

Conditions for Guarantee Business

Raiffeisenlandesbank Oberösterreich Aktiengesellschaft ("Bank") accepts orders to issue guarantees and/or sureties ("Guarantees") to third parties ("Beneficiary") from the instructing party/customer ("Obligor") under the following conditions:

1. Direct and indirect Guarantees

In accordance with the Obligor's instructions, the Bank issues the Guarantee itself ("Direct Guarantee") or it commissions another bank ("Secondary Bank") to issue the Guarantee and provides the Secondary Bank with a Guarantee in the form of a counter-guarantee ("Indirect Guarantee"). In absence of instructions from the Obligor the Bank may issue an Indirect Guarantee if it deems necessary under the circumstances, giving due consideration to the interests of the Obligor. The Obligor releases the Bank from the obligation to maintain banking secrecy towards the Secondary Bank.

2. Foreign law

At the explicit request of the Obligor, the Bank may issue Guarantees that are subject to a legal system that is foreign to, among others, the Obligor. The Obligor acknowledges that the Bank cannot assess the Obligor's interests in this regard and that the Bank is therefore unable to provide any advice regarding the terms and wording of the Guarantee in accordance with a foreign law legal system.

3. Booking entry and fees

The Bank is entitled to debit the Obligor's guarantee account with the guarantee amount and to charge him – in addition to any expenses – a processing fee and periodically, for the duration of its obligation, a guarantee commission as soon as it has handed over or sent the Guarantee or the guarantee order together with the counter-guarantee.

4. Examination of documents

The Bank shall carefully examine all documents required by and submitted under a Guarantee, including the payment request, to ensure that they comply, according to their outer appearance, with the terms of the Guarantee and do not contradict each other. If documents are not submitted as originals but by authenticated or encrypted teletransmission (SWIFT), the Bank may treat them as originals.

5. Notification of the Obligor

The Bank shall immediately notify the Obligor of the receipt of a payment request in accordance with the terms of the Guarantee.

6. Payment under the Guarantee

The Bank is obliged to make payment if it has received a payment request from the Beneficiary/Secondary Bank in accordance with the terms of the Guarantee and before the expiry of the Guarantee.

In the case of guarantees, counter-guarantees and sureties on first demand (Bürgschaften auf erstes Anfordern), the Bank may only consider objections on grounds of misuse of rights against a payment request and only if such objections are asserted immediately and the misuse of rights is evident or is clearly discernible to anyone on the basis of conclusive evidence (e.g. documents).

If there is no misuse of rights present or if it is neither evident nor clearly discernible to anyone on the basis of conclusive evidence, the Bank is obliged to make payment to the Beneficiary.

The Obligor must then reimburse the Bank for its expenses incurred as a result of payment under the guarantee, counter-guarantee and sureties on first demand (Bürgschaften auf erstes Anfordern) even if the claim secured by the guarantee, counter-guarantee and surety on first demand (Bürgschaften auf erstes Anfordern) did not actually exist or was not due. The Obligor's claims shall then only be made against the Beneficiary under the guarantee, counter-guarantee and surety on first demand.

The risk that the Beneficiary is unable to fulfil the Obligor's claim, in particular due to insolvency, is borne solely by the Obligor.

In the case of other sureties (Bürgschaften), however, the Bank shall take into account all admissible defences or objections which are made credible to it in writing within a reasonable period of time so that they can be passed on to the Beneficiary.

7. Termination and guarantee commission

The Bank shall derecognise Direct Guarantees that are not expressly subject to foreign law after they have expired and shall cease charging the guarantee commission for said Direct Guarantees, provided that the wording of said Direct Guarantees clearly indicates their expiry on a specific calendar date or upon presentation of documents required for the expiry of said Direct Guarantee, and if no claim is made against the Bank before their expiry.

In the case of all other Direct and Indirect Guarantees, the Bank shall only derecognise the Guarantee and cease charging the relevant Guarantee commission when the original guarantee certificate has been returned to it for discharge or it has been unconditionally released from all liability by the Beneficiary/Secondary Bank.

The Bank may make the full or partial derecognition of the Guarantee and the cessation of the charging of the Guarantee commission dependent on the Beneficiary's confirming that no other Guarantees have been issued for the secured principal debt in addition to the Guarantee issued by the Bank, which could give rise to a duty to compensation between joint guarantors (Mitbürgen).

In the case of a litigation guarantee (Prozessbürgschaft) under German law, the original Guarantee document must be returned to the Bank by the Beneficiary for discharge of liability, unless the Beneficiary expressly consents to the release from liability or a legally binding order pursuant Section 2 paragraph 109 paragraph 2 ZPO is provided to the Bank.

It is the responsibility of the Obligor to fulfil the requirements for the derecognition of the Guarantee.

8. Reduction

Concerning Direct Guarantees, the Bank shall make a corresponding partial derecognition and take this into account when calculating the Guarantee commission, if the conditions of the reduction clause of the Guarantee are met or the Bank has received unconditional partial release(s) from liability from the Beneficiary. In the case of Indirect Guarantees, this rule applies if the Bank has received a partial release from the Secondary Bank.

9. Claim for reimbursement of expenses

The Obligor shall reimburse the Bank for all expenses which the Bank may consider necessary in the given circumstances and which the Bank incurs in connection with the execution of the Guarantee order, including judicial and extrajudicial enforcement proceedings in Austria and abroad. This obligation for reimbursement also includes expenses incurred after the derecognition of a Guarantee, in particular insofar as a payment obligation under the Guarantee still exists or an enforceable judgement for payment exists in the country of the judgement.

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Place, Date

Corporate signature or signature as per sample signature for guarantees
Instructing Party