforcement and out-of-court auction

**Section 55** The bank shall also be entitled to realize the collateral by enforcement or - to the extent it has no market price or stock exchange price - to sell it at an out-of-court auction.

### 3. Collection

**Section 56** (1) The bank shall be entitled to terminate and collect the claims provided to it as collateral (including securities) at the time the secured claim becomes due. Prior thereto it shall be entitled to collect the claim serving as collateral when it becomes due. In case of an imminent 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. 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.

### 4. Admissibility of realisation

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

payments to claims due 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.

## E. Right of retention

**Section 58** 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 50 and 51 shall apply accordingly.

## VII. Offsetting and crediting

### A. Offsetting

#### 1. By the bank

**Section 59** (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 60** The customer shall only be entitled to offset his/her liabilities 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. Credit

**Section 61** Notwithstanding the provisions of Section 1416 ABGB [Austrian General Civil Code] the bank may initially credit

# Special types of business transactions

## I. Trade in securities and other assets

### A. Scope of application

**Section 62** The terms and conditions under Sections 63 to 67 shall apply to securities and other assets even if they are not certificated.

### B. Carrying out of instructions

**Section 63** (1) In principle, the bank carries out customer instructions for the purchase and sale of securities as commission agent. The customer consents to the execution policy of the bank on the basis of which the bank will execute customer orders, unless otherwise instructed. The bank will inform the customer on material changes of its execution policy.

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

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

### C. Place of carrying out the instruction

**Section 64** The statutory provisions and practices applicable at that place of fulfillment shall be relevant.

### D. Date of carrying out instructions

**Section 65** If the order for an effectuation on the same day is not received so early that its execution is possible in the course of the orderly business on the same day, it will be postponed to the following Exchange business day.

### E. Insufficient coverage

**Section 66** (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. Transactions abroad

**Section 67** If a customer is credited for securities held abroad the customer's claim vis-à-vis the bank equals the share in the overall portfolio held abroad which is held in compliance with the relevant statutory provisions and market practices.

### G. Transactions in stocks

**Section 68** 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 shareholder rights prior to the issuance of the securities.

## II. Safekeeping of securities and other valuables

### A. Safekeeping of securities

**Section 69** (1) The bank shall be entitled to place securities deposited with it in the safekeeping deposit of the beneficiary.

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

## B. Redemption of securities, renewal of coupons, drawing, calling

**Section 70** (1) The bank shall ensure detachment of due interest coupons, profit participation coupons and dividend coupons and collect their countervalue. The bank shall procure new interest coupons, dividend coupons and profit participation coupons without specific instruction.

(2) Drawings, callings 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 called securities as well as interest coupons, dividend coupons and profit participation coupons.

(3) In case of securities deposited with a third-party depository the same shall assume the obligations described in paragraph 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

**Section 71** 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 conversion or other measures

**Section 72** 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 currencies and foreign banknotes

### A. Procedure

**Section 73** The bank shall conclude a purchase agreement with the customer on foreign currency and foreign banknotes. 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 74** (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/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 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 paragraph 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 75** 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

- the credit risk increases due to the price development of the foreign currency and 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.

