

## **General information on investment business**

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provided by

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registered on the Commercial Register with Commercial Register  
no. 247579m,  
Data Processing No.: 2110419

Hereinafter referred to as the "Bank"

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The details provided here are aimed at informing the customer of those circumstances that could be of importance to him or her in relation to the Bank's investment business, but cannot replace the required contractual agreements.

The Austrian Securities Supervision Act (*Wertpapieraufsichtsgesetz*), referred to hereinafter as the "WAG", forms the legal basis for providing securities investment services.

This information is also constantly updated and available on the Bank's website, and can be requested at any time via customer support.

## **I. The Bank**

### 1) Licence

The Bank has been granted a licence to provide banking services by the Austrian Financial Market Authority, Otto-Wagner-Platz 5, 1090 Vienna. This licence also authorises the Bank to carry out investment and securities transactions with its customers.

### 2) Communication with the Bank

The Bank's services are offered in German. This applies particularly to all contracts and agreements, as well as to all communications between the Bank and its customers.

In general, the customer can contact the Bank in person during branch opening hours, as well as via telephone, letter, fax or e-mail. Unless agreed otherwise, legally relevant correspondence between the Bank and its customers is processed in writing.

In accordance with the provisions of the WAG, the Bank is under an obligation as of 1 January 2018 to record all telephone conversations and electronic communications with the customer. This applies both to incoming as well as outgoing communications. Copies of the records of these conversations and communications will be available upon request for a period of five years, and for a period of seven years if so requested by the authority responsible.

## **II. Securities services offered by the Bank**

All customers are generally classified as Private Customers in accordance with the WAG. Separate information will be provided in the event that customers receive a different classification (e.g. as a Professional Customer or Suitable Counterparty).

### 1) Services offered

The Bank offers the following services in the area of investments and securities business:

#### *a) Customer investment advice*

Investment advice involves the provision of personal recommendations by the Bank which relate to one or more transactions with financial instruments (securities).

#### Dependent investment advice:

The Bank provides dependent investment advice. This means that the investment advice provided by the Bank relates to a limited specific product, and primarily to financial instruments that are issued or offered by establishments that are closely connected with the Bank, including in particular:

- The Bank's own issues
- Issues by members of the Austria Banking Group
- Funds from capital investment companies belonging to the Austria Banking Group (Raiffeisen Kapitalanlage GmbH, Raiffeisen Immobilien Kapitalanlage GmbH, KEPLER Fonds Kapitalanlagegesellschaft mbH)
- Certificates from Raiffeisen Centrobank AG

#### Principles of investment advice:

The Bank provides investment advice in accordance with the following principles:

- Advice given to the customer is based on his or her entire securities investments at the Bank, (unless these are held in joint deposits of securities), not on just one product or security (irrespective of whether one or more of the customer's deposits are held at the Bank) and
- in addition to taking account of both of his or her suitability test data, any recommendation given to a customer also takes account of the customer's existing securities investments at the Bank, unless these are held in joint deposits of securities (irrespective of whether one or more of the customer's deposits are held at the Bank).

Securities investments in joint deposits of securities are considered separately in each case.

**However, the Bank does not provide any regular subsequent suitability test in relation to securities already acquired as described below.**

In order to be able to recommend to a customer securities or financial instruments that are suitable for him or her and in particular are in line with the customer's risk tolerance and financial situation (**suitability test**) the Bank asks the customer questions about the following topics:

- the objectives pursued by them with securities investments
- their financial situation
- their risk tolerance with respect to securities investments
- their experience and knowledge of securities investments

The Bank decides on an investment profile (classification) using the customer-provided information, and the Bank recommends a suitable combination of securities investments chosen from different investment categories (money market, bonds, stocks and shares, alternative investments) (**Target structure for the securities portfolio**).

If the customer already has securities investments at the Bank, then the current composition of those securities is compared with the target structure for the securities investments (**A Target to current actual comparison of the securities portfolio**).

The Bank then recommends selling, holding or buying financial instruments with due regard given to the desired target structure.

#### *b) Advice-free business*

When executing orders which are not based on any personal recommendation made by the Bank (investment advice), the Bank merely obtains information from the customer about their experience and knowledge in relation to the requested financial instrument. The Bank uses this information to assess whether the customer has the experience and knowledge required to understand the risks associated with the requested financial instrument (**suitability test**). However, no test is carried out on whether the requested financial instrument (security) is appropriate in terms of the customer's investment objectives, financial situation or risk tolerance. Similarly, securities offered by the Bank, in response to a customer request, but absent investment advice from the Bank, will not be tested as to whether they are appropriate in terms of the customer's investment objectives, financial situation or risk tolerance

#### *c) Securities acquisition/sale (order acceptance and transmission)*

The Bank provides its customers with the opportunity of acquiring and selling financial instruments. Depending on the product, the Bank acts as seller or purchaser, or it concludes the transaction requested by the customer for the latter's account, with the customer's order also frequently forwarded onto other partners involved in the transaction.

#### *d) Portfolio management*

The Bank allows customers to enter into portfolio management agreements (asset management) with defined monetary limits. Here, the customer appoints and authorises the Bank to invest the amount provided for management as per an agreed investment strategy and without obtaining specific instructions, i.e. according to the Bank's own discretion. The Bank regularly uses the services of another member of the Austria Raiffeisen Banking Group in order to execute this agreement. The customer agrees that investments can also be made in financial instruments that are issued or offered by establishments closely connected with the Bank.

#### *e) Acquisition of other financial instruments*

The Bank provides its customers with the opportunity of acquiring or selling other financial instruments (e.g. exchange rate hedging instruments, forward foreign-exchange contracts, swaps). Depending on the product, the Bank acts as seller or purchaser, or it concludes the transaction requested by the customer for the latter's account, with the customer's order also frequently forwarded onto other partners involved in the transaction.

#### *f) Ancillary services*

The Bank also provides ancillary services that are associated with the securities investment services stated above: for instance, it holds securities and other financial instruments in safe custody for its customers, for which it regularly uses professional third-party custodians, and thereby provides associated services such as cash management or collateral management. It also provides associated foreign exchange transactions (e.g. conversions upon acquisition/sale/repayment of financial instruments quoted in a foreign currency).

## 2) Description of financial instruments offered

A general description of the securities and financial instruments that generally form the subject matter of the services offered by the Bank is found in the brochures "Basic information on securities and additional investments" (or "Basic information on financial derivatives") provided to the customer.

### **III. Execution of customer orders**

In accordance with the provisions in the Austrian Securities Supervision Act (WAG) the Bank has set out the principles regarding how it executes or forwards orders for its customers in order consistently to achieve the best possible results. The principles are known as the execution policy.

The essential content of the execution policy is outlined below.

#### **1) Scope of application**

The execution policy must be applied to orders for the sale or purchase of financial instruments. The execution policy covers forwarding of orders to other intermediaries for execution (simple agency) as well as order execution by the Bank itself (agency with contracting for own account).

The execution policy does not apply to purchase agreements between the Bank and the customer (known as "fixed price transactions"). To be specific, a purchase agreement is formed when the Bank and the customer agree on a fixed price for the underlying transaction, e.g. fixed rate transactions for securities (bonds, in particular), derivative interest rate and currency contracts and other over-the-counter financial futures.

Additionally, the execution policy does not apply to the issue and redemption of investment fund units via the relevant custodian bank. These take place via the relevant custodian bank for the investment fund or via intermediaries (e.g. banks, fund trading platforms).

Separate information is provided on the execution policy for portfolio management.

#### **2) Weighting of the execution packages**

The most favourable result for the private customer is determined by the total price that the customer will achieve upon a sale, or expend upon a purchase. This includes the price for the financial instrument and the costs associated with the order execution.

The price (rate) crucially depends on the price-quality at the execution venue. The price-quality can be determined based primarily on the long-term liquidity. The costs include all outlays incurred by the customer which are directly associated with the order execution.

Because of the similar charges at the various execution venues, the liquidity is the main aspect used by the Bank in determining the execution venues.

Additional aspects of execution are considered if the order is for a significant amount or requires over-the-counter execution. In these cases, the probability of execution and settlement and in some cases the speed of execution become increasingly important.

The Bank gives equal weighting to the execution aspects for private and professional customers.

#### **3) Implementation**

The Upper Austrian Raiffeisen banks are not directly linked with any execution venues. The Upper Austrian Raiffeisen banks forward orders to Raiffeisenlandesbank Oberösterreich Aktiengesellschaft as intermediary for execution, subject to the execution policy. This close collaboration with Raiffeisenlandesbank Oberösterreich Aktiengesellschaft allows the most favourable result to be achieved for the customer.

Raiffeisenlandesbank Oberösterreich Aktiengesellschaft either executes orders itself at an execution venue (if there is a direct link, e.g., generally, stock exchange membership) or forwards them to an intermediary (e.g. a broker) for execution.

More details on the intermediaries and possible execution venues can be found in the supplement "Overview of intermediaries & execution venues".

The Bank implements all orders pursuant to the execution policy, but cannot provide a guarantee that the best possible result will actually be achieved for each individual order.

Orders can also be executed outside of regulated trading venues if execution and settlement would otherwise be unlikely (e.g. over-the-counter execution of listed certificates or listed bonds in the absence of liquidity at the stock exchange).

Under certain circumstances the Bank consolidates multiple customer orders for purchase or sale of subscription rights provided that this does not disadvantage the customer overall. The Bank thereby endeavours to see that, as far as

possible, the customers concerned are not disadvantaged. It should be noted, however, that consolidation can also be disadvantageous for individual orders.

No customer orders are consolidated with orders for the Bank's own account.

Purchase orders are primarily executed at the largest execution venue in the country of issue, or, in the case of Eurobonds, in the issuer's country, as execution in accordance with the weighting of the execution aspects is generally possible here with due regard given to the liquidity of the markets.

In the case of sales orders, the stock exchange at which the last purchase or additional purchase transaction took place for the relevant security is proposed to the customer as the execution venue.

With sales orders, in standardised sales logic, new portfolios are sold before old portfolios. The customer can change this standardised sales logic via the Account Manager.

#### 4) Customer instructions

The customer can give a specific direction to the bank, and that direction can either be applied in general or to one individual transaction. The specific direction may regard the execution venue at which the customer's order shall be executed or it can regard the weighting given to execution aspects. This instruction takes priority over the regulations in the execution policy. The Bank expressly points out to customers that it may be prevented from achieving the best possible result for the customer through any such instruction and the resulting deviation from the execution policy. This may also apply at times to the provision of specific additions to orders. The customer has the option of selecting, for orders, an execution venue that facilitates additions to orders that the customer requests. The customer is expressly notified of this in the "Order Guidelines" which are updated continuously and available on the ELBA internet or from customer support.

### **IV. Conflicts of interest**

#### 1) Basic guidelines for handling conflicts of interest

The Bank has set out guidelines for handling conflicts of interest. These guidelines are aimed at preventing conflicts of interest from arising between;

- a customer and the Bank;
  - a customer and a Bank employee;
  - a customer and a company controlled by the Bank; or
  - between customers of the Bank;
- and harming the customer's interests.

The basic principles in these guidelines are as follows:

The topmost principle involves avoidance of conflicts of interest. Each bank has a Compliance Officer in place for this who ensures that investments are processed in accordance with the statutory regulations when conflicts of interest are unavoidable and who regularly reports to executive management.

The interests of the customer are the only ones taken into consideration when providing consulting services.

Any trading or transactions for the Bank's own account take place separately from customer business.

In the event of conflicts of interest caused by shortages (i.e. there are more customer orders than can possibly be fulfilled) there are clear principles on allocation set out, and they are to be applied prior to allocation (e.g. priority principle or pro rata distribution) in order to prevent any subjective prioritisation of individual customers. Other conflicts of interest are communicated to the customer, on a case-by-case basis, in accordance with the Bank's actual role.

For some products the prices are determined based on current market conditions.

The Bank has defined areas of confidentiality in accordance with its size and organisational structure, in order to prevent information from being shared between people whose activities could involve a conflict of interest. If the sharing of information between the defined areas which could involve a conflict of interest is unavoidable in an individual case, it is reported to the Compliance Officer, who then implements the appropriate actions.

The Bank's organisation is set up to ensure that any improper influence on the manner in which securities investment services are provided is avoided.

Investments which could give rise to any conflicts of interest in accordance with the provisions of the Stock Exchange Act are published on the Bank's website.

The Bank's employees undergo ongoing training.

In the event that a conflict of interest is unavoidable despite the measures stated above, the Bank will notify the customer in general terms, or specifically prior to order placement, so that the customer is able to make their own decision in light of the conflict of interest.

Upon request, the customer can obtain further details of the guidelines for handling conflicts of interest.

## 2) Information on conflicts of interests that frequently occur

The Bank regularly receives, for possible involvement in an issuing consortium, commissions in line with the industry standard. In addition to this there may also be financing agreements in place between the Bank and potential issuers, and the potential issuers may use the proceeds from the issue for partial or full repayment of existing financing with the Bank.

Upon request, the customer can obtain further details of the guidelines for handling conflicts of interest.

## **V. Financial incentives**

### 1) Basic principles applicable to remuneration for the sale of products

The Bank receives remuneration for dependent investment advice as well as for ongoing customer support, further training measures, and preparation of information from some partners whose products the Bank sells.

Remuneration is only received subject to strict criteria. The remuneration received is used for quality-improvement measures for the customer. In general, the Bank ensures that remuneration does not impair efforts aimed at the best possible fulfilment of the investment firm's obligations towards the customer.

The Bank attaches great importance to customer support that is tailored to individual needs, with due regard accorded the principle of risk diversification. The service provided by the customer support representative is based around the customer's requirements and not on the different remuneration for products.

The amount of the ongoing commissions received depends on the type of product and on the issuer or intermediary.

The Bank receives commissions on a regular basis, including from the following partners:

- Fund companies of the Austria Banking Group
  - Remuneration, up to the full amount of the annual management fee, from the value of the shares in the customer's portfolio
- Other fund companies
  - Remuneration up to the full amount of the issue surcharge calculated
  - Remuneration, up to the full amount of the annual management fee, from the value of the shares in the customer's portfolio
- Certificate- and other issuing houses
  - annual percentage share of remuneration from the value of the shares in the customer's portfolio
- Real estate companies
  - annual percentage share of remuneration from the value of the shares in the customer's portfolio

The amounts or percentages stated above may be exceeded and supplemented with one-off payments in an individual case.

In some cases, the Bank receives, from the issuer or its sales partners, a sales commission for securities issues and corporate investments.

The Bank receives support in some cases from sales partners in the form of one-off monetary payments or payment-in-kind for the purposes of quality campaigns based around customer support.

The Bank generally receives higher levels of remuneration for the sale of products of the Austria Banking Group than it does for the sale of third-party products.

### 2) Basic principles applicable to remuneration in connection with customer procurement

If the Bank procures a business connection between another bank or other third party and a customer, the Bank receives remuneration for this from the bank or the other third party; conversely the Bank grants remuneration to a bank

or other third party that procures any such customer relationship. In both cases, the amount of the remuneration is either a proportion of the remuneration, or a proportion of the margin for the transaction procured.

### 3) Further details

Upon request, the customer may obtain further details on the remuneration or commission agreements addressed under points 1 and 2. The benefits retained will be disclosed to the customer prior to order placement as of 1 January 2018.

## **VI. Custody of securities for customers**

### 1) Third-party custody

Securities which the Bank is required to keep in safe custody for its customers are forwarded to other banks specialising in safe custody of securities ("third-party custodians"), in order to guarantee maximum possible protection for these securities. The Bank is liable to the relevant customer for any loss which is suffered through unlawful culpable actions or omissions by the third-party custodians. If the securities are being kept in safe custody for a business customer, then the Bank's liability is limited to careful selection of the third-party custodian. If a third-party custodian becomes insolvent despite this careful selection, the Bank can demand that the securities transferred to the third-party custodian for safe keeping be surrendered to it.

### 2) Collective safe custody

Securities which the Bank is required to keep in safe custody for its customers are kept in safe custody collectively with the same securities belonging to other customers ("collective safe custody"). Collective safe custody does not pose any particular risks for the customer, as each customer has the option of demanding a surrender of their share of the securities held in collective safe custody (including in the event of insolvency on the part of the Bank or the third-party custodian).

### 3) Custody abroad

It may be necessary for securities to be kept in safe custody by third-party custodians abroad, specifically also including outside the European Economic Area. In this case, they are subject to the legal regulations of the country in which they are being held. These legal regulations may differ significantly from those applicable in Austria and may not necessarily provide the same degree of protection.

### 4) Protection of customer securities

The Bank is subject without limitation to the provisions of the Austrian Deposit Guarantee Scheme and Investor Compensation Act (*Einlagensicherungs- und Anlegerentschädigungsgesetz* – ESAEG). The Bank is a member of the Austrian Raiffeisen deposit guarantee scheme, *Einlagensicherung AUSTRIA Ges.m.b.H.*, which is responsible for statutory deposit guarantees and investor compensation.

The website of *Einlagensicherung AUSTRIA Ges.m.b.H.* ([www.einlagensicherung.at](http://www.einlagensicherung.at)) contains all of the information required by

- depositors, in particular, information about the provisions for the procedure for refunding deposits, and the terms and conditions for deposit guarantees and for
- investor compensation.

Further details on deposit guarantees are available in the informational sheet "Information on guarantee protection", which the customer receives when opening an account and which can also be found on the website (see front page). The Bank will also be happy to provide this upon request.

#### *a) Scope of the deposit guarantee*

Deposits (including deposits and credit balances in bank accounts and savings account books, such as salary, savings and pension accounts, securities clearing accounts, other current accounts, fixed deposits and capital savings account books) of natural persons and legal entities are guaranteed up to a maximum amount of EUR 100,000.00 per depositor, irrespective of whether the deposit is a private or professional one.

Recoverable deposits are not taken into account when calculating the deposits covered, provided that these are accompanied by depositor liabilities towards the Bank which can be offset in accordance with the statutory or contractual provisions and which became due before or no later than at the time that the event triggering the guarantee

occurred. The maximum amount relates in each case to one bank (including when this bank operates under different brand names).

*b) Scope of investor compensation*

Under Austrian law, securities must be returned to investors by the custodian bank. Monetary claims from the investor compensation scheme are guaranteed up to a maximum of EUR 20,000.00 both for natural persons as well as legal entities. However, claims by legal entities are limited to 90% of the receivable from securities business per investor.

*c) Claims covered by investor compensation*

All claims against the bank from

- custody and management of securities (safe custody business),
- trade by the bank in money market instruments, financial futures contracts, interest rate futures, forward rate agreements, interest and currency swaps as well as equity swaps, securities and instruments derived from these,
- participation by the bank in third-party issues ("loro issuing business"),
- collection and investment of severance payment contributions and contributions for self-employment (Corporate Provisional Fund Business)

are covered in principle.

*d) Exceptions from investor compensation*

The exceptions provided from investor compensation are stated below in simplified form.

Protection specifically does not extend to claims from securities business

- from banks and financial institutions, insurance companies and securities firms,
- from pension and bond funds and undertakings for collective investment in securities,
- from government bodies, in particular national government as well as regional and local authorities and central administrations,
- of own-fund items, debenture bonds as well as liabilities from own bills of exchange and promissory notes of a bank,
- from persons affiliated with the bank, such as executives, members of the Managing Board or the Supervisory Board, partners with personal liability (in the case of commercial law partnerships), auditors of the bank and individuals holding at least 5% of the bank's capital, including if these individuals are acting in their role for companies affiliated with the bank (except in cases of negligible investments),
- from relatives of persons affiliated with the bank, as well as third parties, in the event that the close relative or the third party is acting for the account of the persons affiliated with the bank,
- from other companies that are undertakings affiliated with the bank,
- in connection with transactions based upon which individuals have been convicted of money laundering by a court of law in criminal proceedings,
- for which the party entitled to the claim has received their own individual interest rates or other financial benefits from the bank, which result in a deterioration in the financial position of the bank or securities firm,
- from companies which meet the conditions for large corporations

*e) Distinction between deposit guarantee and investor compensation*

A claim for double compensation does not arise from the fact that compensation is paid for one and the same claim in accordance with the provisions applicable to deposit guarantees and investor compensation. Claims from credit in accounts covered by the deposit guarantee must be compensated from the deposit guarantee scheme.

5) Rights of lien and retention

In accordance with sections 49 – 51 and 58 of the General Terms and Conditions, securities that are transferred to the Bank for safe custody are subject to a right of lien and retention for the Bank as collateral for all of the Bank's claims against the customer from the business relationship.

Provided that such agreements with the Bank are prescribed by the applicable law of the third country in which the financial instruments are being kept in safe custody, third-party custodians may assert collateral rights in and rights of lien on the securities kept in safe custody by them with respect to the claims arising in connection with the custody of the securities (in particular custody fees).

## **VII. Terms and conditions of contract and costs**

### 1) Safe custody agreement

Together with these "General terms and conditions for investment business", the customer also receives the sample safe custody agreement which he or she is required to enter into with the Bank following an interest in securities business.

### 2) Prices and costs

The fees charged by the Bank for services in the securities area can be found in the services and prices sheet which forms part of the safe custody agreement. In addition to this, individual service charges are also agreed with the customer in individual cases based on the specific order and these are then also stated in the order confirmation. In exceptional cases there are also cash outlays which the Bank is required to pay to third parties (e.g. brokers) when executing customer orders. The customer is also responsible for these cash outlays.

The following applies as of 1 January 2018:

- Costs incurred will be disclosed to the customer both in good time prior to the purchase/sale of a financial instrument, as well as once per financial year after this time.
- The costs will be presented to the customer as a total sum. The proportion of remuneration will be presented separately with this as a share of the total costs.
- All costs will be displayed both as percentages and in figures. For example with costs of 1% and an investment of EUR 1,000 the corresponding costs of EUR 10 are also shown.

### 3) Foreign currency transactions

If payments need to be made in a foreign currency or incoming payments need to be converted into euros within the scope of an order placed with the Bank, the Bank uses the market exchange rate to convert the relevant amount and generally charges this to its customers at the time of invoicing. The daily conversion rate is published daily on the Bank's website. The share of the foreign currency costs as a proportion of the total costs is disclosed to the customer both in good time prior to concluding the transaction, as well as once per financial year after concluding the transaction.

### 4) Additional taxes and costs

It should be noted that further taxes and costs may be incurred in addition to the fees and cash outlays stated above (e.g. domestic and foreign capital gains taxes) and these are not necessarily paid via or invoiced by the Bank. The customer is personally responsible for meeting their tax obligations.

### 5) Payments by the customer

Unless otherwise agreed, all amounts which the customer is required to pay to the Bank within the scope of the business in financial instruments are debited from the customer's account at the Bank.

## **VIII. Information on bank resolutions and creditor participation (bail-in clause)**

The European Bank Recovery and Resolution Directive ("**BRRD**") and European Resolution establishing uniform rules and a uniform procedure for the resolution of credit institutions in the framework of a single resolution mechanism and a single resolution fund ("**SRM Regulation**") came into force effective 1 January 2015. They introduce a uniform regulation aimed at preventing banking crises and on risk management of banks for EU Member States.

The BRRD was implemented into Austrian law through the Federal Act on Bank Recovery and Resolution (**BaSAG**).

This BRRD provides inter alia that a national resolution board is setup in each EU Member State with certain rights related to the resolution and recovery of credit institutions.

The details may differ regarding the exact organisation of the measures at the national level which may affect the resolution boards. The potential resolution measures are outlined here using Austria as an example. The resolution procedures in other countries, including in particular non-EU countries, may differ and may be even more far-reaching.

### When might I be affected?

You may be affected as a **shareholder or creditor** of a bank if you hold financial instruments issued by the relevant bank (e.g. stocks and shares, bonds or certificates) or have claims against the bank as a contractual partner (e.g. individual agreements under a framework agreement for financial futures).

The securities that your bank holds for you in safe custody which were not issued by the custodian bank are not covered by the resolution measures against this bank. Your title to these (third-party) financial instruments held in safe custody is not affected in the event of a resolution of a custodian bank.

#### Who is the resolution board?

Resolution boards have been created in order to enable an orderly resolution in the event of a crisis. The Single Resolution Board ("**SRB**") and the Austrian Financial Market Authority ("**FMA**") are the resolution boards that are responsible for Austria. No distinction is made between the SRB and FMA below for reasons of simplicity.

The resolution board responsible for the relevant bank is authorised to order resolution measures under certain resolution conditions.

#### When is there a bank resolution and when are insolvency proceedings involved?

The resolution board can order certain resolution measures if the following conditions are met for a resolution:

- The relevant bank is under threat of failing. This is assessed in accordance with statutory regulations, and applies e.g. if the bank no longer meets the statutory requirements for a banking permit as a result of losses.
- There are no prospects in sight which could avoid the bank's failure within a reasonable period based on alternative measures in the private sector or other measures implemented by the supervisory authorities.
- The measure is in the public interest, i.e. it is necessary and proportionate, and liquidation in regular insolvency proceedings is not an equivalent alternative.  
The resolution board decides whether the resolution measure is in the public interest in the individual case based on statutory criteria (including avoiding any negative impact on financial stability, protecting depositors, protecting public funds).

If the resolution board decides against resolution measures, then business supervisory proceedings are opened in relation to the bank in the event of insolvency or excessive levels of debt where a recovery is expected. These proceedings mean that you can only assert your uncollateralised claims against the relevant bank once the insolvency or excessive levels of debt have been abolished.

Bankruptcy proceedings are opened in relation to the bank's assets if there is an inevitable assumption that the excessive levels of debt or insolvency can no longer be abolished. In the bankruptcy proceedings you will only receive the dividend in bankruptcy attributable to the financial instrument issued by the bank and held by you. If collateral has been provided for the claim (e.g. in the form of a reserve fund), then you can claim priority satisfaction in relation to the other creditors based on this collateral.

#### What measures can be ordered by the resolution board?

If all conditions for a resolution have been met, the resolution board can implement comprehensive resolution measures – normally before any insolvency – which could have a **detrimental** impact on the bank's shareholders and creditors:

- **Sale of the company:** This involves the transfer of shares, assets, rights and liabilities of the bank subject to the resolution measures in whole or in part to a particular purchaser. If shareholders and creditors are affected by the sale of the company then these are then faced with a different institution that is already in existence.
- **Bridge bank:** The resolution board may transfer shares or other ownership title in the bank or all or individual assets at the bank including its liabilities to a bridge bank. This can impair the bank's ability to meet its payment and delivery obligations to the creditors and can also reduce the value of the shares in the bank.
- **Spin-off of assets:** Within the scope of this instrument the resolution board can order a transfer of the assets, rights or liabilities of a bank subject to resolution proceedings to one or more special purpose companies specially set up to manage the assets (phase-out unit). This is in order to manage the assets with the aim of maximising their value until a subsequent sale or liquidation. As with a sale of the company, a creditor is faced with a new debtor following the transfer.
- **Creditor participation ("bail-in") – applicable since 1 January 2016:** The resolution board can write down financial instruments from and claims against the bank either in part or in their entirety or convert these to equity (stocks or other company shares) in order to stabilise the bank, absorb the losses and recapitalise.

The resolution board can adjust the terms and conditions of the financial instruments issued by the bank and of the claims against it via an official order, e.g. the date of maturity or the interest rate may be amended to the creditor's detriment. Payment and delivery obligations can also be modified, including through provisional suspensions. Rights of termination and other rights of the creditor to modifications from the financial instruments or claims can also be provisionally suspended.

### When am I affected by a bail-in as a creditor?

Whether you are affected as a creditor by the bail-in resolution measure depends on the extent of the measure ordered and on the classification applicable to your financial instrument or your claim.

Certain types of financial instruments and claims are **excluded from the bail-in by statute**:

This includes e.g. deposits up to EUR 100,000 covered by a statutory deposit guarantee scheme and liabilities collateralised by assets (e.g. mortgage bonds or covered bonds).

Financial instruments and claims are divided into different categories as part of a bail-in and are called upon for liability purposes based on a statutory **order of priority** (known as the **liability cascade**).

The following rules apply in terms of the applicability to the shareholders and creditors from the relevant categories:

The next category of liabilities in the **liability cascade** can only be written down or converted once the preceding category of liabilities has been called upon in full and this is not enough to offset losses in order to stabilise the bank.

1. The resolution measures apply first of all to the **core Tier 1 capital** and therefore the bank's shareholders (i.e. holders of **stocks and shares** and other equity instruments).
2. The additional Tier 1 capital is affected next (e.g. additional Tier 1 issues).
3. The Tier 2 (supplementary) capital is then called upon after this. This affects creditors of subordinate liabilities (e.g. holders of subordinate loans – Tier 2).
4. The **uncollateralised subordinate** financial instruments/claims that do not meet the requirements of additional Tier 1 capital or supplementary capital (Tier 2) capital follow in the liability cascade.
5. The next class consists of obligations from unsecured non-subordinated and non-structured senior bonds ("non-preferred senior bonds"), the lower rank of which compared with the following class has been highlighted.
6. Uncollateralised non-subordinate financial instruments and claims then follow in the liability cascade ("other uncollateralised financial instruments / claims", e.g. **senior bonds**).
7. Finally deposits from natural persons and small and medium-sized enterprises are called upon for surpluses above the amount guaranteed through the deposit guarantee scheme (Einlagensicherung AUSTRIA Ges.m.b.H.) of EUR 100,000.

### What are the potential consequences of the resolution measures for me as a creditor?

If the resolution board orders or implements a measure in accordance with these regulations, the creditor cannot terminate the financial instruments and claims based on this measure alone and cannot assert any other contractual rights.

This applies for as long as the bank fulfils its principal performance obligations under the terms and conditions of the financial instruments and claims, including payment and other performance obligations.

If the resolution board implements the measures described then a **total loss** of the capital deployed by the shareholders and creditors is a **possibility**.

Shareholders and creditors of financial instruments and claims may therefore lose the **purchase price** paid in acquiring the financial instruments and claims **in full plus any other costs associated with the purchase**.

The mere possibility that resolution measures may be ordered can make any **sale** of a financial instrument or claim on the **secondary market more difficult**.

This may mean that the shareholder and creditor can only sell the financial instrument or claim at a considerable discount. These financial instruments may only be sold at a considerable discount even in cases where the issuing bank is subject to existing repurchase obligations.

The aim is that shareholders and creditors should not be placed in a worse position with a bank resolution than they would in normal insolvency proceedings against the bank.

Nevertheless, if the resolution measure results in the shareholder or creditor being placed in a worse position than would be the case in regular insolvency proceedings, this results in a claim for compensation on the part of the shareholder or creditor.

### Where can I find further information?

Österreichische Nationalbank and the Austrian Financial Market Authority have provided information on the recovery and resolution regulations applicable in Austria:

- Österreichische Nationalbank:  
<https://www.oenb.at/Finanzmarktstabilitaet/bankenunion/einheitlicher-abwicklungsmechanismus-/sanierungs-und-abwicklungsrichtlinie.html>
- Austrian Financial Market Authority: <https://www.fma.gv.at/bankenabwicklung-in-oesterreich/>

## **IX. Complaints**

The trust and confidence of our customers is our most precious asset. We endeavour at all times to provide the best possible support to you on all banking business matters. If you still feel that you have grounds for a complaint then we will pursue this without delay.

### Who is the correct contact in the event of a complaint? In what format should complaints be submitted?

- Please contact your customer support agent or their manager. This can be done in person, by telephone or in writing (letter or e-mail).
- Alternatively you can also use our electronic contact form for your complaint. Your complaint will be forwarded to the person responsible for processing without delay upon receipt. This can be found on the Bank's website (see front page).
- If this still does not result in a satisfactory conclusion you can also send your complaint via letter or e-mail to the Bank's executive management/Managing Board (see front page for contact details).

### What points should be considered with complaints so that we can process these quickly and efficiently?

- Please provide your details to us: name, address, telephone number.
- Please note the mandatory fields marked with \*) when using our contact form.
- Please provide your account/custody account number to us if known.
- Provide as many details as possible on your complaint.
- If your complaint relates to a specific transaction, please provide all known details on the relevant transaction.
- If you have any queries on specific documentation (e.g. account statements) then please enclose or attach a copy of the relevant document.
- Please let us know if you have a suggestion as to how we may be able to resolve the root cause of your complaint.
- If you are receiving support with your complaint from third parties then please complete a release form from banking secrecy.

*Important: Do not send us any passwords, PINs or similar security codes. We will also never request these from you.*

### What happens with your complaint?

We will deal with your complaint objectively and fairly. We research issues at our end, and collect and review all evidence and information relevant to your complaint which will represent the basis for our decision. We record complaints on our internal systems.

You will receive a response to your complaint as soon as possible. This will be in clear and understandable language. Please note that some matters are more complex than they may appear at first sight. We will notify you if it takes longer for us to process your matter or if there are any additional unexpected delays, and let you know of an expected time for a response from us.

We will notify you of our position in our written response if we are unable to meet your demands or cannot meet these in full.

Consumers have the following options available in terms of further processing and continuing complaints:

- Joint Conciliation Board of the Austrian Banking Industry: customers have the option of contacting the independent Joint Conciliation Board of the Austrian Banking Industry, 1045 Vienna, Wiedner Hauptstraße 63, [www.bankenschlichtung.at](http://www.bankenschlichtung.at) as an independent body for out-of-court settlement of disputes.
- Platform from the European Commission for online settlement of disputes (related to complaints from online purchase agreement or online service agreements): [www.ec.europa.eu/consumers/odr](http://www.ec.europa.eu/consumers/odr)
- Conciliation service for consumers (especially for loans in foreign currencies), Vienna ([www.verbraucherschlichtung.at](http://www.verbraucherschlichtung.at))

You can also address your complaint to the Austrian Financial Market Authority (FMA), Vienna ([www.fma.gv.at](http://www.fma.gv.at)).

## Overview of intermediaries & execution venues

### I. INTERMEDIARIES

#### 1) Oberösterreichische Raiffeisenbank

The Upper Austrian Raiffeisen banks are not directly linked with any execution venues. The Upper Austrian Raiffeisen banks forward orders to Raiffeisenlandesbank Oberösterreich Aktiengesellschaft as intermediary for execution, subject to the execution policy.

#### 2) Raiffeisenlandesbank Oberösterreich

Type of transaction	Link with stock exchange or intermediary
AT Stock Exchange – Xetra	Link with stock exchange
DE Stock Exchange – Xetra	Link with stock exchange
DE Stock Exchanges – Berlin, Düsseldorf, Frankfurt, Munich, Stuttgart	Link with stock exchange
DE Stock Exchanges – Hamburg, Hannover	Raiffeisen Centrobank
DE Stock Exchange – Eurex	Link with stock exchange
US Stock Exchanges	Raiffeisen Centrobank
CA Stock Exchanges	Raiffeisen Centrobank
Securities on other stock exchanges	Raiffeisen Centrobank
Derivatives on other stock exchanges	Deutsche Bank
over-the-counter via ELBA (CATS-OS)	in acc. with customer selection

## II. EXECUTION VENUES

Execution venues upon which the Raiffeisen Banking Group Upper Austria essentially relies.

### Advisory business\*

Country	Stock Exchange	Symbol
Australia	Sydney	XASX
Belgium	Brussels	XBRU
Bosnia and Herzegovina	Sarajevo <sup>2</sup>	XSSE
Bosnia and Herzegovina	Banja Luka <sup>2</sup>	XBLB
Bulgaria	Sofia	XBUL
Denmark	Copenhagen	XCSE
Germany	Frankfurt XETRA <sup>1</sup>	XETR
Germany	Frankfurt <sup>1</sup>	XFRA
Germany	Munich <sup>1</sup>	XMUN
Germany	Stuttgart <sup>1</sup>	XSTU
Germany	Düsseldorf <sup>1</sup>	XDUS
Germany	Hamburg <sup>1</sup>	XHAM
Germany	Hannover <sup>1</sup>	XHAN
Germany	Berlin <sup>1</sup>	XBER
England	London	XLON
Estonia	Tallinn	XTAL
Finland	Helsinki	XHEL
France	Paris <sup>1</sup>	XPAR
Greece	Athens	XATH
Hong Kong	Hong Kong	XHKG
Indonesia	Jakarta	XIDX
Ireland	Dublin	XDUB
Israel	Tel Aviv	XTAE
Italy	Milan <sup>1</sup>	XMIL
Japan	Tokyo	XTKS
Canada	Toronto Stock Exchange	XTSE
Canada	Canada's New Stock Exchange	XCNQ
Canada	Toronto TSX Venture Exchange	XTSX
Kazakhstan	Almaty	KICE
Croatia	Zagreb <sup>2</sup>	XZAG
Latvia	Riga	XRIS
Lithuania	Vilnius	XLIT
Luxembourg	Luxembourg <sup>1</sup>	XLUX
Malaysia	Kuala Lumpur <sup>2</sup>	XKLS
Macedonia	Skopje	XMAE
Montenegro	Podgorica	XMNX
New Zealand	Wellington	XNZE
The Netherlands	Amsterdam <sup>1</sup>	XAMS
Norway	Oslo	XOSL
Austria	Vienna <sup>1</sup>	XVIE
Poland	Warsaw	XWAR
Portugal	Lisbon	XLIS
Romania	Bucharest	XBSE

Country	Stock Exchange	Symbol
Russia	Moscow	MISX
Sweden	Stockholm	XSTO
Switzerland	Swiss Blue Chip Stock Exchange	XVTX
Switzerland	SWX Quotematch AG <sup>1</sup>	XQMH
Switzerland	Swiss Exchange <sup>1</sup>	XSWX
Serbia	Belgrade <sup>2</sup>	XBEL
Singapore	Singapore	XSES
Slovakia	Bratislava	XBRA
Slovenia	Ljubljana	XLJU
Spain	Madrid	XMCE
South Africa	Johannesburg	XJSE
South Korea	Seoul <sup>2</sup>	XKOR
Thailand	Bangkok <sup>2</sup>	XBKK
Czech Republic	Prague	XPRA
Turkey	Istanbul	XIST
Ukraine	Kiev <sup>2</sup>	XKIE
Hungary	Budapest	XBUD
USA	New York <sup>1,3</sup>	XNYS
USA	Nasdaq <sup>1,3</sup>	XNMS
USA	Nasdaq OTC <sup>1,3,4</sup>	1OTC
USA	Nasdaq OTC BB <sup>1,3,4</sup>	XOTC
USA	American Stock Exchange <sup>1,3</sup>	XASE
USA	NYSE ARCA <sup>1,3</sup>	ARCX

<sup>1</sup> Orders possible for bonds

<sup>2</sup> Only sales possible

<sup>3</sup> Purchase orders not possible below 1 USD

<sup>4</sup> Sales orders not possible below 1 USD

Purchases in the following ISINs are generally blocked:

Purchases for FO ISINs blocked (Faeroes)

Purchases for IS ISINs blocked (Iceland)

Purchases for HR ISINs blocked (Croatia)

Purchases for RO ISINs blocked (Romania)

Purchases for RS ISINs blocked (Serbia)

Purchases for TR ISINs blocked (Turkey)

\* The Bank expressly points out to customers that in rare exceptional cases, orders cannot be forwarded if the intermediary rejects this, e.g. in the USA with stocks that are not DTC-enabled (Depository Trust Company).

## Raiffeisen ELBA internet\*

Country	Stock Exchange	Symbol
Australia	Sydney	XASX
Belgium	Brussels	XBRU
Denmark	Copenhagen	XCSE
Germany	Frankfurt XETRA <sup>1</sup>	XETR
Germany	Frankfurt <sup>1</sup>	XFRA
Germany	Munich <sup>1</sup>	XMUN
Germany	Stuttgart <sup>1</sup>	XSTU
Germany	Düsseldorf <sup>1</sup>	XDUS
Germany	Hamburg <sup>1</sup>	XHAM
Germany	Hannover <sup>1</sup>	XHAN
Germany	Berlin <sup>1</sup>	XBER
England	London	XLON
Finland	Helsinki	XHEL
France	Paris <sup>1</sup>	XPAR
Greece	Athens	XATH
Hong Kong	Hong Kong	XHKG
Ireland	Dublin	XDUB
Italy	Milan <sup>1</sup>	XMIL
Japan	Tokyo	XTKS
Canada	Toronto Stock Exchange	XTSE
Canada	Canada's New Stock Exchange	XCNQ
Canada	Toronto TSX Venture Exchange	XTSX
Luxembourg	Luxembourg <sup>1</sup>	XLUX
The Netherlands	Amsterdam <sup>1</sup>	XAMS
Austria	Vienna <sup>1</sup>	XVIE
Poland	Warsaw	XWAR
Portugal	Lisbon	XLIS
Sweden	Stockholm	XSTO
Switzerland	Swiss Blue Chip Stock Exchange	XVTX
Switzerland	Swiss Exchange <sup>1</sup>	XSWX
Switzerland	SWX Quotematch AG <sup>1</sup>	XQMH
Singapore	Singapore	XSES
Slovakia	Bratislava	XBRA
Spain	Madrid	XMCE
Czech Republic	Prague	XPRA
Hungary	Budapest	XBUD
USA	New York <sup>1, 2</sup>	XNYS
USA	Nasdaq <sup>1, 2</sup>	XNMS
USA	Nasdaq OTC <sup>1, 2, 3</sup>	1OTC
USA	Nasdaq OTC BB <sup>1, 2, 3</sup>	XOTC
USA	American Stock Exchange <sup>1, 2</sup>	XASE
USA	NYSE ARCA <sup>1, 2</sup>	ARCX

<sup>1</sup> Orders possible for bonds

<sup>2</sup> Purchase orders not possible below 1 USD

<sup>3</sup> Sales orders not possible below 1 USD

Purchases in the following ISINs are only possible via the adviser:

Purchases for RU ISINs blocked (Russia)

Purchases for EE ISINs blocked (Estonia)

Purchases for LV ISINs blocked (Latvia)

Purchases for LT ISINs blocked (Lithuania)

Purchases for BG ISINs blocked (Bulgaria)

Purchases for SI ISINs blocked (Slovenia)

Purchases for UA ISINs blocked (Ukraine)

Purchases for ID ISINs blocked (Indonesia) (Bonds are generally blocked)

Purchases for IL ISINs blocked (Israel)

Purchases for NZ ISINs blocked (New Zealand)

Purchases for ZA ISINs blocked (South Africa)

Purchases for KR ISINs blocked (South Korea)

Purchases for MY ISINs blocked (Malaysia)

Purchases for TH ISINs blocked (Thailand) (Stock purchases are possible)

Purchases for BR ISINs blocked (Brazil)

Purchases for AR ISINs blocked (Argentina)

Purchases for BA ISINs blocked (Bosnia and Herzegovina)

Purchases for ME ISINs blocked (Montenegro)

Purchases for MK ISINs blocked (Macedonia)

Purchases for KZ ISINs blocked (Kazakhstan)

Purchases in the following ISINs are generally blocked:

Purchases for FO ISINs blocked (Faeroes)

Purchases for IS ISINs blocked (Iceland)

Purchases for HR ISINs blocked (Croatia)

Purchases for RO ISINs blocked (Romania)

Purchases for RS ISINs blocked (Serbia)

Purchases for TR ISINs blocked (Turkey)

\* The Bank expressly points out to customers that in rare exceptional cases, orders cannot be forwarded if the intermediary rejects this, e.g. in the USA with stocks that are not DTC-enabled (Depository Trust Company).