

Additional Terms and Conditions

of the Oesterreichische Nationalbank (OeNB), when acting as Correspondent Central Bank (CCB) in the framework of the Multilateral Agreement between the European Central Bank and National Central Banks on the Correspondent Central Banking Model Agreement (CCBM Agreement)

The following provisions govern the relations between a National Central Bank of the Eurosystem, different from the OeNB, hereinafter called “Home Central Bank (HCB)” and its counterparties to the extent the latter wish to submit and use as collateral for their monetary policy transactions credit claims governed by Austrian law that qualify as eligible pursuant to Art. 1 below. These provisions supplement the Terms and Conditions under which the HCB operates.

Under an Agreement concluded between the European Central Bank and National Central Banks of the European System of Central Banks (CCBM Agreement and its Annexes), the Oesterreichische Nationalbank (OeNB) is commissioned and empowered to exercise the rights and discharge the duties of the HCB in its capacity as the Correspondent Central Bank (CCB), subject to the following provisions. As CCB, the OeNB acts on behalf and for the account of the HCB. The transactions through which the assets deemed eligible under Art. 1 below are collateralised shall be governed by Austrian law.

The OeNB stands ready to conclude and execute collateral transactions on behalf and for the account of the HCB under the same conditions under which it concludes and executes such transactions on its own behalf and for its own account.

1. Eligible assets

[see Art. 18, 19, 21, 22 and 23 of the Austrian Terms and Conditions for Monetary Policy Instruments and Procedures (hereinafter referred to as “Terms and Conditions”)]

Within the scope of these “Additional Terms and Conditions of the OeNB, when acting as CCB”, credit claims which comply with the eligibility criteria and additional requirements as laid down in Chapter 6.2. and 6.3. of the Annex (General Documentation on Eurosystem monetary policy instruments and procedures) and of Annex 7 of the Guideline of the European Central Bank of 31 August 2006 amending Guideline ECB/2000/7 on monetary policy instruments and procedures of the Eurosystem (ECB/2006/12). However, meeting these requirements does not give a counterparty a legal title to have credit claims that it wishes to submit as collateral included in the list of eligible collateral.

In particular, the following requirements have to be met:

- (1) The debtor must be an entity established in Austria. Its financial soundness and solvency shall be a sine qua non requirement for the eligibility of collateral.
- (2) The credit claim (especially its establishment and realisation) shall be governed by Austrian law and must be enforceable before an Austrian court.
- (3) The credit claim must meet a minimum threshold of at least EUR 500.000.
- (4) The counterparty shall be liable for the legal validity, the enforceability of the credit claims pledged or assigned for security purposes to the HCB and for the information given.
- (5) The OeNB, acting as CCB, may decide not to accept assets submitted as collateral and may at any time request the substitution of collateralised assets if it considers them to be ineligible or no longer eligible.

- (6) The OeNB, acting as CCB, accepts the assignment for security purposes or pledge of collateral only if and when the means and methods of transference are in accordance with the terms which render the assignment for security purposes or pledge of collateral valid and enforceable under Austrian law.
- (7) The right to dispose or mobilise these loans must not be subject to any limitations like banking secrecy.
- (8) The counterparty shall confirm and warrant compliance of credit claims submitted to the OeNB, acting as CCB, with the eligibility criteria applied by the Eurosystem. The counterparty shall confirm and warrant that no credit claim submitted as underlying asset is being simultaneously used as collateral to the benefit of any third party and that the counterparty shall not mobilise any credit claim as collateral to any third party. The counterparty shall immediately, no later than within a day after the event occurs, notify the OeNB of any event which materially affects the actual contractual relationship between the counterparty and the NCB in question. This relates, in particular, to early, partial or total repayments, downgradings, maturity changes and material changes in the conditions of the credit claim.
- (9) In any exchange of information and for any business transaction the Austrian public holiday schedule has to be respected.

2. Handling of credit claims as agreed with the ECB

[see Terms and Conditions, Art. 22]

- (1) The counterparty has to indicate to the CCB via the HCB the ECAF sources/system.
- (2) Counterparties shall provide electronically via the interfaces implemented by the OeNB any instructions for collateral transactions (delivery, adjustment information and removal) in form of status reports, which they must update at least at weekly intervals. The OeNB shall issue an electronic notification confirming the receipt of such status reports.

Instructions for collateral transactions shall enter into force on the second business day following the day on which the instructions were submitted, if they arrive before 1 p.m. local time. If the instructions arrive after 1 p.m. local time, the value date shall be the third business day after the arrival of the instructions.

- (3) The following provisions shall apply to status reports:
- a) the initial listing of credit claims shall be considered as an offer for assignment for security purposes or pledge;
 - b) the repeated listing of credit claims acknowledged previously by the OeNB, acting as CCB, only serves to indicate the balance of outstanding claims and any changes in residual maturity; the repeated listing shall be without prejudice to the acceptance date of the assignment for security purposes or pledge;
 - c) the omission of credit claims reported earlier from a new status report shall be deemed a counterparty's request for reassignment or return of pledged assets, provided the underlying debt has not been repaid meanwhile.
- (4) By means of the status report, the counterparty guarantees that the listed credit claims actually exist. The OeNB shall be entitled to review the procedures the counterparty uses to submit information on the existence of credit claims and to demand that these procedures be adjusted.
- (5) Following the processing (verification) of the status report, the counterparty shall be notified electronically (or, in exceptional cases, in writing) that
- a) any credit claims in respect of which a new application has been made and which appear in the OeNB's notification of receipt have been accepted as assignment for security purposes or pledge;
 - b) any credit claims that have been listed again continue to serve as collateral. Any changes with respect to the balance of outstanding claims or the residual maturity shall be deemed to have been noted;
 - c) any credit claims newly dropped from a status report shall be deemed to have been reassigned or repledged with effect from the subsequent business day after the next business day, provided that collateral coverage continues to be adequate according to Article 15 (1)

of the Terms and Conditions. Any notification/confirmation received by the counterparty from the OeNB acting as CCB is of an indicative nature only. The definite notification/confirmation is given by the respective HCB.

- (6) The counterparty shall be obliged to identify in its books, immediately upon receipt of the OeNB's notification on the acceptance of a credit claim as collateral, every single credit claim it has assigned for security purposes as collateral or pledged, or to arrange for the third-party provider of collateral to record the relevant collateral transactions in its books. The records must clearly indicate which claims have been assigned for security purposes or pledged to the HCB at what time. Moreover, these entries must be taken into account in any analysis of the counterparties' accounts, in particular regarding receivables. The OeNB, acting as CCB, shall have the right to inform debtors as well as counterparties and third-party providers of collateral about assignments for security purposes or pledges effected at any time. Any possible proceeds will be collected by the HCB, since the notification letter sent by the OeNB, acting as CCB, will contain a payment instruction to the debtor in this regard.
- (7) In the status reports, counterparties shall deduct scheduled full or partial repayments which fall due within the next six business days.
- (8) As long as the OeNB, acting as CCB, does not wish to realize or collect the claims assigned for security purposes or pledged itself, the counterparty shall continue to collect the interest and redemption payments as they fall due.
- (9) The OeNB shall have the right to take any measures and conclude any arrangements with the debtor that it considers necessary to collect the claim.
- (10) Changes subject to reporting requirements shall be communicated in the form of a status report.
- (11) The counterparty shall be responsible for informing the OeNB, acting as CCB, upon request at any time about the debtor's financial position and profit position and about its prospective

performance. The OeNB is under no obligation to inform the counterparty about the opening of bankruptcy proceedings against the debtor of debt instruments as signed for security purposes or pledged to the HCB as collateral.

- (12) For valuation purposes, collateral shall no longer be assigned to the stock of collateral from the sixth business day prior to the maturity date, without prejudice to the validity of the assignment for security purposes or pledge.
- (13) The counterparty shall be liable for payment of the fees applicable to the assignment for security purposes or pledging of collateral to the HCB.
- (14) In transferring the credit claims, the counterparty at the same time cedes its title to any credit insurances taken out for the loans collateralised through assignment for security purposes or pledge, in accordance with the applicable insurance regulations.
- (15) Upon realisation, it shall be the prerogative of the HCB to take all measures and conclude all arrangements with the debtor which it considers adequate for the collection of the loans.
- (16) The counterparty is obliged to fully assist the HCB in realising the credit claims collateralised through assignment for security purposes or pledge, to intervene in support of the HCB in case of litigation upon the HCB's request and to supply any evidence that the HCB may need to assert its rights against the debtor.

3. Substitution

[see Terms and Conditions, Art. 28]

The counterparty needs the HCB's permission for the substitution of underlying assets completely or in part on any particular day.

4. Realisation of non-marketable collateral

[see Terms and Conditions, Art. 30]

Upon being notified by the HCB of the counterparty's default and upon HCB's instruction, the OeNB shall undertake to provide assistance to the HCB in realising the collateral.

5. Final provisions

- (1) The HCB shall be liable to the counterparty only for the negligent breach of a main obligation which is of special significance for the execution of the transaction concerned, excluding any consequential damage, though. The HCB shall be liable to the counterparty for the breach of other obligations only in the event of grossnegligence or wilful misconduct.

- (2) These "Additional Terms and Conditions of the OeNB, when acting as CCB" shall enter into force on 1 January 2007. The contents of this document are subject to change without prior notice. Austrian law shall apply to any legal disputes; the place of jurisdiction shall be Austria.