

Treaty



**on the Formation of a Joint Savings Bank
Organization Hesse-Thuringia**

Treaty

on the Formation of a Joint Savings Bank Organization

between the State of Hesse,
represented by its Minister-President
and

the Free State of Thuringia,
represented by its Minister-President

of 10 March 1992, (Gazette of the Laws and Ordinances of the State of Hesse Folio I p. 190, Gazette of the Laws and Ordinances of the Free State of Thuringia Folio I p. 291) last amended by the Treaty of 20 June 2008 (Gazette of the Laws and Ordinances of the State of Hesse Folio I p. 983, Gazette of the Laws and Ordinances of the Free State of Thuringia Folio I p. 217).

This is a translation of the consolidated version of the Treaty that incorporates all previous amendments. The translation and the consolidated text are for information purposes only. The only authoritative text is the version published in German in the respective Gazette of the Laws and Ordinances together with all subsequent amendments.

The contracting parties have agreed, in view of the manifold and in some instances long-standing ties between the present Federal States of Hesse and Thuringia, to create, with the aim of

- improving the efficiency of the Sparkassen in Thuringia over the short term,
- increasing possibilities for the further development of the Sparkassen in both Federal States, and
- contributing to the development of a common economic area over the medium term,

a joint savings bank organization for Hesse and Thuringia, to the advantage of the population and the economy of the two Federal States as well as of the Sparkassen and their municipal Owners. This organization shall include a joint savings banks and giro association, a joint Landesbank – Girozentrale, a legally dependent or independent home loan and savings institution and the insurance companies (S-Finanzgruppe Hessen-Thüringen). Giving expression of equal partnership, state supervision shall be exercised by mutual agreement.

Therefore the contracting parties have entered into the following

Agreement

Part I, Chapter A

Savings Banks and Giro Association Hesse-Thuringia

Section 1

(1) The contracting parties agree that the Hessian Savings Banks and Giro Association, a public entity in Frankfurt am Main, shall continue to exist as a joint institution of the municipal Sparkassen and their Owners in the Federal States of Hesse and Thuringia, being joined by the Thuringian Sparkassen and their Owners.

(2) The Association shall be named “Sparkassen- und Giroverband Hessen-Thüringen” (Savings Banks and Giro Association Hesse-Thuringia) (hereinafter referred to as the “Association”). The territory covered by the Association includes the Federal States of Hesse and Thuringia. Its registered offices are in Frankfurt am Main and Erfurt. Members of the Association are the municipal Sparkassen domiciled in Hesse and Thuringia and their Owners. Private savings banks can be admitted to the Association by contractual agreement, public savings banks and their Owners which are domiciled outside the Federal States of Hesse and Thuringia may become members by way of accession.

(3) It is the responsibility of the Association, on a non-profit basis, to protect and advance the matters of common concern of its member Sparkassen in the fulfilment of their tasks, to promote the Sparkasse sector and the public home loan and savings institutions and insurance companies in line with developments in the financial services industry, to carry out audits at member Sparkassen, to further the training and advanced training of the Sparkassen employees and to support the supervisory authorities by providing expert opinions. In all other respects, the responsibilities, powers and structure of the Association are governed by its Charter.

(4) An auditing agency to audit the Sparkassen shall exist within the Association in addition to the administrative office. The Charter of the Association shall require the auditing agency to be registered as an auditor for annual statements of accounts, to be bound by the code of practice laid down by the regulations applying to auditing companies, to comply with the applicable regulations pertaining to the auditing of large companies formed as a Kapitalgesellschaft (stock company) and to conduct the audits without regard to instructions from the executive bodies of the Association. The dismissal of the head of the auditing agency shall be possible only with the consent of the supervisory authority.

(5) Within the scope of its functions, the Association may

1. take a share in a legal entity under public law by making a contribution to its share capital and incurring a liability;
2. create, either separately or jointly with other legal entities under public law, independent public or private credit institutions, insurance companies and other financial services corporations by making a contribution to their share capital and incurring a liability or take a share in such institutions, companies or corporations. The formation of such corporations as legally independent private corporations jointly with legal entities under private law shall also be permitted;
3. create, either separately or jointly with other legal entities under public law, an independent public or private home loan and savings institution by making a contribution to its share capital and incurring a liability or to take a share in such home loan and savings institution.
Sentence 2 of subsection 2 shall apply accordingly;

4. create, either separately or jointly with third-parties, against a majority participation by legal entities under public law, legal entities under public or private law – the latter in so far as they are vested with public authority (Beliehene) – for the partial or complete exercise of the tasks of administering the participation and the corporate management of enterprises belonging to the S-Finanzgruppe Hessen-Thüringen by making a contribution to their share capital and incurring a liability. The Association may, on the basis of a decision taken by the General Meeting of the Association, transfer its share in the capital of Landesbank Hessen-Thüringen – Girozentrale – (para. 1 of Sect. 5) to a legal entity created pursuant to the first sentence of this subsection as a holding company; for the implementation of the above, the procedure for taking a share in the Bank’s capital may be determined in the Charter of Landesbank Hessen-Thüringen – Girozentrale –, notwithstanding the rules and regulations set out in Chapter B. The second sentence shall apply accordingly, if and to the extent that the Association takes a share in the capital of or assumes a liability for companies. The supervision of a legal entity under public law created pursuant to subsection 4 is exercised, other legal rules and regulations notwithstanding, by the state supervisory authority responsible for the Association; paras. 1 to 3 of Sect. 2 shall apply accordingly;
5. join other bodies or agencies that serve to foster the interests of the member Sparkassen, take a share in such bodies or agencies by making a contribution to their share capital, or create such bodies or agencies by making a contribution to their share capital and incurring a liability.

Any measures taken pursuant to subsections 2 to 4 of the first sentence require the approval of the supervisory authority, it must be ensured however that state supervision is not limited thereby. Any measures taken pursuant to subsections 1 and 5 of the first sentence have to be notified in good time to the supervisory authority. In this connection, measures taken pursuant to subsection 5 of the first sentence require approval if the taking of a share or the incurring of a liability amounts to more than ten percent of the stated capital of the Association.

(6) Any amendments to the Charter of the Association have to be decided upon by the General Meeting of the Association in accordance with the procedure laid down in the Charter; such amendments require the approval of the supervisory authority and have to be published in the respective Official Gazettes for the Federal States of Hesse and Thuringia, indicating the approval given. Any such amendments shall take effect, unless another date has been determined, on the day following the latest of the two publications.

Section 2

(1) The state supervision of the Association and its auditing agency is exercised by mutual agreement by the Ministries in Hesse and Thuringia responsible for the supreme supervision of Sparkassen. The responsibility of the supervisory authority shall rotate every four years, beginning in 1992 with Hesse and changing to Thuringia on 1 January 1996. The ministry responsible at any time shall obtain the agreement of the respective other ministry concerning the approval of amendments to the Charter and any other decisions regarding supervision; details shall be laid down in an administrative agreement to be concluded between the two ministries concerned.

(2) The supervisory authority shall ensure that the activities of the Association are exercised in accordance with the law and with its Charter. It shall be authorized to take any measures required to this effect, in particular, it shall be authorized to demand that the Board of the Administration be convened to decide on a particular matter.

(3) The supervisory authority and the respective other ministry shall be invited to attend the General Meetings of the Association.

(4) The supervisory authorities responsible for the Sparkassen in Hesse and Thuringia shall be entitled to use the services of the Association and its auditing agency within the scope of their functions.

(5) The supervisory authority shall monitor compliance by the auditing agency with the requirements imposed by the Charter in accordance with Sect.1 para.4. The supervisory authority may conduct investigations for this purpose and may engage third parties in connection with such investigations and prescribe appropriate measures. If it receives concrete information about breaches of duty from the competent agency of another Member State of the European Union, it must investigate these purported breaches of duty and prescribe appropriate measures. If a serious breach of duty is found to have occurred, it may demand that the Association dismiss the head of the auditing agency. The supervisory authority publishes a programme of work and an activity report concerning the monitoring of the auditing agency every year.

(6) The supervisory function described in para. 5 shall be executed by natural persons who possess suitable expertise in the fields of relevance for the auditing of accounts and who have not, for a period of at least three years prior to being commissioned with the public supervisory function, conducted an audit of accounts, held voting rights in an auditing company, been a member of either an administrative or executive body of an auditing company or been employed by or otherwise connected with an auditing company.

(7) The costs incurred by the engagement of third parties in connection with the execution of this supervisory function shall be borne by the Association.

Section 3

The Savings Banks and Giro Association Hesse-Thuringia shall be entitled to merge with other savings banks and giro associations under public law – also in other German Federal States. A decision on such merger has to be taken by the General Meeting of the Association. Such merger may be effected by way of amalgamation, absorption or formation of a new entity upon universal succession. In the event of a merger by absorption, the Association may be both the absorbing and the absorbed entity. The merger requires the approval of the governments of the Federal States.

Chapter B

Landesbank Hessen-Thüringen – Girozentrale –

Section 4

Hessische Landesbank shall be renamed “Landesbank Hessen-Thüringen – Girozentrale –” (hereinafter referred to as the “Bank”). It is a legal entity under public law. It is authorized to accept trust funds. Its registered offices are in Frankfurt am Main and in Erfurt. The Bank shall be entitled to bear a seal with its name.

Section 5

- (1) Owner of the equity capital of the Bank is the Savings Banks and Giro Association Hesse-Thuringia as the Owner of the Bank.
- (2) The equity capital may be increased by means of capital contributions or out of the Bank’s own funds.
- (3) The Owner shall support the Bank in fulfilling its tasks on the understanding that a claim of the Bank against the Owner or a special obligation of the Owner to provide the Bank with funds does not exist.
- (4) The Owner can alone, or jointly and severally with other Owners or third parties, undertake guarantees which are limited in time or with fixed amounts against a fee that is in line with the market.

Section 6

(1) The Bank is liable for its liabilities with all its assets. The liability of the Owner is limited to the statutory capital.

(2) The Owner of the Bank on 18 July 2005 is liable for the fulfilment of all liabilities of the Bank existing at that point in time. For such liabilities entered into on or before 18 July 2001, the Owner is liable without time limitations; with regard to liabilities entered into after this date and on or before 18 July 2005, the Owner is liable only for those whose maturity does not extend beyond 31 December 2015. The Owner will fulfil immediately its obligations to creditors arising from the statutory guarantee (Gewährträgerhaftung) for liabilities agreed until 18 July 2005, as soon as the Owner has established on maturity of the liabilities in an orderly fashion and in writing that the creditors cannot be satisfied out of the Bank's own resources. Obligations of the Bank arising from its own statutory guarantee or a similar undertaking of liability are agreed and due within the meaning of sentences 1 to 3 at the same point in time as a debt secured by such a liability. Several Owners are liable jointly and severally in proportion to the internal relationship pursuant to the regulation in the Bank's Charter.

(3) The Thuringian Sparkassen and Guarantors shall not be liable for liabilities incurred prior to the entry into force of the present Treaty.

(4) For the liabilities of the Bank existing at 31 December 1989, there exists in addition to the statutory guarantee of the Association also the unlimited statutory guarantee of the State of Hesse to the extent that these liabilities cannot be met out of the Bank's assets. The State of Hesse and the Association are jointly and severally liable for such liabilities.

Section 7

(rescinded)

Section 8

(1) The Bank is responsible in particular for fulfilling the functions of a central institution for the Sparkassen and a municipal bank in the Federal States of Hesse and Thuringia. The Bank shall be entitled to issue Pfandbriefe, municipal bonds and other bonds. It shall also be entitled to conduct other banking business and other types of business specified in its Charter, to the extent that these serve directly or indirectly to fulfil the purpose of the Bank.

(2) The Bank is the central giro institution of the Sparkassen in the Federal States of Hesse and Thuringia. It shall effect cashless payments, administer the liquid balances which Sparkassen have invested with it and thus perform the function of liquidity equalization.

(3) As a municipal bank, it shall conduct the banking business of the local authorities and local authority associations, of other corporations, institutions and foundations under public law as well as of enterprises associated with the said corporations and associations.

(4) The Bank may perform trustee and public development functions on behalf of the Federal States of Hesse and Thuringia and other bodies of the public administration. In the field of public development, in particular housing and urban development, the economy, agriculture and environmental protection, these functions shall be performed by business divisions established at the Bank in Hesse and Thuringia. Having regard to the assumption of these functions by the Bank pursuant to sentences 1 and 2, the two Federal States may establish legally dependent entities under public law subject to their legal supervision and entrust these with the discharge of tasks within their jurisdiction in the course of public law procedure, as well as with other tasks, and also provide a statutory guarantee for such entities and undertake funding guarantees. Exercise of these functions must be in accordance with the EU's directives on state subsidies. A committee of the Supervisory Board can be established for each of these entities by an act of law, which act also defines the number of members, the composition and the functions of the committee. The entire responsibility of the Bank's executive bodies is to be maintained thereby. Insofar as regulations on the entities are laid down in the Charter of the Bank, such regulations require the agreement of the federal state liable for the entities concerned.

(5) The Bank operates a Bausparkasse (home loan and savings institution) in the Federal States of Hesse and Thuringia in accordance with the provisions of the Gesetz über Bausparkassen (German Building and Loan Association Act) under the designation "Landesbausparkasse Hessen-Thüringen" (Hessian-Thuringian State home loan and savings institution) as a legally dependent institution of the Bank; Section 13 of the present Treaty shall remain unaffected.

Section 9

The business of the Bank is to be conducted with due regard to commercial principles. General economic considerations are to be taken into account and the interests of the Sparkassen and local authorities are to be furthered. In consideration of the public mandate of the Bank, the achievement of profit is not the main object of business operations.

Section 10

(1) The executive bodies of the Bank are:

1. the Board of Owners,
2. the Supervisory Board,
3. the Board of Managing Directors.

(2) The Board of Owners shall decide in the cases defined by law and in the Charter, in particular upon

1. the use of the distributable profit and the covering of losses,
2. the discharge from responsibility of the members of the Board of Managing Directors and the members of the Supervisory Board,
3. the appointment of the auditors for the annual statement of accounts and of auditors for particular cases,
4. the amendment of the Charter and in as far as this is provided for in the Charter and changes to the Bank's capital,
5. the establishment and the closure of branches.

It shall represent the Bank in accordance with its Charter vis-à-vis the members of the Board of Managing Directors and of the Supervisory Board.

(3) The Supervisory Board is in particular responsible for supervising the conduct of business of the Board of Managing Directors. The Supervisory Board may appoint one or more committees from among its members, to which individual tasks may be transferred in whole or in part, to the extent permitted by law. The composition of the Supervisory Board is regulated in such a way that one third of the members of the Supervisory Board is delegated by the staff of the Bank. Details concerning the election and the eligibility of the staff representatives in the Supervisory Board are laid down in Election Rules to be issued in the form of a regulation by the Minister responsible for state supervision (sentence 1 of para. 1 of Section 12 of the present Treaty); such regulation to require promulgation in both Federal States.

(4) If the Bank makes use of an organised market pursuant to Art. 2 para. 5 of the German Securities Trading Act (Wertpapierhandelsgesetz) in the version of 9 September 1998 (German Federal Law Gazette I p. 2709), most recently amended by the Act of 21 December 2007 (German Federal Law Gazette I p. 3198) for securities pursuant to Art. 2 para. 1 sentence 1 of the German Securities Trading Act that it has issued itself, the Supervisory Board, as the audit committee, shall be required to perform the tasks described in sentences 2 and 3. It shall monitor the accounting process, the efficacy of the internal control system, the internal auditing system and the risk management system and the audit of the annual and consolidated accounts. It shall verify and monitor the independence of the auditor and in particular the additional services provided by the auditor for the Bank. At least one member of the audit committee must be independent and must have expert knowledge either of accounting or of the auditing of accounts. The Supervisory Board may transfer the performance of these tasks to a

committee that is formed from members of the Supervisory Board and has at least one member who satisfies the requirement described in sentence 4. Details are laid down in the Charter.

(5) The Board of Managing Directors shall conduct the business of the Bank and shall represent the Bank – with the exception of matters pursuant to sentence 2 of para. 2 of this Section – in and out of court vis-à-vis third parties.

Section 11

(1) The further legal relationships of the Bank are laid down in the Charter adopted by the Hessian Savings Banks and Giro Association on 14 November 1990 and published in the Official Gazette for the State of Hesse for 1990 on page 2902. Any amendments to the Charter are decided upon by the Owner. The Charter may stipulate that amendments to the Charter be decided upon by the Board of Owners.

(2) Any amendments to the Charter require the approval of the supervisory authority. They have to be published in the Official Gazettes of the Federal States of Hesse and Thuringia, indicating the approval given.

Section 12

(1) Para. 1 of Sect. 2 shall apply accordingly to state supervision. The supervisory authority can issue any and all decrees required to ensure that the business operations of the Bank conform with the laws, the Charter and other rules and regulations.

- (2) The lending limits for credits secured by real property require the approval of the supervisory authority.
- (3) The supervisory authority shall be entitled to inform itself at any time on the affairs of the Bank, to carry out on-the-spot investigations, to request oral and written reports and to inspect documents and other records. The supervisory authority shall also be entitled to demand that the Supervisory Board and the Board of Owners be convened to deal with particular matters. The supervisory authority and the respective other Ministry shall be entitled to attend the meetings of these bodies.
- (4) The Bank shall reimburse the Federal States of Hesse and Thuringia each for eighty percent of the expenses incurred by the supervisory authority within the framework of its supervisory activities to the extent they cannot be covered by fees or other refunds.
- (5) The supervisory authority may appoint a trustee to supervise the cover for Pfandbriefe and municipal bonds issued by the Bank. This trustee shall receive an appropriate remuneration from the supervisory authority, which the Bank has to refund to respective treasury.

Section 13

(1) The Bank shall be entitled, after a decision has been taken by the Owner to that effect, or, in the event that there are several Co-owners (subsection 1), after a decision has been taken by the sole Owner or jointly by those Owners holding the majority of the Bank's capital – and with the approval of its supervisory authority,

1. to admit other legal entities under public law – which may also acquire an interest in the Bank's capital – as Co-owners;
2. to merge with other public-law banking institutions – also in other German Federal States – on the basis of a merger agreement by way of amalgamation, absorption or formation of a new entity upon universal succession, and in the event of a merger by absorption, the Bank may be both the absorbing and the absorbed institution;
3. to conclude agreements for the transfer of its assets, unless prohibited by federal law, upon universal succession in whole or in part to another credit institution under public law and to transfer the assets of its home loan and savings institution, safeguarding the interests of the savers, to a home loan and savings institution under public or private law, with the Bank or the Owner taking a participation in the capital of such credit institution, or with the Owner taking a full or partial participation in the capital of such home loan and savings institution or assuming liability for such home loan and savings institution. In the event of the transfer in full of the assets of the Bank against the purchase of shares on its own behalf, the responsibilities of the Bank shall be limited to those of a holding institution, otherwise, it will cease to exist after completion of the asset transfer, without liquidation;

4. to conclude agreements with other credit institutions under public law according to which these institutions take a participation in the Bank's equity. Such agreements must contain provisions concerning the liability, the share in profits or losses and in the reserves, as well as the representation in the executive bodies of the Bank;
5. to change its legal form to a stock corporation in accordance with federal law. The Owner shall be considered the founder of the stock corporation. It shall subscribe to the shares of the stock corporation. The Articles of Association of the stock corporation shall be established by the representative body of the Owner.

(2) The Bank shall be entitled to accept investments from third parties in the form of participation rights (Genussrechtskapital) and the typical silent participation pursuant to the Banking Act, as amended, as well as take an interest in other public-law or private-law banking institutions. For the participation of the Bank in the share capital of Sparkassen, the consent of the state governments of the parties to the agreement is required. This also applies if a Sparkasse in which the Bank as owner or shareholder has a majority holding participates in the share capital of other Sparkassen.

(3) For the implementation of the above, the Charter of the Bank may, in the cases described in subsections 1, 2 and 4 of para. 1 above and notwithstanding the rules and regulations set out in Chapter B determine:

1. the legal nature of the Bank as a public-law entity, the registered office as a multiple registered office and the keeping of a seal by the Bank (Section 4);
2. the shareholding in the capital of the Bank including the transfer of shares in the ordinary capital held by the Savings Banks and Giro Association Hesse-Thuringia to third parties and the transfer of shares in the ordinary capital held by third parties to the Savings Banks and Giro Association Hesse-Thuringia;
3. the relationship between the executive bodies of the Bank in the case of the elimination of the Board of Owners or changes to its area of responsibility (paras. 1 and 2 of Section 10) and in the case of changes to the composition of the Supervisory Board laid down in para. 3 of Sect. 10.

In the case mentioned in the second sentence of subsection 3 of para. 1, the changes mentioned in the first sentence of subsection 3, which deviate from the provisions of Chapter B, may be laid down in the Charter of the Bank to reflect the change in its business purpose.

Section 14
(rescinded)

Chapter C

Öffentliche Versicherungsanstalten

Sections 15 to 32

(rescinded)

Chapter D

Common Regulations for the Association and the Bank

Section 33

(1) The Charter of the Hessian Savings Banks and Giro Association shall be immediately adapted by the General Meeting of the Association to the provisions of the present Treaty. The adapted Charter shall be published, with reference to be made to the approval given by the supervisory authority, in the Official Gazettes for the Federal States of Hesse and Thuringia.

(2) The Charter of the Bank has to be adapted immediately to the terms and conditions of the present Treaty and to be published in accordance with the second sentence of para. 2 of Sect. 11 referring to the approval given pursuant to the first sentence of para. 2 of Sect. 11.

(3) The name of the Bank can be determined in its Charter in deviation from the present Treaty. The parts of the names referring to the Federal States of Hesse and Thuringia shall be treated equally.

Section 34

(1) The Hessian Law concerning Personnel Representation shall be applicable to the Association and the Bank in its respectively current wording.

(2) The Thuringian Data Protection Act in its currently valid wording, including its references to the German Federal Data Protection Act, as well as section 34 of the Hessian Data Protection Act in its currently valid wording concerning data protection in connection with employer/employee relationships, shall be applicable to the Association and the Bank. The supervision of compliance with the provisions concerning data protection is exercised by mutual agreement between the Hessian and the Thuringian commissioner for data protection. Para. 1 of Sect. 2 shall apply accordingly; the administrative agreement shall be concluded by the two commissioners for data protection.

(3) In relation to the Association and the Bank:

1. insofar as Hesse is concerned, the first sentence of para. 1 of Sect. 111 of the Hessian State Budget Regulation (Landeshaushaltsordnung) shall not be applicable to the Association, the first sentence of para. 2 of Sect. 112 of the Hessian State Budget Regulation shall not be applicable to the Bank and Öffentliche Versicherungsanstalten,
2. insofar as Thuringia is concerned, the first sentence of para. 1 of Sect. 111 of the Thuringian State Budget Regulation shall not be applicable to the Association, the first sentence of para. 2 of Sect. 112 of the Thuringian State Budget Regulation shall not be applicable to the Bank and Öffentliche Versicherungsanstalten.

Section 35

Insofar as tax revenues of the Association and the Bank are not by act of law to be allocated to the Federal States of Hesse and Thuringia, compensation in accordance with the economic source of such revenues is deemed agreed upon. Any costs incurred shall be borne accordingly by the parties to the present Treaty.

Chapter E

Further Development of the Joint Institutions of the Savings Bank Organization Hesse-Thuringia

Section 36

Due to their mutual responsibility for the Sparkasse system in Hesse and Thuringia, the contracting parties attach great importance to the further development of the joint institutions of the Sparkassen in Hesse and Thuringia – currently the Bank.

It is therefore agreed between the parties in the interest of a long-term safeguarding and maintenance of competitiveness of the institutions named in the first sentence and, where applicable, of further similar institutions, that they will provide support in connection with any fundamental structural changes at these institutions that are considered necessary by a majority of the Owners pursuant to Sect. 13, para. 1 and Sect. 32 for the purpose of adapting to changing structures and sizes in the area of the public-law banking and insurance systems, within the framework of the rules and regulations laid down in the present Treaty. Fundamental structural changes are particularly those enumerated in Sect. 13, paras. 1 and 2, Sect. 32, para. 1.

Part II

Sparkasse Legislation

Section 37

(1) The contracting parties shall strive to achieve uniform Sparkasse legislation to the largest possible extent, unless specific circumstances in the Federal States require different rules and regulations. The contracting parties are committed to the public-law Sparkasse system. The transfer of the share capital of the Sparkassen to natural or legal persons under private law is excluded.

(2) Notwithstanding the above, the supervisory authorities of both Federal States supervise the Sparkassen domiciled and active in their respective territory. The supervisory authorities of both Federal States shall inform each other on matters of this supervision, in particular on any questions and facts which are of mutual interest.

Section 38

Sparkassen in Hesse and Thuringia may merge with other Sparkassen, also in other German Federal States; details have to be laid down in a treaty between the Federal States concerned.

Part III

Final Provisions

Section 39

(1) Each of the Federal States may apply for a joint discussion between the ministers responsible for the supreme supervision of Sparkassen or the supervision of insurance companies concerning questions of interpretation and execution of the present Treaty.

(2) Should any of the provisions of this Treaty be or become invalid, the remaining provisions shall remain unaffected. The invalid provision is to be replaced by a new provision which corresponds to the intent of purpose of such invalid provision.

(3) Each State can propose changes to the treaty – the treaty partners will then enter promptly into the corresponding negotiations. The Savings Banks and Giro Association Hesse-Thuringia is to be consulted in good time.

Section 40

The present Treaty may be terminated by any of the contracting parties by giving two years' notice as of the end of a calendar year.

Section 41

(1) Upon the expiration of the present Treaty

- a) the Thuringian members of the Association cease to be members of the Savings Banks and Giro Association Hesse-Thuringia;
- b) the Landesbank Hessen-Thüringen – Girozentrale – shall cease its activities as the central institution for the Sparkassen and – at the request of the Free State of Thuringia – its activities as a municipal bank in Thuringia;
- c) the contracting parties shall enter into negotiations at the corresponding request of the Free State of Thuringia, with the aim of terminating the activities of the home loan and savings institution in Thuringia, whilst protecting the interests of home loan and savings customers in both Federal States.

(2) The proprietary claims of the Thuringian Sparkassen in the event of their withdrawal from the Association follow from the Charter of the Association.

Section 42

The present Treaty is subject to ratification. The instruments of ratification shall be exchanged. The amendments to the present Treaty shall enter into force on the first day of the month following the exchange of the instruments of ratification.

Frankfurt am Main, March 10, 1992

The Hessian
Minister-President

The Thuringian
Minister-President

Eichel

Dr. Vogel

The Hessian Minister for
Economic Affairs, Transportation
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