

# General terms and conditions



Norddeutsche Landesbank Girozentrale



Ein Unternehmen der NORD/LB

## Basis of the business relationship between the customer and the bank

Version September 2021

**Note:** The general terms and conditions and special terms and conditions as referred to in clause 1 (2) of the general terms and conditions of NORD/LB shall govern the business relationship between the customer and NORD/LB including Braunschweigische Landessparkasse (BLSK), an institution incorporated under public law with partial legal capacity. Pursuant to § 13 of the NORD/LB State Treaty, rights and obligations entered into in the name of BLSK shall constitute rights and obligations of NORD/LB. Declarations delivered or received by BLSK shall be effective for and against NORD/LB. NORD/LB including their legally authorized institution BLSK is referred to in the following terms as the "bank".

## Table of Contents with reference to the Information on the Arbitration Service

### General

- No. 1 Basis of the business relationship
- No. 2 Amendments
- No. 3 Banking information
- No. 4 Powers of representation and disposition
- No. 5 Documents proving identity or title
- No. 6 Choice of law, jurisdiction, place of performance

### Current accounts and other transactions

- No. 7 Current account, statement of account
- No. 8 Rectification of incorrect credit entries
- No. 9 Credit and payment of items for collection
- No. 10 Confirmation of instruction prior to execution
- No. 11 Offsetting by the customer
- No. 12 Accounts in foreign currency
- No. 13 Discharge from performance of transactions in foreign currency
- No. 14 Receipt of monies in foreign currency
- No. 15 Exchange rate
- No. 16 Deposit-taking

### Charges and disbursements

- No. 17 Interest and charges
- No. 18 Compensation of disbursements

### Duties and liability of the bank and the customer

- No. 19 Liability of the bank
- No. 20 The customer's duties of co-operation and care

### Lien under the general terms and conditions, further security, release of security

- No. 21 Lien, assignment by way of security
- No. 22 Further security and release of security

### Items for collection

- No. 23 Collection in the collecting business
- No. 24 Period allowed for presentation, urgent action
- No. 25 Security interest in the collecting business

### Termination of the business relationship

- No. 26 Right of termination
- No. 27 Continuing validity of the general terms and conditions
- No. 28 Deposit protection by means of a recognized deposit protection scheme

## General

### No. 1 Basis of the business relationship

#### (1) Business relationship based on mutual trust

The business relationship between the customer and the bank is determined by the specific features of the banking business and a special relationship of mutual trust. The customer may rely upon the bank to carry out his instructions with the diligence of a prudent businessman and to maintain banking secrecy.

#### (2) General and special terms and conditions

The general terms and conditions apply to the business relationship in addition to any supplements and agreements made by individual contract. Supplemental and deferring special conditions apply in addition or instead of the general terms and conditions to particular business sectors, e.g. transfer of funds, savings business and securities transactions. These terms and conditions are agreed with the customer at the time of concluding the agreement (e.g. when opening an account) or when orders are issued.

### No. 2 Amendments

#### (1) Amendment offer

Amendments to these General Terms and Conditions and the Special Terms and Conditions shall be offered to the customer in text form no later than two months prior to their proposed effective date. If the customer has agreed on an electronic communication channel with the bank within the scope of the business relationship (e.g. the electronic mailbox), the amendments may also be offered by this means.

#### (2) Acceptance by the customer

The amendments offered by the bank shall only become effective if the customer accepts them, if applicable by way of fictitious consent as set out below.

#### (3) Acceptance by the customer by way of fictitious consent

The customer's silence shall be deemed to constitute acceptance of the amendment offer (fictitious consent) only, if

- a) the amendment offer by the bank is made in order to restore the conformity of the contractual provisions with a changed legal situation, because a provision of the General Terms and Conditions or the Special Terms and Conditions
  - no longer corresponds to the legal situation due to a change in laws, including directly applicable legal provisions of the European Union, or
  - becomes ineffective or may no longer be used due to a final court decision, also if issued by a court of first instance, or

- can no longer be reconciled with the bank's regulatory obligations due to a binding ruling by a national or international authority responsible for the bank (e.g. the German Federal Financial Supervisory Authority or the European Central Bank)

and

b) the customer has not rejected the bank's amendment offer prior to the proposed effective date of the amendments. The bank shall inform the customer of the consequences of his silence in the amendment offer.

#### (4) Exclusion of the fictitious consent

The fictitious consent shall not apply

- in the case of amendments to clauses 2 and 17 (6) of the General Terms and Conditions and the corresponding provisions in the Special Terms and Conditions, or
  - in the case of amendments affecting the principal obligations under the contract and the charges for principal services, or
  - in the case of amendments to charges which are aimed at a payment by the consumer in excess of the agreed charge for the main service, or
  - in the case of changes that are equivalent to the conclusion of a new contract, or
  - in the case of changes that would significantly shift the previously agreed relationship between performance and consideration in favor of the bank.
- In such cases, the bank shall obtain the customer's consent to the changes in another manner.

#### (5) Customer's Right of Termination in the Case of Fictitious Consent

If the bank makes use of the fictitious consent, the customer may terminate the contract affected by the amendment prior to the proposed date of entry into force of the amendments without notice and free of charge. The bank shall specifically draw the customer's attention to this right of termination in its amendment offer.

### No. 3 Banking information

#### (1) Content of banking information

Banking information means general statements and comments concerning the financial situation of customers, their creditworthiness and solvency. Information as to the amounts of balances held in accounts, of saving deposits, of assets kept in safe custody or of other assets entrusted to the bank or of any credit utilised will not be disclosed.

**(2) Requirements for disclosure of banking information**

The bank may provide banking information on legal entities and merchants recorded in the Commercial Register provided that the enquiry relates to their business activities, unless an instruction to the contrary has been received from the customer.

In any other case the bank may only provide banking information if the customer has, in general or in the particular case, expressly agreed thereto.

Banking information is only provided to the bank's own customers and to other banks for their own purposes and those of their customers; such information is only provided if the person requesting it substantiates a credible legitimate interest in the information requested.

**(3) Written confirmation**

If banking information on creditworthiness and solvency is given verbally, the bank reserves the right to promptly send a written confirmation, the contents of which shall prevail from that moment on.

**No. 4 Powers of representation and disposition**

**(1) Notification**

Any powers of representation or disposition notified to the bank shall be deemed valid until receipt by the bank of a notice of their revocation or amendment, unless these circumstances are known to the bank or are not known to it due to its own negligence. This also applies if such powers are recorded in a public register and an amendment has been published.

**(2) Defect in the legal capacity of the representative**

The customer shall bear any loss resulting from any defect occurring in the legal capacity of the customer's representative which without the fault of the bank did not come to its knowledge.

**No. 5 Documents proving identity or title**

**(1) Documents proving inheritance**

Upon the death of the customer any person who claims to be the legal successor of the customer is obliged to prove its legal entitlement as a heir to the bank.

**(2) Authority of the bank to make payment or delivery**

If a copy or a certified copy of the testamentary disposition (testament, testamentary contract) together with the record of the corresponding hearing opening probate will be presented to the Bank, the bank is allowed those who is designated therein as a heir or an executor in documents to regards as a person entitled and to allow such person to dispose of any assets and to make payment or delivery to him, by way of discharge in full. This shall not apply if the bank is aware of the inaccuracy or invalidity of such documents or if the bank has not become aware of this as a result of its negligence.

**(3) Other foreign documents**

If foreign documents are submitted to the bank as proof of identity of a person or proof of any entitlement, it shall check whether such documents are suitable as proof. It shall, however, only be liable for their suitability, validity and completeness and for their correct translation and interpretation in the event of negligence or if the document as a whole has been falsified. To the above extent, the bank may regard the persons designated as entitled as being actually entitled and, in particular, permit them to dispose of any assets and may make payment or delivery to them, by way of discharge in full.

**No. 6 Choice of law, jurisdiction, place of performance**

**(1) German law**

German law shall be applicable to the business relationship, unless it is in conflict with compulsory statutory provisions.

**(2) Place of performance**

The place of performance for the bank and the customer shall be the locality of the registered office of the bank.

**(3) Jurisdiction**

If the customer is a person carrying on a trade or business or a public authority or a state-funded corporation, the bank may sue in its place of general jurisdiction and may only be sued in that jurisdiction.

**Current accounts and other transactions**

**No. 7 Current account, statement of account**

**(1) Current account**

The bank maintains an account for processing regular business and payment transactions as a current account within the meaning of Article 355 of the German Commercial Code.

**(2) Statement of account**

Unless otherwise agreed, the bank shall issue statements of account at the end of the calendar quarter. If a legitimate interest of one of the parties exists, statements of account will be issued on other dates as well.

**(3) Objections to statement of account**

Any objections to statements of account must be made to the bank. Notwithstanding the obligation to raise objections to statements of account immediately (clause 20 paragraph 1, letter (g)), such statements shall be deemed approved if objections thereto are not raised within six weeks after receipt of the statement of account. Despatch of the objection within this period is sufficient to comply with the time limit. The bank will draw the customer's attention to these consequences at the commencement of the time period. If any inaccuracy is subsequently discovered, both the customer and the bank may demand rectification based on statutory claims.

**No. 8 Rectification of incorrect credit entries**

**(1) Reversal of entries prior to statement of account issuance**

Where credit entries are made without any binding authority having been given (e.g. due to a mistake, clerical error), the bank may reverse them by simple entry (reversal entry) until the next statement of account, provided that the bank has a claim for repayment against the customer.

**(2) Rectifying entry after issue of statement of account**

The bank may be means of a rectifying entry claim repayment under paragraph 1 even after having issued a statement of account if it has failed to ascertain the incorrect credit entry prior to such time. If the customer objects, the bank will reverse the rectifying entry and reclaim by other means.

**(3) Identification**

Reversal and rectifying entries shall be identified as such in the statement of account.

**No. 9 Credit and payment of items for collection**

**(1) Credit entries subject to collection**

If the bank credits the countervalue of cheques, direct debits or other bills for collection prior to their payment, this is done subject to collection and receipt of their countervalue (credit "subject to collection"). This also applies if the cheque, direct debit or other bill for collection are payable at the bank itself. If the cheque or direct debit is not paid or if the bank does not obtain its countervalue, the bank will reverse the credit entry in accordance with clause 23, paragraph 2 of these general terms and conditions, even after any statement of account which may have been issued in the meantime.

**(2) Payment**

Cheques and other items for collection shall only be effectively paid if the debit entry has not been reversed by the end of the second bank working day<sup>1</sup> after it was made. Such items shall also be effectively paid if the bank has previously expressly stated to third parties that it wishes to pay the items (e.g. by sending a payment advice). The rules on payments in the special conditions agreed therefor apply to direct debits stemming from other schemes. Cheques collected through a Deutsche Bundesbank clearing agency are effectively paid if they can no longer be returned in accordance with its general terms and conditions. Uncrossed cheques are effectively paid once payment has been made to the presenter.

**No. 10 Confirmation of order prior to execution**

In the case of orders given by telephone or by other mechanical means and also in the case of unsigned orders the bank reserves the right to require immediate confirmation prior to carrying out the order.

**No. 11 Offsetting by the customer**

If the customer is not a consumer, he may only offset against claims of the bank if his claims are undisputed or have been established as final and absolute. Sentence 1 shall not apply if the prerequisites of § 513 BGB (German Civil Code) (business start-ups) are met. Statutory set-off prohibitions remain unaffected.

**No. 12 Accounts in foreign currency**

The exclusive purpose of a foreign currency account is to effect the settlement of non-cash payments to the customer or withdrawal orders by the customer in a foreign currency.

**No. 13 Discharge from performance of transactions in foreign currencies**

The obligation of the bank to execute a disposal to the debit of a deposit in a foreign currency or to satisfy a liability in a foreign currency is suspended until and to the extent the bank is not able or has only limited ability to effect such a disposal in the currency in which the deposit or the liability is denominated, due to political measures or incidents in the country of such currency. Until and to the extent such measures or incidents persist, the bank shall also not be obligated to effect the disposal at a place outside the country of such currency or in a different currency (also not in euro) or by purchasing cash. The obligation to effect a disposal to the debit of a deposit in a foreign currency shall not be suspended if it can be carried out by the bank entirely within its own organisation. Notwithstanding any of the foregoing provisions the customer and the bank shall retain the right to set off matured reciprocal claims in the same currency.

**No. 14 Receipt of monies in foreign currency**

Sums of money in a foreign currency may in the absence of express instructions to the contrary from the customer, be credited by the bank in euro if the bank does not maintain an account for the customer in the relevant foreign currency.

**No. 15 Exchange rate**

The exchange rate for transactions in a foreign currency shall be determined in accordance with the List of Prices and Services (Preis- und Leistungsverzeichnis). Payment services shall in addition be subject to the payment service framework agreement.

**No. 16 Deposit-taking**

In the absence of any agreement to the contrary, deposits are due without notice of termination (demand deposits). The respectively current interest rate for demand deposits will be published by means of a displayed notice. For the purpose of calculating interest each month shall be deemed to have 30 days.

**Charges and disbursements**

**No. 17 Interest and charges**

**(1) Interest and charges in business with consumers**

The levels of interest and charges applicable to the standard loans and services featured in business with consumers are displayed on the Notice of Charges (Preisaushang) and in addition on the List of Prices and Services (Preis- und Leistungsverzeichnis). When a consumer applies for a loan or service detailed therein and for which no deviating agreement has been made, the interest and charges stated at this point in the Notice of Charges (Preisaushang) or List of Prices and Services (Preis- und Leistungsverzeichnis) shall apply.

**(2) Interest and charges in other business**

In other business not with consumers the interest and charges applying to loans and services shall be determined according to the agreement made, and in addition according to the List of Prices and Services (Preis- und Leistungsverzeichnis) in the version as amended and in force at the time the loans or services are used.

**(3) Charges for other services rendered**

For services that are not part of an agreement or displayed on the Notice of Charges (Preisaushang) or List of Prices and Services (Preis- und Leistungsverzeichnis) and are rendered on behalf of the customer or are assumed to be in the customer's interests and which, judging by the circumstances, are only to be expected in return for payment, the bank may impose a reasonable charge in accordance with the statutory provisions.

**(4) Non-chargeable activities**

The bank shall not charge for activities for whose performance it is responsible by law or due to an ancillary contractual duty or which it performs in its own interests unless charging for such activities is legally permissible and is performed in accordance with statutory provisions.

**(5) Changes in the level of interest, termination rights of the customer**

In the case of variable-interest loans the rate of interest shall be changed based on the credit agreement concluded with the customer. The bank shall notify the customer of changes in the rate of interest. In the event of a rate increase the customer may, unless agreed otherwise, terminate the relevant credit agreement with immediate effect within six weeks of being notified of the change. If the customer terminates the agreement, the increased rate of interest shall not be used as basis for the cancelled credit agreement. The customer shall not be deemed to have terminated the agreement if he does not repay the amount owed within two weeks of the termination coming into effect.

**(6) Changes in charges for services typically used on a permanent basis**

Changes to charges for banking services that are typically used by customers on a permanent basis within the scope of the business relationship (e.g. account and securities account management) shall be offered to the customer in text form no later than two months prior to the proposed date on which they are to take effect. If the customer has agreed on an electronic communication channel with the bank within the scope of the business relationship (e.g. the electronic mailbox), the changes may also be offered by this means. The changes offered by the bank shall only become effective if the customer accepts them. The bank may only reach an explicit agreement on the amendment of a payment to be made by a consumer in addition to the remuneration agreed for the principle service.

**(7) Special features in the case of consumer loan agreements**

In the case of consumer loan agreements the interest and charges are governed by the relevant contractual agreements and in addition by the statutory provisions.

**(8) Special arrangements for payment service agreements with consumers**

In the case of payment service agreements with consumers the charges shall be governed by the relevant contractual agreements and special conditions. Where no provisions apply, paragraphs 1 and 4 as well as – for amending all charges in the case of payment service agreements (e.g. giro agreement) – paragraph 6 shall apply.

**No. 18 Compensation of disbursements**

The compensation of the bank's disbursements goes by statutory regulations.

**Duties and liability of the bank and the customer**

**No. 19 Liability of the bank**

**(1) Liability for own fault**

The bank shall be liable for any fault of its own and of those persons whose services it uses to perform its obligations towards the customer, save as otherwise provided for in the following paragraphs, special conditions or individual agreements. If the bank is liable and if the damage has not been caused by the bank alone, whether through its fault or not, liability for damages shall be determined by the principles of contributory fault, § 254 of the German Civil Code (Bürgerliches Gesetzbuch).

**(2) Liability for third parties**

The bank may, in the absence of instructions to the contrary, pass on instructions in whole or in part to third parties for them to effect independently, where this appears necessary, taking into account the nature of the instruction and the interests of the bank and the customer. In such cases, the obligations and liabilities of the bank shall be limited to the transmission of the order, including care in selecting and instructing the third party.

**(3) Liability in case of force majeure**

The bank shall not be liable for any losses caused by disturbance of its operations (e.g. bomb threat, bank raid), in particular as a consequence of force majeure (e.g. war and natural events) as well as in consequence of other events for which the bank is not responsible (e.g. strike, lock-out, disruption of communications), or which may occur through the exercise of supreme executive power in Germany or abroad.

**No. 20 The customer's duties of co-operation and care**

**(1) Principles**

The bank will carry out the customer's orders in a businesslike manner. The customer has special duties of co-operation and other duties of care, in particular the following duties:

a) Notification of important information and changes

The customer must notify the bank immediately of all facts which are material to the business relationship, especially any changes in the name, address, civil status, capacity to dispose of property or to incur liabilities of the customer (e.g. marriage or similar engagement, change in matrimonial property status) or the persons authorised to sign on behalf of the customer (e.g. subsequent legal incapacity of a representative or attorney) as well as changes in the beneficial owner or the powers of representation or disposition notified to the bank (e.g. powers of attorney and commercial representation). This duty to notify shall also apply if such facts are recorded in a public register and if they are published. The names of the persons authorised to act on behalf of the customer, together with a specimen of the personal signature of such persons, shall be notified to the bank on the forms provided by it. In addition further statutory duties of notification, particularly those arising through the Money Laundering Act (Geldwäschegesetz), may result.

b) Unambiguous information in orders and instructions

Orders and instructions of every kind must unequivocally permit identification of the substance of the transaction. Amendments and confirmations must be designated as such. When giving payment orders, the customer must, in particular, ensure that the account number and bank sort code or IBAN<sup>2</sup> and BIC<sup>3</sup> are stated correctly, completely, unequivocally and legibly.

c) Care in transmission of particular orders

If orders or instructions are transmitted by telephone or other mechanical means, the customer must take care that no errors in transmission, misunderstandings, improper usage or mistakes occur.

d) Cancelled

e) Express notification of any special instructions

The customer shall transmit any special instructions relating to the execution of orders to the bank separately; for orders given on a printed form, this must be done separately from the form. This applies, in particular, if payments are to be applied against certain amounts due to the bank.

f) Notification of time limits and dates on which transactions are to be effected

In the same way as under e) above, the customer must expressly notify the bank if instructions are to be carried out within certain time limits or on certain dates or if there is risk of extraordinary loss if instructions are not carried out properly, especially if not carried out within the time limit. Attention is drawn to the special duty to notify in the case of short presentation periods for checks under clause 24.

g) Complaints to be made immediately

Objections to statements of account, direct debits, summaries of accounts, lists of securities or other communications rendered by the bank and also any objections as to the proper delivery of securities or other valuables by the bank must be raised immediately. If statements of account or lists of securities held on deposit are not received by the customer, the customer must notify the bank immediately. This duty to notify also applies to non-receipt of other advices, receipt of which must, or ought to have been, expected by the customer.

h) Checking of confirmations of the bank  
Where confirmations of the bank are at variance from orders or instructions given by the customer, the customer must object immediately.

**(2) Liability arising from neglect of duty**

Any loss arising from culpable neglect of the customer's duty to co-operate and other duties to exercise due care shall be borne by the customer. If the bank has contributed to the occurrence of the loss through its culpable conduct, liability for damages shall be determined by the principles of contributory fault, § 254 of the German Civil Code (Bürgerliches Gesetzbuch).

**Lien under the general terms and conditions, further security, release of security**

**No. 21 Lien, assignment by way of security**

**(1) Extent**

The customer hereby grants the bank a lien on valuables of any kind which, in the course of banking business, may come into the possession or power of disposition of the bank through acts of the customer or of third parties for account of the customer. Such valuables includes all things and rights of any kind (by way of example: goods, foreign exchange, securities including interest, loan stock and dividend coupons, shares in a collective deposit, subscription rights, cheques, bills of exchange, bills of lading, warehouse warrants, inland bills of lading). The lien also covers claims of the customer against the bank (e.g. from credit balances). Claims of the customer against third party shall be deemed to be assigned to the bank if documents representing the claims, in the course of banking business, come within the power of disposition of the bank.

**(2) Exclusions**

If monies or other valuables come into the power of disposition of the bank expressly designated for a particular purpose (e.g. cash deposit for payment of a cheque, bill of exchange or the execution of a certain credit transfer), then the lien of the bank shall not extend to these valuables. Securities held in safe custody abroad are not, unless otherwise agreed, subject to the lien. The same applies to participation rights/certificates issued by the bank itself and to claims of the customer arising from subordinated capital stock (e.g. subordinated bearer bonds).

**(3) Secured claims**

The lien shall secure all existing and future claims, whether contingent or time-limited, and all statutory claims, of the bank against the customer which it may acquire in connection with the business relationship. Claims against customers under guarantees issued by them in favour of third parties shall only be secured from their maturity on.

**(4) Claim to the lien**

The bank may only retain the valuables which are subject to the lien under the general terms and conditions if it has a legitimate interest in obtaining security. Such interest exists, in particular, under the conditions on the right to demand further security under clause 22.

**(5) Enforcement of security**

The bank shall be entitled to realise the valuables if the customer, notwithstanding demand with a reasonable grace period and warning of enforcement in accordance with § 1234 paragraph 1 of the German Civil Code (Bürgerliches Gesetzbuch), fails to meet his liabilities when they fall due. Where there are several security items the bank has the right to choose between them. When selecting and realising security items, the bank will, as far as possible, take account of the legitimate interests of the customer. The bank shall be entitled to appropriate any proceeds of realisation which are insufficient to satisfy all its claims as it may in its reasonable discretion think fit. The bank shall draw up the credit advices for proceeds of realisation in favour of the customer in such a manner that they may be regarded as invoices within the meaning of the Turnover Tax Law.

**No. 22 Further security and release of security**

**(1) Right to demand further security**

The bank may demand that the customer provides or increases security for his liabilities under borrowings if the risk situation undergoes a change due to circumstances occurring or becoming known subsequently, e.g. due to a deterioration or threatened deterioration in the financial position of the customer, any person jointly liable or any guarantor or in the value of the existing security. In the case of consumer loan agreements there is a claim to the provision of security or its increase only if the securities are specified within the loan agreement. Notwithstanding the above the bank is entitled to claim additional securities if the net loan amount exceeds 75,000 Euro and the consumer loan agreement was concluded before 21 March 2016 or the General-consumer loan contract within the meaning of § 491 para 2 BGB was concluded on or after March 21, 2016 and does not contain any security provisions.

**(2) Duty to release security**

The bank is obliged, upon request, to release such security items as the bank may choose to the extent that the realisable value of all the security items not only temporarily exceeds the total amount of all claims of the bank by more than 10%. The covering limit of 10%, as stated in the immediately preceding sentence, will be increased by the then current value added tax rate, to the extent that such value added tax is imposed on the bank, in case of realisation of the security items. When selecting the security items to be released, the bank will, as far as possible, take account of the legitimate interests of the customer.

**Items for collection**

**No. 23 Collection in the collecting business**

**(1) Collection agreement**

Cheques, bills of exchange, direct debits or other items for collection are taken by the bank for collection (encashment) only, unless otherwise agreed.

**(2) Redebit**

If the bank has credited the amount of the items for collection prior to receipt of that amount, it may redebit the amount in case of non-payment of the items, even if a statement of account has been issued in the meantime. The same applies if

- the counter value is not received by the bank or
- the free availability of the counter value is restricted by law or by measures of government authorities or
- due to insurmountable obstacles the items cannot be presented or cannot be presented in time or
- collection is subject to disproportionate difficulties, which were not known at the time the items were taken for collection or
- a moratorium has been declared in the country in which the items are to be paid.

Under the same preconditions, the bank may return items for collection even before their maturity. Redebit is also permissible if the items cannot be returned. If the bank is responsible for this, it shall bear the loss sustained by the customer resulting therefrom.

**No. 24 Period allowed for presentation, urgent action**

If cheques payable at the place of the bank are not deposited by the third business day at the latest, and cheques payable at other banking places by the fourth day prior to expiry of the period allowed for presentation (Article 29 of the Cheques Law [Scheckgesetz]) or, if deposited by mail, they are not received by the bank within such time and before close of business, the customer must by separate advice draw attention to the expiry of the period allowed for presentation and the possible need to take urgent action.

**No. 25 Security interest in the collecting business**

**(1) Transfer of ownership by way of security**

By depositing cheques and bills of exchange for collection, the customer transfers to the bank by way of security ownership of the items in the event that the item for collection is not paid and the bank is entitled to claim against the customer as a result of anticipatory disposals by the customer with regard to the collection, until such claims are satisfied. On acquiring ownership by way of security, the underlying claims also pass to the bank.

**(2) Assignment by way of security**

When other items are deposited for collection (e.g. direct debits, commercial paper), the claims underlying the items pass to the bank under the terms of paragraph 1.

**Termination of the business relationship**

**No. 26 Right of termination**

**(1) Ordinary termination**

The customer and the bank on presentation of an objective reason, may at any time, without observing any period of notice, terminate the business relationship as a whole or in any individual respect, in so far as there is no agreement regarding the duration or the deviating arrangements for termination. If the relationship is terminated by the bank, it will take reasonable account of the legitimate interests of the customer, in particular, by not giving notice at an inopportune time. The notice period for termination of a payment service framework agreement (e.g. a giro agreement or card agreement) by the bank is at least two months.

**(2) Termination for good cause**

Notwithstanding any other agreements, both the customer and the bank may at any time, without observing any period of notice, terminate the business relationship as a whole or any individual respect if there is good cause making it unreasonable to expect the party terminating to continue the business relationship. In so doing, the legitimate interests of the other party to the agreement are to be taken into account. The bank shall have such cause for termination especially if due to circumstances as listed below by way of example, the fulfilment of the payment obligations of the customer or the enforcement of the claims of the bank are jeopardised, even if any security was enforced:

a) if a significant deterioration occurs or threatens to occur in the financial condition of the customer or in the value of any collateral provided as security for a loan, in particular if the customer suspends payments or declares that he intends to suspend payments or if bills of exchange accepted by the customer are protested;

b) if the customer fails within an adequate period of time to comply with his obligation to provide or increase security (clause 22 paragraph 1) following a request by the bank so to do;

c) if the customer has made incorrect statements regarding his financial circumstances;

d) if execution is levied against the customer;

e) if the financial circumstances of a person jointly liable or any unlimited partner have deteriorated significantly or are in considerable jeopardy and also in the case of the death of, or a change in, an unlimited partner.

If the good cause is a breach of a contractual obligation, termination is permitted only after fruitless expiry of a granted cure period or fruitless reminder. This shall not apply if the customer definitely and utterly refuses performance, fails to render performance on a contractually fixed date or within a specified time period, although timely performance has been made a contractual condition by the bank for its continued interest in the performance, or if, considering the interests of both sides, immediate termination is justified by specific circumstances.

**(3) Termination in the case of consumer loan agreements**

Where the German Civil Code (Bürgerliches Gesetzbuch) provides for compulsory special rules for the termination of consumer loan agreements, the bank may only terminate such agreements in accordance with these provisions.

**(4) Legal consequences of termination**

Upon the termination of the business relationship as a whole or any individual respect, the amounts owing on the relevant accounts become due immediately. The customer is in addition obliged to release the bank pro tanto from all liabilities assumed for or on behalf of the customer. The bank is entitled to give notice of termination of liabilities assumed for or on behalf of the customer and, effective as against the customer, to liquidate other liabilities, in particular those in foreign currency and it may immediately re-debit the customer's account for any bills and cheques purchased; claims arising under the laws relating to bills of exchange and cheques against the customer and any other person liable under the respective instrument for payment of the full amount of the bill and cheque together with associated claims shall, however, remain with the bank until full settlement of any debit balance.

**No. 27 Continuing validity of the general terms and conditions**

Even after termination of the business relationship as a whole or in any individual respect, the general terms and conditions shall continue to apply to the winding up thereof to the extent required to wind up the relationship.

**No. 28 Deposit protection by means of a recognized deposit protection scheme**

**(1) Voluntary institution protection**

The bank is a member of the Institutional Protection Scheme of Bankn-Finanzgruppe (German Savings Banks Financial Group) ("protection scheme"). The primary objective of the protection scheme resides in protecting the included institutions themselves and in averting any economic difficulties they may be experiencing or threatened by. Hereby the protection scheme also protects the deposits of customers. The latter largely include savings deposits, savings bonds, fixed-term deposits, sight deposits and bonds.

**(2) Statutory deposit protection**

The protection scheme is officially recognized as a deposit guarantee scheme within the meaning of the German Act on Deposit Protection (GADP) ("Einlagensicherungsgesetz"). In exceptional cases where the protection scheme should not be effective, contrary to section 1, concerned customers have a claim against the protection scheme to reimbursement of their deposits within the meaning of GADP sections 2.3 to 2.5 up to the upper limits defined in GADP section 8. Not eligible for compensation as per GADP section 6 are deposits brought about in connection with money laundering transactions, bearer bonds of the bank, and liabilities from own acceptances and promissory notes, amongst others.

**(3) Information rights**

The bank is authorized to provide the protection scheme or one of its representatives with all the information and documents required in this context.

**(4) Subrogation**

Insofar as the protection scheme or one of its representatives makes payments to a customer, the latter's claims against the bank will be concurrently transferred to the protection scheme to the corresponding amount, including all ancillary rights.

<sup>1</sup> Bank working days are all working days apart from Saturdays and 24 and 31 December.

<sup>2</sup> International Bank Account Number.

<sup>3</sup> Business Identifier Code.

PLEASE NOTE: THE ENGLISH VERSION SERVES INFORMATION PURPOSES ONLY. THE GERMAN VERSION ALONE IS LEGALLY BINDING.

## Information on the Arbitration Service

In the event of disputes with the bank, there is the possibility of contacting the Arbitration Service of the Bundesverband Öffentlicher Banken Deutschlands (VÖB, German Federal Association of Public Sector Banks).

The matter of concern is to be submitted in a text form to the following address:

Verbraucherschlichtungsstelle (Consumer Arbitration Service)  
Bundesverband öffentlicher Banken Deutschlands (VÖB)  
Postfach 11 02 72  
D-10832 Berlin  
email: [ombudsmann@voeb-kbs.de](mailto:ombudsmann@voeb-kbs.de)  
Internet: <http://www.voeb.de/de/verband/ombudsmann>

Details are regulated in the Arbitration Service Rules of Procedure, which are provided upon request.

The

Norddeutsche Landesbank Girozentrale

participates in the dispute resolution procedure with this recognised Consumer Arbitration Service.

The possibility also exists of bringing action before the civil courts.