



Middle East Bank, Munich Branch

Conditions for Payment Services

(applicable as of 01 January 2020)

The present translation is provided for the Customer's convenience only. The original German text of the Conditions for Payment Services ("Bedingungen für Zahlungsdienste") is binding in all respects. In the event of any divergence between the English and the German texts, constructions, meanings, or interpretation, the German text, construction, meaning, or interpretation shall govern exclusively.

These Conditions for Payment Services as well as the following terms and conditions shall apply if the Customer calls on the payment services of the Bank. The legal relationship between the Customer and the Bank shall be governed by these Conditions for Payment Services, the product contracts (e.g. account opening), the special conditions for individual payment services, if any, the current List of Prices and Services as well as supplementary the General Business Conditions.

The respective terms and conditions shall apply irrespective of whether the Customer has concluded a payment services framework contract ("Zahlungsdienstervertrag") with the Bank or whether a payment transaction is commissioned by way of an individual payment contract.

The product contracts and the applicable special conditions, if any, define which payment services the Customer may use. If he does not have a payment account, the Customer may nevertheless make use of individual payment services. In these cases an individual payment contract is concluded with the Customer.

Both individual payment orders within the framework of a payment services framework contract and individual payment contracts are subject to the Bank's business policy restrictions notified to the Customer as part of the contract initiation or account opening process. These constitute an obstacle to the performance by the Bank and also restrict the Bank's range of services with regard to the provision of payment services (both outgoing and incoming payment transactions).

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A. Payment services framework contract and individual payment contracts

These provisions apply to all payment services which the Customer makes use of.

I. Fundamental provisions

1. Information about the Customer, the payment and the background of the payment

At the Bank's request, the customer shall provide information – including in writing - about himself and his direct and indirect shareholders as well as about his business in general, the payment transactions, as well as about their background and cause, completely and openly. If the Bank does not receive such information or if the Bank has reasonable doubts as to the accuracy or completeness of the information, the Bank shall be entitled to refuse the execution of the payment transaction(s). The same shall apply in the event that the payment transaction(s) do not correspond to the Bank's current business policy and its restrictions.



2. Information on the execution of payment transactions and at the conclusion of the contract

The Bank shall not be obliged to comply with statutory disclosure and information obligations under Section 312i sub-section 1 nos. 1-3 of the German Civil Code ("Bürgerliches Gesetzbuch" / "BGB"), under Section 675d BGB in conjunction with Article 248 Sections 1 - 6, 8 - 9, 11 - 13, as well as 15 and 16 of the Introductory Act to the German Civil Code ("Einführungsgesetz zum Bürgerlichen Gesetzbuch" / "EGBGB") vis-à-vis Customers who are not private consumers, and if there is no statutory and mandatory obligation to fulfil disclosure and information obligations vis-à-vis other persons than private consumers. This shall not affect the Bank's obligation to comply with its accounting and disclosure obligations in its conduct of services for the Customer.

The information required under Article 248 Section 9 No. 1 EGBGB does not apply, as the Bank has eliminated its information obligation under Article 248 Section 4 EGBGB.

Notwithstanding the provisions in Article 248 Sections 3, 7 and 8 EGBGB, the Bank shall provide the information about the execution of payment transactions and receipt of payments with the account statement. The Bank shall agree with the Customer the form and manner of transmission of account statements to the Customer. If no such agreement is made, the Bank shall send the Customer an account statement at least once a month.

If the Bank provides information at the request of the Customer which the Bank under the above provisions is not obliged to provide, or not in this form or not at this time, the Bank shall be entitled to make a charge for doing so.

3. Charges in the event of termination by the Customer

In the event of termination, charges that have already been paid shall not be proportionally refunded (Section 675h subsection 3 BGB). The Customer shall be obliged to pay the charges agreed up to the time of termination.

4. Right of termination by the Bank

Insofar as the Customer and the Bank have agreed upon special termination provisions or terms and conditions, these shall not be affected by the following provision.

Payment services framework contracts which do not contain any provision for termination (e.g. current account) shall be subject to No. 19 sub-section 1 of the General Business Conditions in the following version:

Upon observing a reasonable period of notice, the Bank may at any time terminate the overall business relationship or particular relations for which neither a term nor a diverging termination provision has been agreed (agreement according to Sections 675e and 675h BGB). In determining the period of notice, the Bank shall take into account the legitimate interests of the Customer.

This shall not affect the right to terminate the contract without notice period for reasonable cause.

5. Access to terms and conditions

These Conditions for Payment Services, any other special conditions applicable to payment services, if any, as well as the applicable List of Prices and Services and the General Business Conditions, can be found on the Bank's website at

<https://www.middleeastbank.de/informationen/>

The wording of the individual provisions can also be inspected at the business premises of the Bank, and on request they will be handed over or sent to the Customer in print or electronic form. The Customer shall also be entitled to demand that the terms and conditions be sent to the Customer at a later date.

The Bank shall be entitled to charge for sending the terms and conditions; the amount of which charge shall be agreed separately. If the Bank provides the Customer with the Bank's terms and conditions in any other form on request, it shall be entitled to charge for doing so; the amount of such a charge shall be agreed separately.

6. Changes in payment service framework contracts and terms and conditions (e.g. General Business Conditions, special conditions)

Notwithstanding Section 675g BGB and the provision in No. 1 sub-section 2 of the General Business Conditions, the following clause shall apply:

The Bank shall notify the Customer in text form of any changes in payment services framework contracts, the General Business Conditions, these Conditions for Payment Services, the special conditions for payment services, if any, and the List of Prices and Services. If the Customer has agreed to electronic communication channel, the changes may also be notified by electronic transmission. They shall be deemed to have been approved if the Customer does not file any objection with the Bank in writing or by the agreed electronic means of communication within six weeks after the notification of the changes. In the case of written objections, dispatch within the six-week period shall suffice.

Upon the offer of such amendments the Bank shall expressly draw the Customer's attention to this implied approval.

7. Value date and availability of funds



7.1 Availability without a payment account

If the Customer does not have a payment account with the Bank, the Bank shall not be obliged, in deviation from Section 675t sub-section 1 sentence 3 BGB, to make available to the Customer an amount received by the Bank immediately upon receipt by the Bank. However, the amount will be paid to the Customer within a short time in the orderly course of business.

7.2 Payments in cash

The Bank does not accept deposits in cash and does not make cash payments - neither in foreign currencies nor in euros.

II. Charges

1. Provisions for charges in the General Business Conditions

The calculation of interest, charges and expenses shall be subject to No.12 sub-sections 2 - 6 of the General Business Conditions, unless they have been agreed separately with the Customer or something else arises from the List of Prices and Services.

Notwithstanding No.12 sub-section 5 of the General Business Conditions, the following shall apply:

Changes in charges for payment services which are typically used by the Customer in the course of the business relationship, on a permanent basis, shall be offered to the Customer in text form no later than six weeks before the proposed date of their entry into force. If the Customer has agreed an electronic communication channel with the Bank as part of the business relationship, the changes may also be offered in this way. The changes shall be deemed to have been approved by the Customer, unless the Customer has indicated disapproval before their proposed date of entry into force, however, not later than six weeks after receipt by the Customer of the notification of the changes. Upon the offer of such changes the Bank shall expressly draw the Customer's attention to this implied approval.

2. Charges for accessory obligations ("Nebenflichten")

The restrictions of Section 675f sub-section 5 sentence 2 BGB shall not apply. The Bank shall be entitled to impose charges on the Customer for the fulfilment of its accessory obligations.

3. Deduction of charges from the amount credited

The Bank shall be entitled to deduct the charges agreed with the Customer for the crediting of incoming payments from the amount received, and only credit the amount that is left after this deduction.

4. Allocation of charges

4.1 Basic principle

In payment transactions within Germany and in other states of the European Economic Area (EEA), the payer and the payee shall each bear the charges levied by their own payment service provider. For these cases, the instruction "SHARE" must be issued in international payment transactions. The payer can also issue the instruction to pay all charges himself. He must then give "OUR" as charge instruction. If the execution of a payment transaction with the payer's charge instruction "OUR" is not permitted in the EEA state in which the payee's payment service provider is located, the Bank will convert the payment instruction to "SHARE". If the payer issues the charge instruction "BEN", according to which the payee is to bear all charges, the Bank will convert the charge instruction to "SHARE". In this case, too, the payer will bear all charges levied by the Bank. The payment amount is then forwarded without deduction to the payment service provider of the payee.

4.2 Special provision for payment orders where the payment service provider of the payee or of the payer is located outside the EEA (third-party states)

The credit institutions involved in the payment transaction are each entitled to deduct their own applicable charges from the payment amount. The payer may issue the following charge instructions:

Instruction	Explanation
OUR	Remitter bears all charges
SHARE	Remitter pays charges of his bank and beneficiary pays the other charges
BEN	Beneficiary bears all charges

5. Foreign currencies, exchange transactions

The Bank does not offer transactions that require conversion into or from a foreign currency ("Foreign Exchange") ("foreign currency transactions"). Payment services are therefore offered and carried out exclusively in euros.



Incoming payments in foreign currency in favour of customer accounts can therefore not be processed and will not be accepted. The Bank is not even being informed of this and therefore cannot inform the Customer if an attempt has been made in vain to transfer a foreign currency amount to an account held with the Bank.

Payment orders in foreign currencies will neither be accepted nor executed.

III. Business day, bank working day, cut-off times and execution periods, SEPA area

1. Business day, bank working day

A Business day is every day on which the payment service providers involved in the execution of a payment transaction are open for business activities required for the execution of payment transactions. The Bank shall maintain the business operations required for the execution of payment transactions on all working days with the following exceptions:

- Saturdays,
- 24 and 31 December,
- all statutory public holidays, even if they fall on a working day,
- working days on which the Bank's account-managing office ("kontoführende Stelle der Bank") is closed due to special local circumstances (e.g. carnival, staff meeting, or other reasons) if the closure has been announced on the outside of the branch's premises in good time beforehand.

Every working day is classified bank working day except Saturdays and 24 and 31 December.

2. Receipt of payment orders; payment transaction services (ZV-Services), cut-off times

Payment orders in paper-based form or - upon conclusion of a liability disclaimer - by e-mail (both "in paper-based form" within the meaning of the German Civil Code (BGB) or also referred to as "paper-based") are received by the Bank upon entry of the orders at the Bank's respective "ZV-Services", which have been notified separately to the Customer. If the time of receipt does not fall on a business day for the Bank, the payment order shall be deemed to have been received on the following business day.

Insofar as these Conditions for Payment Services or any special conditions for individual payment services of the Bank, if any, refer to the Bank's Account Managing Branch this shall be replaced by the "ZV-Services" as the authorised recipient of which the Customer has been notified. If the Customer nevertheless submits orders elsewhere, this may lead to delays. If payment orders in paper-based form or - upon conclusion of a liability disclaimer - by e-mail are received outside usual business hours by the Bank's "ZV-Services" responsible for the Customer, these orders – with regard to the determination of the execution periods - shall be deemed to have been on the following business day.

The cut-off times for payment orders that are agreed with the Customer or indicated in the List of Prices and Services shall remain unchanged. They are designed to ensure that the Bank is able to execute the payment order internally on the same day or, in the case of urgent payments that the Bank is able to pass on the payment to the payee's payment service provider via the Bank's usual banking channels for urgent payments. If payment orders are received by the Bank after these "cut-off times", the Bank shall nevertheless be entitled to carry out these payment orders internally on the same day. This shall not apply if the Customer has specified a later execution date. In this case, the payment order shall only be booked on this date.

3. Execution periods

The Bank shall be obliged to ensure that the amount of the payment order is received by the payee's payment service provider regularly no later than the following business day, but at the latest on the following business day thereafter.

4. SEPA area

The Single Euro Payments Area (SEPA) comprises of the following states and territories:

Member states of the European Economic Area (EEA)	<p>Member states of the European Union: Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France (including French Guayana, Guadeloupe, Martinique, Mayotte, Réunion), Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Sweden, Slovakia, Slovenia, Spain, Sweden, United Kingdom of Great Britain and Northern Ireland</p> <p>More states: Iceland, Liechtenstein, and Norway</p>
Other countries and areas	Åland Islands, Gibraltar, Guernsey, Isle of Man, Jersey, Monaco, Saint Barthélemy, San Marino, St. Martin (French part), Saint-Pierre and Miquelon, and Switzerland



IV. Financial limit

The Customer may only commission payment transactions within the scope of the credit balance in the account or within a credit limit that has previously been granted for the account. Even if the Customer fails to comply with this limit, the Bank shall be entitled to demand reimbursement of the expenditure which arises from the execution of the payment order. If the booking of the amount of a payment transaction and/or of charges cause the credit balance in the account being exceeded or if the booking leads to a debit balance without a credit having been granted, the execution of the payment transactions shall not result in the granting of any credit or to any increase in any credit previously granted. Instead, it shall constitute an unarranged overdraft for which the Bank shall be entitled to demand the higher interest rate for unarranged overdrafts.

V. Burden of proof

Notwithstanding Section 676 BGB, in the event of a dispute about the proper execution of a payment order, the Customer shall bear the burden of proof that the payment transaction was not properly recorded and/or not properly entered into the accounts and/or that there was a fault.

VI. Services provided by third parties and/or changes in technical/organisational matters

1. External services

1.1 Contractually typical involvement of third parties

Third parties are necessarily involved in services regarding payment transactions, such as other banks for the execution of payment orders or the Society for Worldwide Interbank Financial Telecommunication (SWIFT) for the transmission of messages in the course of payment transactions. The rights and obligations associated with the involvement of these persons are based on the respective contractual agreements with the Customer, e.g. from No. 3 sub-section 2 of the General Business Conditions, from Section 675z BGB in conjunction with No. VII of these Conditions for Payment Services.

1.2 Outsourcing

Moreover, the Bank shall also be entitled to involve external service providers in other cases, e.g. for the technical implementation of payment transactions in the Bank itself. The Bank shall carefully select and supervise such company. It shall be liable for the work of the company under Section 278 BGB. The Company shall be bound by the instructions for the handling of payment transactions and shall be subject to instructions given by the Bank and also to supervision of the Bank (internal auditing). The Bank shall comply with the regulatory provisions for the involvement of external service providers. The Bank shall oblige the company it commissions and its employees to maintain the confidentiality of customer data. Customer data is subject to banking secrecy. Moreover, both the Bank and the company commissioned by it, including its employees, shall be obliged to comply with the requirements of data protection regulations.

If the Bank engages such a company, it shall notify the Customer of this at least six weeks in advance. The Customer's approval shall be deemed to be granted if the Customer does not give notice of any objection within six weeks of receipt of the Bank's notification.

2. Significant changes in the technical / organisational handling

With regard to the proper handling of the business relationship, the Bank reserves the right to make changes in technical and/or organisational matters which result from general and customary changes in technical standards, standards of the banking industry, statutory provisions, or the regulations of supervisory authorities. The Bank shall notify the Customer of any significant technical or organisational change beyond the aforementioned changes which has any major effect on the rights and obligations of the Customer or the Bank at least six weeks before the proposed time when it is planned to become effective. The approval of the Customer shall be deemed to be granted if the Customer does not give notice of any objection within six weeks after receiving the Bank's notification.

VII. Liability and refund provision

The following liability and refund provisions shall apply to Customers who are not consumers.

1. Customer's claim to a refund of an unauthorised payment

In the event of an unauthorised payment, the Bank shall have no claim against the Customer for a reimbursement of its expenditure. It shall be obliged to refund the payment amount to the Customer and, if the amount has been debited to the Customer's account, to restore this account to the position it would have been in if the unauthorised payment had not been debited. This obligation has to be fulfilled at the latest by the end of the following business day in accordance with Section A III. No. 1 which follows the day at which the Bank was notified that the payment order is not authorised or on which the Bank otherwise obtained knowledge thereof. If the Bank has notified a competent authority in writing of justified grounds for suspecting fraudulent conduct on the part of the Customer, the Bank shall be required to consider and fulfil its obligation arising from sentence 2 without delay if its suspicion of fraud is not confirmed.



2. Customer's claim to a refund for an authorised payment order not carried out or an authorised payment order carried out incorrectly or delayed

The provision in Section 675x sub-section 1 BGB shall not apply. In the case of direct debits, the Customer shall only be entitled to a refund subject to the provisions for the respective type of direct debits, cf. items see letters B and C below.

Where an intermediary body which has been involved by the Bank in the handling of the payment order is responsible for any failure to execute the payment order, for incorrect or delayed execution of the order, the Bank shall only be liable for claims for refund if it has violated its obligation of care in the selection and instruction of the first intermediary (orders passed on to third parties/"weitergeleiteter Auftrag"). Claims against the intermediary under Sections 675z, 676a BGB, or claims of the Bank against the intermediary due to the failure to execute the payment order or incorrect or delayed execution of the payment order shall remain unaffected thereby. To the extent necessary, the Bank shall assign to the Customer any claims it may have against the intermediary.

If the payment order was initiated by the payee or via the payee and the intermediary responsible for the failure to execute the payment order or incorrect or delayed execution of the payment order was commissioned by the payee's payment service provider, the Bank shall not be liable for any claims for refund of the Customer as payer.

Apart from that, the Customer shall be entitled to demand that the Bank refunds the amount of the payment order without undue delay insofar as the payment has not been made or has been incorrectly carried out. In addition, the Customer shall be entitled to demand that the Bank refunds all charges and interest which the Bank has charged to the Customer or has debited the Customer's account in connection with the payment order that was not carried out or incorrectly carried out.

If the incorrect execution of the order results from the fact that the payee's payment service provider only received the amount after the expiry of the execution period (delayed payment), the aforementioned claims shall be excluded. If the Customer has suffered any loss as a result of the delay, the Bank may be liable in accordance with the provisions set out in No. 3 below.

If the Bank has no power of disposal over the payment amount arising from the payment order which was not executed or incorrectly executed, the Customer's claims for refund under the above provisions shall be limited to the payment amount plus the charges and interest charged by the Bank, but in any case to a maximum amount of EUR 1 million per payment order, unless the Bank has violated its obligations wilfully or through gross negligence.

If a payment transaction has not been executed or has been executed incorrectly, the Bank shall, at the request of the Customer, retrace the payment transaction and inform the Customer about the outcome. The Bank shall be entitled to charge a fee for this.

3. Claims for compensation by Customers in the event of an authorised payment order that is not carried out, an incorrectly or delayed executed authorised payment order or an unauthorised payment

In the event of an authorised payment order which has not been carried out, has been carried out incorrectly or delayed or an unauthorised payment, the Customer shall only be entitled to claims for compensation subject to the following provisions:

- The Bank shall be liable for its own fault. If the Customer has contributed to the occurrence of a loss through any fault of their own, the principles of contributory negligence shall determine the extent to which the Bank and the Customer shall have to bear the loss.
- The Bank shall not be liable for any fault of intermediaries chosen by it. In these cases, the liability of the Bank shall be limited to its care in selecting and instructing the first intermediary (orders passed on to third parties/"weitergeleiteter Auftrag").
- The amount of any compensation claim of the Customer shall be limited to the payment amount plus the charges and interest charged by the Bank, but no more than a maximum amount of one million euros per payment/payment order. Insofar as the compensation claim of the Customer relates to consequential damage or loss, the claim shall be limited to a maximum amount of 12,500 euros per payment/ payment order. This limitation of the amount of any liability shall not apply in case the Bank violated its obligations wilfully or by gross negligence or of unauthorised payments.

4. Exclusion of liability and objections

The Bank shall not be liable under Nos. 2 and 3 in the following cases:

- The Bank proves to the Customer that the payment amount was duly received by the payee's payment service provider.
- The payment order was carried out in compliance with the incorrect customer identifier for the payee as stated by the Customer. In this case, however, the Customer may request the Bank to make reasonable efforts to recover the payment amount. If the recovery of the amount according to sentences 2 and 3 of this sub-item is not possible, the Bank is obligated to provide the Customer with all available information upon the Customer's written request to allow the Customer to assert a claim for a refund of the payment amount against the actual recipient of the payment. This duty to provide information does not apply for payment orders whereby the payee's or payer's payment service provider is situated outside of the EEC (third countries). The Bank shall be entitled to levy charges on the Customer for the activities according to sentences 2 to 4 of this sub-item.

5. Exclusion period

Claims of the Customer according to Nos. 1 to 3 and objections against the Bank by the Customer arising from payment orders not carried out or incorrectly carried out or arising from unauthorised payment orders are excluded if the Customer has not given notice of such claims to the Bank at the latest 13 months after the date of the debit booking of an unauthorised or incorrectly executed payment order. This period shall commence only if the Bank notified the Customer of the debit booking of the payment



order by the agreed means of communication for account information at the latest within one month after the debit booking; otherwise, the period shall commence on the date of such notification. The Customer shall also be entitled to make claims for compensation after the expiry of the period stated in sentence 1 if he/she was prevented from complying with this period through no fault of his/her own.

6. Force majeure

Claims of the Customer arising from contracts regarding payment services shall be excluded if the circumstances giving rise to the claim

- are due to an unusual and unforeseeable event beyond the Bank's control, the consequences of which could not have been avoided by the Bank by exercising due care, or
- were caused by the Bank on account of a statutory obligation.

B. Payments by direct debit via the SEPA Core Direct Debit Procedure

The following supplementary terms and conditions shall apply to payments made by the Customer to payees in euros via the Customer's account with the Bank by a SEPA Core Direct Debit.

1. Definition

A direct debit is a payment transaction initiated by the payee by debiting the Customer's account, where the amount of the payment is specified by the payee.

2. SEPA Core Direct Debit

2.1 General

2.1.1 Basic features of the SEPA Core Direct Debit Procedure

The Customer can effect payments in euro within the SEPA area via the Bank to the payee with the SEPA Core Direct Debit Procedure.

For the execution of payments by SEPA Core Direct Debits,

- the payee and her/his payment service provider must use the SEPA Core Direct Debit Procedure, and
- the Customer must grant the payee a SEPA Direct Debit Mandate prior to the payment transaction.

The respective payment transaction is initiated by the payee by submitting to the Bank the direct debits via her/his payment service provider.

In the event of an authorised payment based on a SEPA Core Direct Debit, the Customer may request the Bank to refund the direct debit amount debited to her/his account within a period of eight weeks from the date of the debit entry.

2.1.2 Customer Identifier ("Kundenkennung")

For this procedure, the Customer must use the IBAN¹ notified to him and, in the case of cross-border payments in states outside the European Economic Area², (e.g. Switzerland) also the Bank's BIC³ as her/his customer identifier vis-à-vis the payee, because the Bank shall be entitled to execute the payment by SEPA Core Direct Debit solely based on the customer identifier remitted to the Bank. The Bank and any other intermediaries involved shall execute the payment to the payee on the basis of the payee's IBAN stated in the direct debit data record as her/his customer identifier and, in the case of cross-border payments in countries outside the European Economic Area, also on the basis of the payee's BIC.

2.1.3 Transmission of direct debit data

For SEPA Core Direct Debits, the direct debit data may be forwarded also via the telecommunication system of the Society for Worldwide Interbank Financial Telecommunication (SWIFT), which has its registered office in Belgium and maintains computer centres in the European Union, Switzerland and the USA.

2.2 SEPA Direct Debit Mandate

2.2.1 Granting of a SEPA Direct Debit Mandate

¹ International Bank Account Number

² See item A III, 4 on page [4] for the member states

³ Bank Identifier Code



The Customer may grant a SEPA Direct Debit Mandate to the payee. By doing this, the Customer authorizes her/his Bank to execute the payee's SEPA Core Direct Debits. The mandate must be given in writing or in the manner agreed upon with the Bank.

This authorisation shall at the same time contain the Customer's explicit consent that the payment service providers and any intermediary involved in the execution of the direct debit shall retrieve, process, transmit and store the personal data of the Customer required for the execution of the direct debit.

The SEPA Direct Debit Mandate must contain the following declarations by Customer:

- an authorisation of the payee to collect payments from the Customer's account by SEPA Core Direct Debits, and
- an instruction of the Bank by the payee to honour the SEPA Core Direct Debits drawn on her/his account.

The SEPA Direct Debit Mandate must contain the following details (authorisation data):

- indication of the payee
- creditor identifier (Gläubiger-Identifikationsnummer)
- identification as a one-off payment or as recurring payments
- name of the Customer (if available)
- name of the Customer's bank, and
- the Customer's identifier in accordance with item 2.1.2.

In addition to the authorisation data, the Direct Debit Mandate may contain supplemental information.

2.2.2 Direct Debit authorisation as SEPA Direct Debit Mandate

If the Customer has issued a direct debit authorisation by which he authorises the payee to collect payment from her/ his account by means of a direct debit, he instructs the Bank at the same time to redeem from the payee the direct debits debited to his account. With the direct debit authorisation, the Customer authorises the Bank to redeem the payee's direct debits. The direct debit authorisation is deemed to be a SEPA Direct Debit Mandate. Sentences 1 to 3 also apply to direct debit authorisations granted by the customer prior to the entry into force of these conditions. The direct debit authorisation must contain the following authorisation data:

- name of the payee,
- name of the Customer,
- customer identifier in accordance with point 2.1.2 or the Customer's account number and bank code.

The direct debit authorisation may contain further details in addition to the authorisation data.

2.2.3 Revocation of the SEPA Direct Debit Mandate

The SEPA Direct Debit Mandate may be revoked by the Customer by means of a declaration to the payee or the office of the Bank maintaining the account – preferably in writing – so that subsequent payment transactions are no longer authorised.

If the direct debit is revoked against the Bank, it shall take effect on the business day following receipt of the revocation. In addition, the payee should be informed of the revocation so that she/he will not draw any further direct debits.

2.2.4 Limitation and disallowance of SEPA Core Direct Debits

The Customer may separately instruct the Bank to limit or not allow payments via SEPA Core Direct Debits. Such an instruction must be received by the respective "Payment Transaction Service" (ZV-Services) of the Bank, which has been separately notified to the Customer, by the end of the business day preceding the due date specified in the data record of the direct debit at the latest. This instruction should be made in writing and should also be declared to the payee. The Bank is authorised to levy a charge for the limitation or disallowing SEPA Core Direct Debits.

2.3 Collection of the SEPA Core Direct Debit by the payee on the basis of the SEPA Direct Debit Mandate

The SEPA Direct Debit Mandate granted by the Customer shall remain with the payee. The payee shall then transfer the authorisation data and any additional details to the data record for the collection of SEPA Core Direct Debits. The respective direct debit amount is stated by the payee. For the collection of SEPA Core Direct Debits, the data record is transmitted electronically to the Bank as paying agent of the Customer by the payee via the payee's payment service provider. The data record also contains the Customer's instruction to the Bank contained in the SEPA Direct Debit Mandate to honour the respective SEPA Core Direct Debit. Regarding the receipt of this instruction, the Bank waives the agreed form for granting the SEPA Direct Debit Mandate.

2.4 Payment transaction based on SEPA Core Direct Debits

2.4.1 Debiting the direct debit amount to the Customer's account

Incoming SEPA Core Direct Debits of the payee shall be executed on the due date specified in the data record by debiting the direct debit amount specified by the payee to the Customer's account. If the due date is not a bank working day for the Bank, the account will be debited on the next business day.

The account shall not be debited or the amount debited shall be reversed at the latest on the second bank working day following its execution, if the Bank



- has received a revocation of the SEPA Direct Debit Mandate or
- has received a limitation or disallowance of the direct debit from the Customer.

If the Customer does not have a sufficient credit balance or credit facility in her/his account to honour the direct debit, the Bank shall be entitled to refuse to debit the account, or to cancel the entry within two business days after the debit has been entered. The Bank does not effect partial payments.

If the direct debit cannot be assigned, i.e. if the IBAN of the Customer and the BIC of the Bank (Customer identifier of the payer) do not match a customer identifier at the Bank, the direct debit will also be returned. The same applies if the execution of the SEPA Core Direct Debit violates any other statutory provisions.

The Bank shall also be entitled to reverse the direct debit if the direct debit cannot be processed by the Bank because the direct debit data record

- lacks a creditor identifier ("Gläubiger-Identifikationsnummer") or it is obvious to the Bank that such creditor identifier is incorrect,
- lacks a mandate reference,
- lacks a date of issue of the mandate, or
- lacks a due date.

2.4.2 Execution of SEPA Core Direct Debits

SEPA Core Direct Debits are paid if the debit entry on the Customer's account is not reversed at the latest on the second banking day of the Bank following the day it was made.

2.4.3 Notification of non-execution, annulment, or refusal to execute the debit entry

The Bank shall notify the Customer without undue delay, however at the latest by the date agreed upon according to No. 2.4.4, of any non-execution or annulment of the debit entry or any refusal to honour a SEPA Core Direct Debit. This can also be done in the way agreed for account information. In its notification the Bank – to the extent possible - shall state the reasons for any non-execution or annulment or refusal as well as the procedures for rectifying the deficiencies that have caused the non-execution, annulment or refusal. The reasons shall not be stated if this would contravene any other statutory provisions. The Bank is entitled to charge a fee for a qualified refusal of the redemption of a SEPA Core Direct Debit. The instruction can also be provided in the way agreed for account information.

2.4.4 Execution of payment

The Bank is obliged to ensure that the direct debit amount debited by the Bank to the Customer's account on the basis of the SEPA Core Direct Debit issued by the payee is received by the payee's payment service provider at the latest within the execution period. If the direct debit amount is merely received by the payee's payment service provider after the expiration of the execution period (delay), the payee may demand from his/her payment service provider that the direct debit amount is credited to the payee's account as if the payment transaction had been executed correctly.

The execution period shall commence on the due date stated in the direct debit data record. If this date is not a business day of the Bank, the execution period shall commence on the following business day. The above provisions about business days and the receipt of payment orders shall apply.

The Bank shall notify the Customer of the execution of the payment by the agreed method for providing account information and in the agreed frequency.

2.5 Customer's refund claim for an authorised payment

In the event of an authorised payment based on a SEPA Core Direct Debit, the Customer may request the Bank to refund the direct debit amount debited to her/his account, without stating any reasons, within a period of eight weeks from the date of the debit entry into her/his account.

The account is thereby brought back to the status which it would have had without the payment charge.

Any payment claims of the payee vis-a-vis the Customer shall remain unaffected by this.

The refund claim pursuant to subsection 1 shall be excluded once the respective amount of the direct debit entry has been authorised directly vis-a-vis the Bank through the Customer's express approval.

In the event of a non-executed or incorrectly executed authorised payment, the Customer's refund claims shall be determined by the provisions for liability and refunds outlined in Section A.

C. Payments by direct debit in the SEPA Business-to-Business ("B2B") Direct Debit Procedure

For any payments in euro which the Customer who is not a private consumer makes to payees via her/his account with the Bank by a SEPA B2B Direct Debit, the following conditions shall apply in a supplementary way.

1. Definition



A direct debit is a payment transaction initiated by the payee by debiting the Customer's account with the amount of the respective payment amount which is stated by the payee.

2. SEPA B2B Direct Debit

2.1 General

2.1.1 Basic features of the SEPA B2B Direct Debit Procedure

The SEPA B2B Direct Debit Procedure may only be used by Customers who are not private consumers.

With the SEPA B2B Direct Debit Procedure the Customer can make payments in euros within the SEPA area through the Bank to a payee.

For the execution of payments by SEPA B2B Direct Debits,

- the payee and her/his payment service provider must use the SEPA B2B Direct Debit Procedure
- the Customer must grant the payee the SEPA B2B Direct Debit Mandate prior to the payment transaction, and
- the Customer must confirm to the Bank that it has granted the SEPA B2B Direct Debit Mandate.

The respective payment transaction is initiated by the payee by submitting to the Bank the direct debits via her/his payment service provider.

In the event of an authorised payment based on a SEPA B2B Direct Debit, the Customer is not entitled to request the Bank to refund the direct debit amount debited to her/ his account.

2.1.2 Customer identifier (“Kundenkennung”)

For this procedure, the Customer must use the IBAN notified to him and, in the case of cross-border payments in countries outside the European Economic Area (e.g. Switzerland) also the Bank's BIC as her/his customer identifier vis-à-vis the payee, because the Bank shall be entitled to execute the payment by SEPA B2B Direct Debit solely based on the customer identifier remitted to the Bank. The Bank and the other intermediaries involved shall execute the payment to the payee on the basis of the payee's IBAN stated in the direct debit data record as her/his customer identifier and, in the case of cross-border payments in countries outside the European Economic Area (e.g. Switzerland), also on the basis of the payee's BIC.

2.1.3 Transmission of the direct debit data

For SEPA B2B Direct Debits, the direct debit data may also be forwarded via the telecommunication system of the Society for Worldwide Interbank Financial Telecommunication (SWIFT), which has its registered office in Belgium and maintains computer centres in the European Union, Switzerland and the USA.

2.2 SEPA B2B Direct Debit Mandate

2.2.1 Granting of SEPA B2B Direct Debit Mandate

The Customer may grant a SEPA B2B Direct Debit Mandate to the payee. By doing so, the Customer authorises her/his Bank to execute the payee's SEPA B2B Direct Debits. The mandate must be given in writing or in the manner agreed upon with the Bank (authorisation). This authorization shall at the same time contain the Customer's explicit consent that the payment service providers and any intermediaries involved in the execution of the direct debit shall retrieve, process, transmit and store the personal data of the Customer required for the execution of the direct debit.

The SEPA B2B Direct Debit Mandate must contain the following declarations by the Customer:

- an authorisation of the payee to collect payments from the Customer's account by SEPA B2B Direct Debits, and
- an instruction to the Bank to honour the SEPA B2B Direct Debits drawn on her/his account by the payee.

The SEPA B2B Direct Debit Mandate must contain the following details (authorisation data):

- indication of the payee,
- creditor identifier (“Gläubiger-Identifikationsnummer”),
- identification as a one-off payment or as recurrent payments,
- name of the Customer,
- name of the Customer's Bank, and
- the Customer's customer identifier.

In addition to the authorisation data, the Direct Debit Mandate may contain supplemental information.

2.2.2 Confirmation of the granting of a SEPA B2B Direct Debit Mandate

The Customer shall confirm the authorisation to her/his Bank without undue delay by transmitting to the Bank the following data from the SEPA B2B Direct Debit Mandate granted to the payee:

- indication of the payee,
- creditor identifier (“Gläubiger-Identifikationsnummer”),
- mandate reference,
- identification as a one-off payment or as recurring payments, and



- date of the signature on the mandate.

For that purpose, the Customer may also transmit a copy of the SEPA B2B Direct Debit Mandate to the Bank.

The Customer shall notify the Bank without delay of any changes in or cancellation of the SEPA B2B Direct Debit Mandate vis-a-vis the payee and should do so in writing.

2.2.3 Revocation of the SEPA B2B Direct Debit Mandate

The SEPA B2B Direct Debit Mandate may be revoked by the Customer by giving notice to the Bank's Account Managing Branch. The revocation should be made in writing, and additionally it should also be declared to the payee. The Bank shall comply with the revocation of direct debits insofar the revocation is received by the Bank's Account Managing Branch by the end of the business day preceding the day stipulated in the direct debit as the due date. The revocation of the SEPA B2B Direct Debit Mandate does not include SEPA B2B Direct Debits previously debited to the Customer's account. No. 2.2.4 (2) shall apply for these.

2.2.4 Refusal of individual SEPA B2B Direct Debits

The Customer may separately instruct the Bank not to execute payments from certain SEPA B2B Direct Debits of the payee. Such an instruction must be received by the Bank not later than by the end of the business day preceding the due date stated in the data record of the direct debit. This instruction should be made in writing and should be declared to the Bank's Account Managing Branch. Additionally, it should also be declared to the payee.

On the day the SEPA B2B Direct Debit is debited, this direct debit may only be revoked if this is agreed between the Customer and the Bank. Such an agreement shall become effective if the Bank finally recovers the direct debit amount. The Bank shall be entitled to make charges for the handling of such a revocation by the Customer.

After the day of debiting the SEPA B2B Direct Debit, the Customer shall no longer be entitled to revoke the direct debit.

2.3 Collection of the SEPA B2B Direct Debit by the payee on the basis of a SEPA B2B Direct Debit Mandate

The SEPA B2B Direct Debit Mandate granted by the Customer shall remain with the payee. The payee shall then transfer the authorisation data and any additional details to the data record for the collection of SEPA B2B Direct Debits. The respective direct debit amount shall be stated by the payee.

For the collection of SEPA B2B Direct Debits, the data record is transmitted electronically to the Bank as the paying agent of the Customer by the payee via the payee's payment service provider. The data record also contains the Customer's instruction to the Bank contained in the SEPA B2B Direct Debit Mandate to honour the respective SEPA B2B Direct Debit. Regarding the receipt of this instruction, the Bank waives the agreed form for granting the SEPA B2B Direct Debit Mandate.

2.4 Payment transaction on the basis of SEPA B2B Direct Debits

2.4.1 Debiting the direct debit amount to the Customer's account

Incoming SEPA B2B Direct Debits of the payee shall be executed on the due date stated in the data record by debiting the direct debit amount stated by the payee to the Customer's account. If the due date is not a business day for the Bank, the account will be debited on the following business day.

The account shall not be debited, or the amount debited to the account shall be reversed on the third bank working day following the debit entry date at the latest,

- if the Bank does not hold a confirmation of the Customer,
- if the Bank has received a revocation of the B2B Direct Debit Mandate, or
- if the Bank has received a refusal of the direct debit from the Customer.

If the Customer does not have a sufficient credit balance or credit facility in her/his account to honour the direct debit, the Bank shall be entitled to refuse to debit the account, or to cancel the debit entry within two bank working days after the debit has been entered. The Bank does not effect partial payments.

If the direct debit cannot be assigned, i.e. if the Customer's IBAN and the Bank's BIC (customer identifier of the payer) do not match a customer identifier at the Bank, a reversal of the direct debit entry is also effected. The same shall apply if the execution of the SEPA B2B Direct Debit violates any other statutory provisions. The Bank shall also be entitled to reverse the direct debit if the direct debit cannot be processed by the Bank because the direct debit data record:

- lacks a creditor identifier (Gläubiger-Identifikationsnummer) or it is obvious to the Bank that such creditor identifier
- is incorrect,
- lacks a mandate reference,
- lacks a date of issue of the mandate, or
- lacks a due date.

2.4.2 Execution of SEPA B2B Direct Debits

SEPA B2B Direct Debits are paid if the debit entry into the Customer's account has not been cancelled at the latest prior to the Bank's third bank working day after it was made.



2.4.3 Notification of the non-execution, annulment or refusal to execute the debit entry

The Bank shall notify the Customer without delay, however at the latest by the deadline agreed to according to No. 2.4.4, of any non-execution or annulment of the debit entry or any refusal to honour a SEPA B2B Direct Debit. This is also possible in the manner agreed upon for providing account information. In its notification, the Bank – to the extent possible – shall state the reasons for any non-execution or annulment or refusal as well as the procedures for rectifying the deficiencies that have caused the non-execution, annulment or refusal. The reasons shall not be stated if this would contravene any other statutory provisions. The Bank shall be entitled to raise charges for the justified refusal to execute an authorised SEPA B2B Direct Debit.

2.4.4 Execution of the payment

The Bank is obliged to ensure that the direct debit amount debited by the Bank to the Customer's account on the basis of the SEPA B2B Direct Debit issued by the payee is received by the payee's payment service provider at the latest within the execution period. If the direct debit amount is merely received by the payee's payment service provider after the expiration of the execution period (delay), the payee may demand from his/her payment service provider that the direct debit is credited to the payee's account as if the payment transaction had been executed correctly.

The execution period shall commence on the due date stated in the direct debit data record. If this date is not a bank working day of the Bank, the execution period shall commence on the following bank working day. The above provisions about business days and the receipt of payment orders shall apply.

The Bank shall notify the Customer of the execution of the payment by the agreed method for providing account information and in the agreed frequency.

2.5 Exclusion of any refund claim in the case of authorised payments

In the case of an authorised payment based on a SEPA B2B Direct Debit, the Customer shall not be entitled to demand a refund of the direct debit amount debited to her/his account. Claims pursuant to Section 675x BGB shall be excluded.

In the event of a non-executed or incorrectly executed authorised payment or a non-authorised payment, the Customer's refund claims shall be determined by the above provisions for liability and refunds.

D. Payments by credit transfers

With respect to the execution of credit transfer orders of Customers the following conditions shall apply in a supplementary way.

1. General

1.1 Basic features of Credit transfers including standing orders ("Daueraufträge")

The Customer may instruct the Bank to effect a cashless money transmission to the payee's payment service provider in favour of the payee by means of a credit transfer. The Customer may also instruct the Bank to transfer a specific constant amount to the payee's payment service provider in favour of the payee's account periodically on a certain date (standing order/ "Dauerauftrag").

1.2 Customer identifier ("Kundenkennung")

The Bank shall carry out credit transfer orders/standing orders on the basis of the customer identifiers given by the Customer. The Customer must use her/his customer identifier ((Customer account number and the Bank's bank code ("Bankleitzahl") or her/his IBAN)) and the payee's customer identifier ((the payee's account number and the bank code ("Bankleitzahl")):

Payment destination	Currency	Customer identifier
Domestic	Euro	IBAN
Cross-border within the European Economic Area	Euro	IBAN
Outside the European Economic Area	Euro	IBAN and BIC or account number and BIC

If the Customer does not hold a payment account with the Bank, it shall be sufficient to provide the Bank with the Customer identifier of the payee.

1.3 Issue of the credit transfer order and authorisation

The Customer shall give the Bank a credit transfer order by means of a standard form permitted by the Bank, or in any other way agreed upon with the Bank, stating the required details.

The Customer must ensure the legibility, completeness and correctness of these details in the credit transfer order. Illegible, incomplete or incorrect details may lead to delays and misrouting of credit transfers; this can result in losses for the Customer.



Where illegible, incomplete or incorrect details are given, the Bank may refuse to execute the credit transfer. If the Customer considers that a credit transfer requires particularly prompt execution, the Customer shall notify the Bank of this fact separately. For credit transfers issued on a standard form, this must be done separately from the form if no space is provided for this purpose on the form itself.

The Customer shall authorise the credit transfer order by means of her/his signature or by any other means agreed with the Bank. This authorisation shall at the same time contain the Customer's explicit consent to the Bank to retrieve (from its database), process, transmit and store the personal data required for the execution of the credit transfer.

At the request of the Customer the Bank shall provide information, before executing an individual credit transfer order, about the maximum execution period for this payment transaction, the charges to be made, and where applicable, a breakdown of the charges.

1.4 Receipt of the credit transfer order by the Bank

The above provisions on business days and the receipt of payment orders shall apply.

1.5 Revocation of the credit transfer order

Until receipt of the credit transfer order by the Bank, the Customer may revoke it by making a declaration to this effect to the Bank. After receipt of the credit transfer order revocation shall - subject to paragraphs 2 and 3 - no longer be possible.

If the Bank and the Customer have agreed on a certain date for the execution of the credit transfer, the Customer may revoke the credit transfer or the standing order respectively until the end of the Bank's business day preceding the agreed execution date. After timely receipt by the Bank of the revocation of a standing order, no further payments shall be executed based on this standing order.

Following the dates stated in sub-sections 1 and 2, the credit transfer order may only be revoked if this has been agreed between the Customer and the Bank. Such an agreement shall become effective if the Bank succeeds in preventing the execution or recovering the payment amount. The Bank shall be entitled to make charges for the handling of such a revocation by the Customer.

1.6 Execution of the credit transfer order

The Bank shall execute the Customer's credit transfer order if the details required for the execution of the credit transfer order is provided in the agreed manner, the order has been authorised by the Customer and a sufficient credit balance or a sufficient credit facility is available for the execution of the credit transfer (execution prerequisites/"Ausführungsbedingungen"). The execution of the order must not violate any other statutory provisions or be subject to any other reservation by the Bank.

The Bank and other payment service providers involved in the execution of the credit transfer shall be entitled to execute the credit transfer exclusively on the basis of the payee's customer identifier stated by the Customer.

The Bank shall notify the Customer of the execution of the payment by the method for providing account information and in the agreed frequency.

1.7 Refusal of execution

If the execution prerequisites are not met or if the Bank makes use of any reservation, the Bank shall be entitled to refuse to execute the credit transfer. The Bank shall inform the Customer thereof without delay. This can also be done in the manner agreed upon for providing account information. In its notification, the Bank shall state, to the extent possible, the reasons for the refusal and any possibilities of rectifying the deficiencies that have caused the refusal. This shall not apply if giving reasons would violate any other statutory provisions or, if the Bank makes use of its reservation.

If it is obvious to the Bank that a customer identifier stated by the Customer cannot be allocated to a payee, to a payment account or to a payment service provider of the payee, the Bank shall notify the Customer of this fact without delay and, if applicable, return the payment amount to her/him.

The Bank shall be entitled to impose charges for the justified refusal to execute an authorised credit transfer order.

1.8 Transmission of the credit transfer details

When executing the credit transfer, the Bank shall transmit the details contained in the credit transfer order (credit transfer details/"Überweisungsdaten") directly or through intermediaries to the payment service provider of the payee. The payee's payment service provider may provide the payee with the full credit transfer details, including the payer's account number and/or International Bank Account Number (IBAN), or part of it.

For cross-border credit transfers (except SEPA credit transfers) and for express credit transfers, the credit transfer details may also be forwarded to the payee's payment service provider via the telecommunication system of SWIFT based in Belgium. For reasons of system security, SWIFT temporarily stores the credit transfer details in its computer centres in the European Union, Switzerland and the USA.

1.9 Notification of unauthorised or incorrectly executed credit transfers

The Customer shall notify the Bank of any unauthorised or incorrectly executed credit transfer order immediately upon discovery.

1.10 Reporting obligations under foreign trade law

The Customer is obliged to comply with the reporting obligations under foreign trade legislation.

2. Credit transfers within Germany and into other states of the European Economic Area (EEA) in euro

2.1 Details required

The Customer must provide the following details in the credit transfer order:

- name of the payee,
- the payee's customer identification (cf. item 1.2),
- amount
- name of the Customer,
- IBAN of the Customer.

2.2 Maximum execution period

2.2.1 Duration of period

The Bank is obliged to ensure that the payment amount is received by the payee's payment service provider within the execution period.

2.2.2 Commencement of the execution period

The execution period shall begin in accordance with the above provisions about business days and the receipt of payment orders.

If the Bank and the Customer agree that execution of the credit transfer shall commence on a specific day, or at the end of a specific period, the date specified in the order or separately agreed shall be decisive for the commencement of the execution period. If the agreed date is not a business day of the Bank, the execution period shall commence on the following business day.

3. Credit transfers where the payment service provider of the payee is located outside the EEA (third-party states)

3.1 Details required

The Customer must provide the following details for the credit transfer to be executed:

- name of the payee
- the customer identifier of the payee (see item E, 1.2); if, in the case of cross-border credit transfers, the BIC is unknown, the full name and address of the payee's payment service provider must be given,
- country of destination (if applicable, in abbreviated form as specified in Annex 1),
- amount,
- name of the Customer,
- account number of the Customer and bank code number of the Bank or IBAN of the Customer

3.2 Execution period

Credit transfers will be executed as soon as possible.

Annex 1: Index of abbreviated forms for the destination countries

Destination country	Abbreviation
Austria	AT
Belgium	BE
Bulgaria	BG
Canada	CA
Croatia	HR
Cyprus	CY
Czech Republic	CZ
Denmark	DK



Estonia	EE
Finland	FI
France	FR
Germany	DE
Greece	GR
Hungary	HU
Iceland	IS
Ireland	IE
Italy	IT
Japan	JP
Latvia	LV
Liechtenstein	LI
Lithuania	LT
Luxembourg	LU
Malta	MT
Netherlands	NL
Norway	NO
Poland	PL
Portugal	PT
Romania	RO
Russian Federation	RU
Slovakia	SK
Slovenia	SI
Spain	ES
Sweden	SE
Switzerland	CH
Turkey	TR
USA	US
United Kingdom of Great Britain and Northern Ireland	GB