

Further details of the Bank are contained in the "List of Prices and Services" (*Preis- und Leistungsverzeichnis*)

The following translation is provided for the customer's convenience only. The original German text of the Terms and Conditions for Payments by Direct Debit under the Collection Authorisation Procedure (*Bedingungen für Zahlungen mittels Lastschrift im Einzugsermächtigungsverfahren*) is binding in all respects. In the event of any divergence between the English and the German texts, constructions, meanings or interpretations, those of the German original shall govern exclusively.

Legislation* stipulates that, as of 1 February 2014, the *Einzugsermächtigungslastschrift* scheme may only be used for payments that are generated at a point of sale by means of a payment card (*Elektronisches Lastschriftverfahren* [Electronic Direct Debit Scheme]).

As of 1 February 2016, use of the *Einzugsermächtigungslastschrift* scheme is no longer allowed at all.

*Article 6 of Regulation (EU) No 260/2012 of the European Parliament and of the Council of 14 March 2012 establishing technical and business requirements for credit transfers and direct debits in euro and amending Regulation (EC) No 924/2009 and Section 7c of the German Payment Services Supervision Act (*Zahlungsdienststeuergesetz*).

Terms and Conditions for Payments by Direct Debit under the Collection Authorisation Procedure (*Einzugsermächtigungsverfahren*)

Payments which the customer makes to payees (creditors) by direct debit based on collection authorisation (*Einzugsermächtigungslastschrift*) through his/her account with the Bank shall be subject to the following terms and conditions.

1 General

1.1 Definition

A direct debit is a payment transaction initiated by the payee and debited to the customer's account where the amount of the payment is specified by the payee.

1.2 Charges

1.2.1 Charges for consumers

The charges for direct debits shall be set out in the "List of Prices and Services" (*Preis- und Leistungsverzeichnis*).

Changes in the charges shall be offered to the customer in text form no later than two months before their proposed date of entry into force. If the customer has agreed an electronic communication channel with the Bank within the framework of the business relationship, the changes may also be offered through this channel. 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. The Bank shall expressly draw the customer's attention to this consequent approval in its offer.

If the customer is offered changes in the charges, the customer may also terminate this business relationship free of charge with immediate effect before the proposed date of entry into force of the changes. The Bank shall expressly draw the customer's attention to this right of termination in its offer.

1.2.2 Charges for customers who are not consumers

Changes in the charges for customers who are not consumers shall continue to be governed by No. 12 (2) – (6) of the banks' General Business Conditions (*Allgemeine Geschäftsbedingungen*).

1.3 Out-of-court dispute resolution and other means of complaint

Customers may have any disputes with the Bank resolved by the German private banks' Ombudsman. Where disputes concerning a payment services contract (Section 675f of the German Civil Code [*Bürgerliches Gesetzbuch – BGB*]) are involved, customers who are not consumers also may request their resolution by the German private banks' Ombudsman. Further details are contained in the "Rules of Procedure for the Settlement of Customer Complaints in the German Private Commercial Banking Sector", which are available on request or can be downloaded from the Internet at www.germanbanks.org. Complaints should be addressed in writing to the Kundenbeschwerdestelle (Customer Complaints Office) at the Bundesverband deutscher Banken (Association of German Banks), Postfach 04 03 07, 10062 Berlin.

In addition, customers may make complaints at any time in writing or orally on the record to the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht – BaFin*), Graurheindorfer Strasse 108, 53117 Bonn, about breaches by the Bank of the German Payment Services Supervision Act (*Zahlungsdienststeuergesetz – ZAG*), Sections 675c – 676c of the German Civil Code (*Bürgerliches Gesetzbuch – BGB*) or Article 248 of the Act Introducing the German Civil Code (*Einführungsgesetz zum Bürgerlichen Gesetzbuch – EGBGB*).

2 Direct debit based on collection authorisation (*Einzugsermächtigungslastschrift*)

2.1 General

2.1.1 Main characteristics of the *Einzugsermächtigungslastschrift* scheme

The *Einzugsermächtigungslastschrift* scheme enables the customer to make payments in euros to the payee through the Bank.

For the execution of payments by direct debit based on collection authorisation

- the payee and the payee's payment service provider must use the *Einzugsermächtigungslastschrift* scheme and
- the customer must give collection authorisation (*Einzugsermächtigung*) (see Section 2.2.1) to the payee before the payment transaction.

This collection authorisation is at the same time the customer's instruction to the Bank to pay the direct debits drawn by the payee on the customer's account. The payee initiates the respective payment transaction by presenting the direct debits to the Bank through his/her payment service provider.

For authorised direct debit payments, the customer shall be entitled to claim a refund of the amount debited from the Bank. Such claim must be made within eight weeks starting from the date on which the customer's account was debited.

2.1.2 Unique identifiers

The customer must use the account number (*Kontonummer*) notified to him/her and the bank code (*Bankleitzahl*) of the Bank as his/her unique identifier vis-à-vis the payee, since the Bank is entitled to execute the payment by direct debit solely on the basis of the unique identifier provided to it. The Bank and the intermediary institutions involved will execute the payment to the payee using the account number and bank code indicated by the payee in the direct debit data set as the customer's unique identifier.

2.2 Collection authorisation (*Einzugsermächtigung*)

2.2.1 Giving collection authorisation, instruction to the Bank and previously given collection authorisation

The customer shall give collection authorisation (*Einzugsermächtigung*) to the payee. With it,

- he/she authorises the payee to collect payments from his/her account by direct debit and
- at the same time he/she instructs the Bank to pay the direct debits drawn on his/her account by the payee.

With the collection authorisation, the customer authorises the Bank to pay direct debits drawn by the payee. Sentences 2 and 3 shall apply also to collection authorisation given by the customer prior to the entry into force of these Terms and Conditions. Collection authorisation must contain the following details (authorisation data):

- identification of the payee
- identification of the customer and
- customer's unique identifier (see Section 2.1.2).

Collection authorisation may contain additional details supplementing the authorisation data.

2.2.2 Revocation of collection authorisation

The collection authorisation (*Einzugsermächtigung*) may be revoked by the customer by means of a statement to this effect – if possible, in writing – to the payee or the Bank, with the result that subsequent payment transactions are no longer authorised.

If notice of revocation is given to the Bank, it shall take effect from the banking business day, as stated in the “List of Prices and Services”, following the day on which it is received. Notice of revocation should, in addition, be given to the payee so that the payee does not collect any further direct debits.

2.3 Collection of the direct debit based on collection authorisation by the payee

- (1) The collection authorisation (*Einzugsermächtigung*) given by the customer shall remain with the payee. The payee shall take over the authorisation data and enter any additional details in the data set for collection of direct debits. The respective direct debit amount shall be specified by the payee.
- (2) The payee shall send the data set for collection of the direct debit to the Bank (payer bank) electronically through his/her payment service provider. This data set shall also represent the customer's instruction to the Bank in the collection authorisation (*Einzugsermächtigung*) to pay the respective direct debit (see Section 2.2.1).

2.4 Payment transaction based on the direct debit

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

- (1) On receipt of a direct debit drawn by the payee, the amount specified by the payee shall be debited to the customer's account.
- (2) The customer's account shall not be debited or a debit entry shall be cancelled no later than the second banking business day¹ after it was made if
 - the Bank has received notice of revocation of collection authorisation (*Einzugsermächtigung*)
 - the account number of the payer indicated by the payee and the bank code cannot be assigned to any account held by the customer with the Bank or
 - the customer does not have a sufficient credit balance on the account or sufficient credit for payment of the direct debit (lack of funds); the Bank shall not pay partial amounts.

2.4.2 Payment of direct debits

Direct debits are paid if the debit entry in the customer's account has not been cancelled later than the second banking business day¹ after the entry was made.

2.4.3 Notification of non-execution or cancellation of the debit entry or refusal of payment

The Bank shall inform the customer without delay, and no later than the time agreed in Section 2.4.4, of non-execution or cancellation of the debit entry (see Section 2.4.1) or refusal to pay a direct debit (see Section 2.4.2). This may be done also through the agreed account information channel. The Bank shall, if possible, state the reasons and indicate ways in which errors that led to the non-execution, cancellation or refusal can be rectified.

For informing the customer of a justified refusal to pay an authorised direct debit due to a lack of funds (see Section 2.4.1, paragraph 2, third bullet point), the Bank shall levy the charge set out in the “List of Prices and Services”.

2.4.4 Execution of the payment

- (1) The Bank shall be obligated to ensure that the amount debited by it to the customer's account on the basis of the payee's direct debit is received by the payee's payment service provider within the execution period indicated in the “List of Prices and Services” at the latest.
- (2) The execution period shall commence on the date of receipt of the direct debit by the Bank. If this date is not a banking business day as stated in the “List of Prices and Services”, the execution period shall commence on the following banking business day.
- (3) The Bank shall inform the customer of the execution of the payment through the agreed account information channel and at the agreed frequency.

2.5 Customer's entitlement to a refund for an authorised payment

- (1) If a payment which has been made on the basis of a direct debit is authorised, the customer shall be entitled to claim a no-questions-asked refund of the amount debited from the Bank. Such claim must be made within eight weeks starting from the date on which the customer's account was debited. The Bank

shall restore the balance of the customer's account to what it would have been without debiting for the payment. Any claims by the payee against the customer shall not be affected by this.

- (2) The entitlement to a refund under paragraph 1 shall be precluded as soon as the amount of the direct debit entry has been expressly authorised by the customer directly to the Bank.
- (3) The customer's entitlement to a refund for a non-executed or incorrectly executed authorised payment shall be determined by Section 2.6.2.

2.6 Customer's entitlement to a refund and compensation

2.6.1 Refund for an unauthorised payment

If a payment is not authorised by the customer, the Bank shall have no claim against the customer for reimbursement of its expenses. It shall be obligated to refund the amount debited to the customer's account to the customer without delay and to restore the balance of this account to what it would have been without debiting for the unauthorised payment.

2.6.2 Refund for non-executed or incorrectly executed authorised payments

- (1) If an authorised payment is not executed or not executed correctly, the customer may request the Bank to refund the direct debit amount in full without delay insofar as the payment was not executed or executed incorrectly. The Bank shall restore the balance of the customer's account to what it would have been without debiting.
- (2) Over and above the entitlement under paragraph 1, the customer may request the Bank to refund the charges and interest levied on him/her or debited to his/her account in connection with the non-execution or incorrect execution of the payment.
- (3) If incorrect execution is due to the amount of the payment not being received by the payee's payment service provider before expiry of the execution time as specified in Section 2.4.4 (delay), the entitlement to a refund under paragraphs 1 and 2 shall be precluded. If the customer has sustained any loss or damage as a result of the delay, the Bank shall be liable pursuant to Section 2.6.3 and, where customers who are not consumers are involved, pursuant to Section 2.6.4.
- (4) If a payment transaction was not executed or not executed correctly, the Bank shall, at the customer's request, make immediate efforts to trace the payment transaction and notify the customer of the outcome.

2.6.3 Compensation

- (1) If an authorised payment is not executed or not executed correctly or if a payment is unauthorised, the customer may request the Bank to provide compensation for any loss or damage not already covered by Sections 2.6.1 and 2.6.2. This shall not apply if the Bank is not responsible for the neglect of duty. The Bank shall be liable in this connection for any fault on the part of an intermediary institution to the same extent as for any fault on its own part. If the customer has contributed to the occurrence of any loss or damage through culpable conduct, the principles of contributory negligence shall determine the extent to which the Bank and the customer must bear the loss or damage.
- (2) Liability under paragraph 1 shall be limited to € 12,500. This limitation on liability shall not apply to
 - unauthorised payments
 - cases of deliberate intent or gross negligence by the Bank
 - risks which the Bank has assumed on an exceptional basis and,
 - if the customer is a consumer, loss of interest incurred by the customer.

2.6.4 Entitlement of customers who are not consumers to compensation for a non-executed authorised payment, incorrectly executed authorised payment or unauthorised payment

By way of derogation from the entitlement to a refund under Section 2.6.2 and the entitlement to compensation under Section 2.6.3, customers who are not consumers shall only have a claim for compensation – besides any claims for restitution under Sections 667 and 812 ff. of the German Civil Code (*Bürgerliches Gesetzbuch – BGB*) – in accordance with the following rules:

If an authorised payment is not executed or executed incorrectly or if a payment is unauthorised, a customer who is not a consumer may request the Bank to provide compensation for any loss or damage incurred as a result. This shall not apply if the Bank is not responsible for the neglect of duty. If the customer has contributed to the occurrence of any loss or damage through culpable conduct, the principles of contributory negligence shall determine the extent to which the Bank and the customer must bear the loss or damage.

¹Bank working days are all working days except Saturdays and 24 and 31 December.

The amount of the customer's claim for compensation shall be limited to the amount of the direct debit, plus the charges and interest levied by the Bank. Where claims for consequential loss or damage are asserted, such claims shall be limited to a maximum of € 12,500 per payment. These limitations on liability shall not apply to deliberate intent or gross negligence by the Bank or to risks which the Bank has assumed on an exceptional basis.

2.6.5 Preclusion of liability and objection

- (1) Any liability by the Bank under Sections 2.6.2 – 2.6.4 shall be precluded
 - if the Bank proves to the customer that the full amount of the payment reached the payee's payment service provider in due time or
 - if the payment was executed in conformity with the incorrect unique identifier of the payee provided by the payee. In this case, the customer may, however, request the Bank to make reasonable efforts to recover the amount of the payment. For doing so, the Bank shall levy the charge set out in the "List of Prices and Services".
- (2) Any claims by the customer under Sections 2.6.1 – 2.6.4 and any objections by the customer against the Bank as a result of non-execution or incorrect execution of payments or as a result of unauthorised payments shall be precluded if the customer fails to inform the Bank thereof within a period of 13 months at the latest after being debited for an unauthorised or incorrectly executed payment. This period shall start to run only once the Bank has informed the customer about the debit entry for the payment through the agreed account information channel no later than one month after the debit entry was made; otherwise the date on which the customer is informed shall determine when the period commences. The customer may assert claims for compensation under Section 2.6.3 also after expiry of the period referred to in sentence 1 if he/she was prevented, through no fault of his/her own, from adhering to this period.
- (3) Any claims by the customer shall be precluded if the circumstances substantiating a claim
 - are based upon an abnormal and unforeseeable event beyond the control of the Bank and whose consequences could not have been avoided even by exercising due diligence
 - or were brought about by the Bank as a result of a statutory obligation.