Code of Conduct

Anti-Corruption Directive
Raiffeisenlandesbank Oberösterreich customers must be able to feel confident that:
- The money that they have entrusted to us is handled carefully and with seriousness.
- They will be met with a special customer orientation.
- They will be able to take advantage of top quality services and tailor-made products, which correspond with their individual, personal situation.

In particular, customers must be certain that:
- Principles and values are observed and statutes are not only upheld but employees feel obliged to maintain particularly high standards of conduct.

A fundamentally moral attitude, seriousness and truthfulness must be a matter of course during customer consulting and support. New anti-corruption regulations have been drawn up for the Raiffeisenlandesbank Oberösterreich Group in the form of a detailed Code of Conduct, which is to be adhered to by all employees. These regulations are part of the Group Compliance Manual, which can be called up under “working@raiffeisen/Mein Unternehmen/Basiswissen/Compliance & Anti-Geldwäscherelationen”.

These regulations are also intended to raise sensitivity levels and employees should recognize in time when they are potentially in danger of being misused for the interests of third parties. For us, unblemished conduct is exceptionally important and as far as corruption is concerned, there is no room for maneuver or grey zones. Therefore, these regulations are to be adhered to without exception. We also intend to underline the significance of this topic through the appropriate training, which will be obligatory. For as Austria's strongest regional bank, we have a special responsibility, which we wish to fulfill in the interest of our customers.
Raiffeisenlandesbank Oberösterreich Aktiengesellschaft Group

Code of Conduct

The Raiffeisenlandesbank OÖ and the companies affiliated to it within the RLB OÖ Group constitute a major financial economic force within Upper Austria. We are committed to sustainable corporate management and meeting our related social responsibilities. Our role in business is characterized by active responsibility towards customers, employees, the Upper Austrian Raiffeisen banks as our stockholders, society and the region.

Our employees represent a vital element in our corporate success and a significant reason for both the trust placed in us and our reputation.

It is for precisely this reason that we regard the establishment of clear fundamentals and principles regarding ethics and morals as being extremely important. This Code of Conduct forms both a basis in this regard and a part of our corporate culture that is actively lived out.

The Code of Conduct defines the basic values of our group and forms the foundations for our ethic-oriented corporate culture. It guarantees that the highest standards are maintained within the context of our social and ethical behavior. Moreover, it goes without saying that we value the legal conformity of our conduct and actions.

Heinrich Schaller
CEO and Chairman of the Managing Board

Michaela Keplinger-Mitterlehner
Deputy Chief Executive

Michael Glaser
Member of the Managing Board

Stefan Sandberger
Member of the Managing Board

Reinhard Schwendtbauer
Member of the Managing Board
1. Principles

1.1 Basic values

The Raiffeisenlandesbank OÖ is embedded within the Austrian Raiffeisen Group. The Christian social reformer Wilhelm Raiffeisen, for whom self-help, social solidarity and sustainability provided the guidelines for business activity, established the basic Raiffeisen principles and his ideas have lost nothing of their actuality.

Our values form the basis for our business dealings:

- Customer orientation
- Professionalism
- Quality
- Mutual respect
- Initiative
- Teamwork
- Integrity

1.2 Diversity

We do not under any circumstances tolerate discrimination or harassment based on nationality, culture, social background, family status, religion, skin colour, gender, sexual orientation or mental or physical limitations.

1.3 Target group

The stipulations contained in the Code of Conduct shall apply to and be observed by all RLB OÖ Group employees. In addition, we attach special value to the careful and thorough selection of our business partners, consultants and all other persons acting on behalf of a group company and supporting us in the transaction of our business.

1.4 Observance of the law

We respect the laws, rules and regulations applying in all the countries in which we operate. During the completion of our business activities, we make every effort to adhere to the highest possible standards. Should local/regional law differ from group standards, the stricter and more far-reaching regulation shall be applied.

1.5 Guiding principles for application

Laws, decrees, official instructions and the stipulations of the Code of Conduct are to be strictly adhered to. The Code is a binding rulebook for day-to-day business.

The Code of Conduct represents a set of guidelines, as it cannot be totally comprehensive and detail the correct behavior for every specific situation. This is also not its objective. The RLB OÖ Group relies on the fact that owing to their training and moral integrity, each and everyone of its employees will take careful and considered decisions in relation to all business activities, the conduct of which is appropriate to the respective situation.

In order to determine this appropriateness, you should ask yourself the following questions:

- Are my actions legally permitted and do they correspond with the objectives of the Raiffeisen organization?
- Do I have the subjective feeling that my actions are correct?
- Could I justify them to the Raiffeisenlandesbank OÖ Board and the authorities?
In the case of questions relating to the application of the Code of Conduct, or uncertainties concerning the direct or indirect effects of a business transaction upon the ethical goals of the RLB OÖ Group, contact should be made with a superior or the Compliance Officer.

1.6 Report of non-adherence

Should an employee have reason to believe that a contravention of legal statutes, the stipulations of this Code of Conduct and its regulations for implementation has occurred, he or she should immediately inform a member of the management, or report directly to the Compliance Officer. Such reports will be handled with complete confidentiality.

1.7 Sanctions in the case of Code of Conduct infringements

The Code of Conduct forms part of the general terms of employment. Therefore, infringements will also have consequences under Austrian labor law.

1.8 Responsibility for adherence to the Code of Conduct

Final responsibility for the uniform application of and adherence to the Code of Conduct lies with the Raiffeisenlandesbank OÖ Board. Operative responsibility for its introduction and realization, as well as the appropriate information of employees is borne by the Compliance Officer. Managerial employees are answerable for the application and pursuit of the Code of Conduct within their areas of responsibility. Moreover, the Board and entire management are obliged to fulfill a special exemplary role.
2. Workplace and employees

2.1 Mutual respect, honesty and integrity

We respect the opinions of others, their personal dignity, private sphere and personality rights. We do not tolerate any discrimination or harassment, as is stated under section 1.2.

2.2 Employment relationship

The appointment, promotion and assessment of employees will take place solely on the basis of performance criteria such as the achievement of target agreements or professional experience. No discrimination of any kind is tolerated in this regard either (section 1.2).

We consider ourselves to be a collective service organisation which is cooperative in nature. This means that we also adhere to the principles of solidarity and subsidiarity in our human resources policies. Attentive corporate management makes it possible to guarantee the maximum possible job security to employees who are willing to perform. Shifts in personnel as a result of organisational changes can largely be managed via internal redeployment within the Group with the aid of annual employee turnover.

Our remuneration policy corresponds with international standards, is in line with the business strategy, targets, values and long-term interests of the RLB OÖ Group and contains precautions for the avoidance of conflicts of interest.

It is based on the collective agreement negotiated as part of the social partnership and applied in the relevant industry or similar collective agreements in other states.

2.3 Employee representation

All employees are entitled to join the associations of their choice or to found such associations and to stand as candidates in elections to the Staff Council. The Managing Board and Staff Council work together based on openness and trust and on constructive dialogue and they try to provide the best possible support for employees' concerns. The work of employees in the Staff Council is supported and appreciated.

It must be ensured that there is no discrimination against Staff Council members based on their activities and that they have the opportunity to fulfil their responsibilities during working hours.

2.4 Personal responsibility

All employees shall act responsibly both within and outside their companies. The exercise of this responsibility serves the protection and security of the bank, its sister companies, personnel and customers. For this reason, in particular the following obligatory controls are to be adhered to upon own responsibility and fulfilled with due care:

- The four-eyes principle
- The legitimization check
- Adherence to signatory authorizations
- The authenticity/plausibility of presented documents
- Adherence to limit rules
- Adherence to the allocated (personal) competences

In the case of written documents, especially those possessing external influence, employees with signatory authorizations must be aware of their responsibilities and the related consequences.
2.5  Personal financial affairs and circumstances

The private financial circumstances of employees must be orderly. It is assumed that private expenditure, ongoing obligations and assumed guarantees shall correspond with income or private assets. Transactions with an untenable, speculative background, as well as regular gaming and betting, are incompatible with the profile of the profession.

2.6  Conflicts of interest

Employees shall ensure that any private interests do not conflict with their obligations to the RLB OÖ Group or its customers.

In particular, potential conflicts of interest can arise in connection with gifts, invitations, the allocation of contracts and financial instrument dealings, and corruption, fraud and market abuse may occur.

Should the impression of a conflict of interest arise, this must be reported to the responsible Compliance Officer.

» Please see details in the Group Compliance Manual of RLB OÖ

2.7  Data protection

We deal with the receipt, processing and storage of information (financial data, technical data, business data, customer information, case notes, etc.) with the greatest care. In this connection, we adhere to the highest, established data security standards and procedures and thus prevent unauthorized persons from studying, using, altering or destroying this information.

» Please see details in the relative Instructions of the Management

2.8  Information to media representatives

The department responsible for media relations within the RLB OÖ Group is the sole source of statements to the media. This department coordinates the related information with the Raiffeisenlandesbank OÖ Board.

» Please see details in the relative Instructions of the Management
3. Bribery and corruption

3.1 Bribery

We do not tolerate bribery and corruption in any shape or form. We do not accept or provide improper advantages of any type whatsoever, irrespective of whether the person offering or demanding them is active in the public or private sector.

Neither employees nor any other persons active for the RLB OÖ Group shall make facilitation payments (provision of small amounts of money to public officials) in order to receive or accelerate their services to which a legal claim exists.

We attach particular value to the careful and thorough selection of our business partners, consultants and all other persons acting on behalf of a group company and supporting us in the transaction of our business.

» Please see details in the Group Compliance Manual of RLB OÖ

3.2 Gifts and invitations

Under certain circumstances, the acceptance and allocation of gifts and invitations may be suited to the exertion of improper influence on a business relationship. The acceptance and provision of monetary gifts is basically forbidden, all other gifts and invitations are subject to strict regulations.

» Please see details in the Group Compliance Manual of RLB OÖ

3.3 Gratuities to political parties and politicians

Gratuities to political parties and politicians may only be granted when the following conditions are fulfilled:

- The gratuities do not contravene any statutory regulations.
- The gratuities are unsuitable for the influencing the performance of duties by an official.
- Contributions are subject to approval by the Chairman of the Managing Board.

3.4 Expenses, donations, charitable gifts and sponsoring

Gratuities in the form of expenses, donations, charitable gifts and sponsoring may not circumvent the directives concerning the acceptance and allocation of gifts, facilitation payments, donations to political parties or politicians and further stipulations of the Code of Conduct, but instead must serve exclusively the defined purposes.
4. Conduct towards customers and business partners

4.1 Customer service
Raiffeisenlandesbank OÖ seeks to constantly improve its service culture. In order to achieve this objective, employees must make intensive efforts to understand the economic background and needs of customers, gather the appropriate specialist know-how, establish the necessary infrastructure, ensure that recommendations are provided objectively, honestly and fairly, and that the customer receives proper explanations regarding risk. Customers may only be offered products and services that are suited to their respective situations. A financial creditworthiness check is required by law for certain products. For us, false or misleading advertising is unacceptable. There must be no discrimination that takes place when entering into a customer relationship (section 1.2).

4.2 Confidentiality
All employees are obliged to handle customer information with the strictest confidentiality. In principal, we do not pass on any customer data to third parties. Exceptions are only permitted when the customer has provided prior written consent, or legally recognized exceptional circumstances exist that allow information transfers, especially with regard to supervisory or criminal prosecution authorities.

4.3 Knowing your customer
Only the best possible information regarding personal and economic circumstances facilitates optimum customer, service and support. This information is also required in order to exclude suspicions regarding money laundering, the financing of terrorism or other possible criminal acts (fraud, etc.). The bank and its employees must ensure that:

- Sufficient information relating to customers is available for the determination of their identity, reputation, creditworthiness and area of activity.
- Sufficient information relating to customers is available in order to advise them correctly as investors and with regard to investments.
- Customers receive sufficient advice, in order that suitable products and services are selected on their behalf and that the appropriate investment decisions are made.

4.4 Combating of money laundering
Financial institutions can be used to launder the profits from criminal activities in order to conceal their illegal origins and return them to standard economic circulation. This process undermines the integrity of banks, damages their reputations and can result in far-reaching sanctions. The RLB OÖ Group supports the international campaign against money laundering and applies the strictest supervisory and defensive measures.

» Please see details in the relative Instructions of the Management
Market abuse is subdivided into insider trading and market manipulation. Insider trading includes the improper use of unpublished information of relevance to price, in order to obtain an advantage in securities trading for oneself, or a third party. Insider trading has direct criminal law consequences. Furthermore, the abuse of a position as a professional market participant has a negative effect on the trust in a functioning capital market and brings with it serious consequences for both the RLB OÖ Group and the employees involved. The precept of integrity also applies to the fight for market share. We do not undertake any inadmissible, collusive behavior and adhere to the rules of fair competition and the applicable legal statutes.

« Please see details in the Group Compliance Manual of RLB OÖ »
6. Bookkeeping and finances

6.1 Accounting and reporting

The RLB OÖ Group bases its decision processes on the correctness and precision of accounting records. Of special significance in this connection is the confidential handling of security and personnel data, as well as accounting and financial data. All business procedures must be reported in our books according to the observance of strict, established procedural and auditing principles and generally accepted accounting principles. These records contain the necessary information regarding respective transactions.

6.2 Obligations to publish

Within the framework of the obligations to publish, the RLB OÖ Group undertakes to provide the regulatory authorities and the general public with punctual, complete, fair, precise and understandable data in its communications. Our financial publications correspond with the respective, current branch standards.

6.3 Cooperation with the regulatory authorities

We undertake to maintain our relations with the regulatory authorities of relevance to the RLB OÖ Group in an open, transparent and cooperative manner. It is our aim to guarantee a stable relationship of trust between the RLB OÖ Group and the authorities.
Code of Conduct

7. Sensitive business areas

7.1 Human rights

Where this is recognizable, the RLB OÖ Group does not undertake any business or projects when these involve child or forced labor (including debt bondage), or contravene:

- The European Convention on Human Rights
- The labor and social law obligations of the respective country, the applicable regulations of international organizations and in particular, the relevant UNO conventions
- The rights of the local population or minorities.

7.2 Environment

The financing of, or participation in, business or projects that pose a sustained threat to the environment (e.g. the destroying of rain forest) does not correspond with the business policy of the RLB OÖ Group.

7.3 Nuclear power

The RLB OÖ Group does not grant any finance for the operation of nuclear power plants.

7.4 Weapons

The RLB OÖ Group also has a restrictive approach to the financing of weapon transactions. In particular, the Austrian War Materials Act and any embargo restrictions are strictly observed.

7.5 Trade restrictions and sanctions

The RLB OÖ Group adheres to international stipulations regarding embargos and trading restrictions.

7.6 Forbidden transactions

The RLB OÖ Group does not maintain any business relationships with shell banks.
1. Introduction

1.1 General information

In recent months and years, the prevention of and crackdown on corruption has led to incisive statutory changes around the world. Corruption is being treated as internationally pursued criminality and targeted in both the private and public sectors.

Raiffeisenlandesbank Oberösterreich Aktiengesellschaft (subsequently RLB OÖ) and its subsidiaries take their responsibilities in the area of corruption prevention and counteraction most seriously and with this directive, establish a code of conduct that conforms to international standards.

Neither company bodies nor personnel will provide officials or private persons with financial bribes or other gratuities, which could be interpreted as manipulation by means of so-called “sweeteners”. Moreover, indirect bribery via third persons will also not be tolerated.

1.2 Presentation of the main statutory framework

A presentation of the current statutes valid in Austria is contained in an appendix to this directive.

1.3 Aim of the directive

This directive is intended to create clear guidelines and instructions for conduct, in order that uncertainties relating to the handling of possible corrupt activities are excluded.
2. Definition of terms

2.1 Gifts
All gratuities of a proprietary (e.g. money, vouchers, presents, unusual rebates, leisure trips) or immaterial nature are regarded as gifts. RLB OÖ and its subsidiaries have decided on a general value limit of EUR 200 for such gratuities.

2.2 Invitations
Hospitality (lunch and dinner), invitations to cultural, sporting and other events, leisure activities, conferences, marketing or comparable occasions are all seen as constituting invitations.

2.3 Sponsoring
Sponsoring is understood as meaning the support of a person/group/organization by financial means, goods and/or services. In return, the name of the sponsor will be associated with the activity or organization supported, the recognition levels of the sponsor enhanced, and the brand or name provided with a positive image. The difference between charitable donations and patronage lies in the commercial orientation and business advantage for both parties.

2.4 Charitable donations
Charitable donations are made for the benefit of society within the scope of the social responsibility of the company and without the expectation of concrete compensation.

2.5 Political donations
Apart from contributions to political parties, political donations also include contributions to candidates for a political office, to persons in their role as politicians and to political organizations. Whether these donations are made directly or indirectly via a intermediary person, or whether they take the form of money or goods, is irrelevant.

2.6 Conflicts of interest
Conflicts of interest in connection with the prevention of corruption are of significance when the personal interests of bodies or employees (e.g. own assets situation, friendship) collide with those of RLB OÖ and its subsidiaries, or when the interests of the bank are contradictory to those of its customers.

In this regard attention is drawn to the Directive for the Handling of Conflicts of Interest. Should such a conflict arise, the Compliance Office is to be informed by means of a Conflict of Interest Report.
3. Gifts and invitations

3.1 Gifts and invitations to Board members / Supervisory Board members / employees

3.1.1 General preconditions for a permissible gratuity

A gratuity may not be suitable for the influencing of decisions of the Board, the Supervisory Board or an employee in the course of a concrete business transaction, or with regard to the direction that a concrete decision might take. This also applies when the decision made as a result of the gratuity is undertaken in an entirely duty bound manner. The acceptance of a gratuity may not result in the inclusion of extraneous criteria during future decision processes.

3.1.2 Gifts and invitations to the Group Board and Supervisory Board

Gratuities to Board or Supervisory Board members consist of gifts, which correspond with both standard market conventions and are socially adequate.

It is recommended that wherever possible contact be established with the Compliance Officer prior to the acceptance of invitations and gifts with a value in excess of EUR 100, in order to obtain a compliance assessment. Should the receipt of the gift have taken place immediately, a subsequent report is recommended. Reporting is not required for purely, business-related meals (e.g. business lunches) in the private business area.

A decision regarding the acceptance of gifts and invitations is the prerogative of the respective Board or Supervisory Board member. Should the recommendation of the Compliance Officer not be followed, the entire Board or Supervisory Board presidium must consider the gratuity.

As a rule, travel and accommodation costs related to an invitation are to be borne individually, but may be assumed by RLB OÖ when this is in its business interests (e.g. for specialist events lasting several days).

3.1.3 Gifts and invitations to other persons

a) Value limit

A gratuity is permitted up to a value of EUR 100 per recipient. This gift must correspond with standard business practice and be reasonable in terms of the business relationship (in particular evening invitations, Christmas, anniversary or birthday presents). Avoidance of the EUR 100 limit by means of repeated gratuities within a short period of time is not permissible. A close temporal relationship shall exist in any event when several gratuities are made within three months.

b) Approval of infringements of the value limit

Gifts and invitations that exceed the EUR 100 value limit may only be accepted when

- they consist of a single gratuity, which corresponds with the standard conventions of the market and the position of the recipient (e.g. invitation to a meal or a social or sporting event) and
- the person to whom the gratuity has been offered has first provided obligatory information regarding such a gratuity to the Compliance Officer. The Compliance Officer will then give a recommendation regarding acceptance or refusal and
- a positive decision concerning the acceptance of the gratuity exists. Discretionary competence in case of gifts and invitations to employees lies with the appropriate Division Manager and in the case of gifts and invitations to a
Head of Department or Division Manager with the responsible Member of the Board. As far as gratuities to subsidiary employees are concerned, the responsible Board member or subsidiary CEO shall decide, while in the case of gratuities to Board members or the CEO of a subsidiary, the decision will be taken by the responsible member of the RLB OÖ Board.

As a rule, travel and accommodation costs related to an invitation are to be born individually, but may be assumed by RLB OÖ when this is in its business interests (e.g. for specialist events lasting several days).

c) The fiscal handling of such gratuities is to be coordinated within the Human Resource Management Department.

3.1.4 Information to the Supervisory Board presidium

Should a gratuity to a member of the Board or the Supervisory Board have a value of EUR 500 or more, in all cases this must be reported to the RLB OÖ Supervisory Board presidium.

3.2 Gifts and invitations offered by the bank / Board / Supervisory Board / employees

3.2.1 General preconditions for a permissible gratuity

The provision of a gratuity may not be suitable for the influencing in a certain direction of the decisions of the recipient or the invitee in a concrete business transaction. This also applies when the decision made as a result of the gratuity is undertaken in an entirely duty bound manner. The gift or invitation may not result in the inclusion of extraneous criteria during future decision processes.

Completely forbidden are gratuities, which are deliberately intended to cause a breach of duty by the recipient.

3.2.2 Gifts and invitations offered by the Group Board or Supervisory Board

Gratuities given by Board or Supervisory Board members consist of gifts, which corresponds with both standard market conventions and are socially adequate.

Contact is to be established with the Compliance Officer prior to the offer of invitations and gifts with a value in excess of EUR 100, in order to obtain a compliance assessment. Reporting is not required for purely, business-related meals (e.g. business lunches) in the private business area.

A decision regarding the gratuity is the prerogative of the respective Board or Supervisory Board member. Should the recommendation of the Compliance Officer not be followed, the entire Board or Supervisory Board presidium must consider the invitation.

3.2.3 Gifts and invitations offered by other persons

a) Value limits

The provision of gratuities with a value of up to EUR 100 per recipient is permitted, where this corresponds with standard business practice and is reasonable in terms of the business relationship (in particular evening invitations, Christmas, anniversary or birthday presents). Avoidance of the EUR 100 limit by means of repeated gratuities within a short period of time is not permissible. A close temporal relationship shall exist in any event when several gratuities are made within three months.
b) Approval of infringements of the value limit

Gifts and invitations that exceed the stated value limit of EUR 100 may be given when

- they consist of a single gratuity, which corresponds with the standard conventions of the market and the position of the recipient (e.g. invitation to a meal or a social or sporting event), and
- the person offering the gratuity has provided information regarding the planned gratuity to the Compliance Officer in advance. The Compliance Officer will then give a recommendation regarding the planned gratuity.

and

- A positive decision concerning the gratuity exists. Discretionary competence in case of gifts and invitations offered by employees lies with the appropriate Division Manager and in the case of gifts and invitations by a Head of Department or Division Manager with the responsible Member of the Board. As far as gratuities made by subsidiary employees are concerned, the responsible Board member or subsidiary CEO shall decide, while in the case of gratuities offered by Board members or the CEO of a subsidiary, the responsible member of the RLB OÖ Board will take the decision.

3.2.4 Information to the Supervisory Board presidium

Should a member of the Board or the Supervisory Board offer an invitation that exceeds the EUR 500 value limit, a report must be made to the RLB OÖ Supervisory Board presidium.

3.2.5 Special regulations

- Supervisory bodies and officials:

  Gifts and invitations to persons, who exercise official supervisory functions with regard to RLB OÖ (regulatory authorities, tax offices, work inspectorates, commercial authorities), are entirely forbidden. Small-scale hospitality (water, coffee, simple snacks) is permitted.

  Neither bodies, nor employees, or any other persons active for RLB OÖ and its subsidiaries may make facilitation payments (the provision of small amounts of money to holders of official positions), in order to receive or accelerate the services to which there is a legal claim.

  A value limit of EUR 100 shall be constantly observed with regard to invitations to officials. The invitation must be in line with local standard practice and the function of the official, and may not be suitable for the exertion of influence.

  Subject to these premises, widely distributed invitations to marketing events (e.g. World Savings Day, “Minister in a Dialogue”, customer receptions) are possible.

  Gifts to officials are only permitted within the framework of the smallest gratuities.

- Invitations in connection with sponsoring activities:

  Should the RLB OÖ act as an event sponsor (e.g. VIP tickets for tennis tournaments, theater tickets in connection with sponsoring of the “Bundestheater” (National Theater)), invitations are offered in accordance with the sponsoring guideline (see below). The Board will draw up the corresponding invitation lists in line with the principles of this directive.

- Multi-day events:

  In the case of invitations to multi-day events, the professional character of the event must predominate clearly (specialist presentations and tours, etc.).
4. Charitable donations and sponsoring

4.1 Preconditions for permitted donations and sponsoring

The hindrance of charitable donations and sponsoring is not the objective of this directive. However, transparency and clear documentation is required.

a) Preconditions for sponsoring

- No conflicts of interest shall exist between RLB OÖ (including subsidiaries), the bodies and employees on the one hand and the recipient of the gratuity on the other (e.g. family relationships).

- There exists a sponsoring agreement between RLB OÖ and the sponsored person. The compensation for sponsoring derives from the association of RLB OÖ (its subsidiaries) with the person or organization sponsored and thus the increased visibility and recognition levels of RLB OÖ.

- The sponsoring contributions are reasonable in accordance with the circumstances and can withstand comparison by a third party.

- Sponsoring contributions and donations may not be used to circumvent the regulations related to accepting and awarding gifts, bribes, contributions to political parties and political advocates or other provisions in the Code of Conduct, and may only be used for the purposes defined in the company’s internal regulations.

b) Preconditions for charitable donations

- No conflicts of interest exist between RLB OÖ on the one hand (see Item 4.1 lit a) and the recipient of the gratuities on the other.

- RLB OÖ only gives charitable gratuities and donations to organizations or persons, who have been assessed in line with an internal directive.

- The gratuities are granted without the expectation of the receipt of compensation. The gratuities must be appropriate and legal and be made in a transparent and open manner.

- The gratuities are in line with the financial position of the company.

4.2 Directive for sponsoring and charitable donations

Sponsoring activities and charitable donations on the part of RLB OÖ and its subsidiaries are made on the basis of the Sponsoring Directive agreed by the Board. The procedures and discretionary competences are regulated in detail by this directive.
5. Gratuities to political parties and politicians

Gratuities to political parties and politicians may only be granted when the following conditions are fulfilled:

- The gratuities do not contravene any statutory regulations.
- The gratuities are unsuitable for the influencing the performance of duties by an official.
- Contributions are subject to approval by the Chairman of the Managing Board.

6. Directive supervision

With the assistance of the Auditing Department (following the prior instruction of the Board), the Compliance Officer will make regular checks regarding adherence to the directive (at least once yearly or due to events).

The results of the audit are reported in the annual Compliance Report, or where necessary, in special reports to the RLB OÖ Board and Supervisory Board.
Introduction

Corruption exists when in exchange for an advantage (gift, other gratuity) an entrusted authorization is used to undertake an (often improper) action, or a duty is neglected. It should be noted that the Austrian Criminal Code (StGB) foresees punishment for both the granting (active corruption) and acceptance (passive corruption) of an advantage.

Active corruption exists when a personage provides, promises or merely offers a gratuity in order to influence an action or its dereliction by an external third party.

Passive corruption exists when a personage demands, accepts or merely permits the promise of a gratuity in order to complete or refrain from an action.

Alone the offer or acceptance means that an offence has been committed, irrespective of whether or not the advantage was subsequently granted.

- In the public sector, corruption damages the trust in an independent and law-abiding administration and the use of public funds.
- In the private area (company), corruption undermines fair competition and damages both the company and loyalty to the employer.

Therefore, the Austrian Criminal Code (StGB) also applies in other countries irrespective of the laws at the scene of the offence, i.e. Austrian citizens and companies or their employees can also be punished for offences committed in other countries, irrespective of whether these actions are punishable internationally.

Public sector

<table>
<thead>
<tr>
<th>Bribery (§ 307 StGB)</th>
<th>Provision of a gratuity to an official (or arbitrator) for the exercise or dereliction of a concrete official act in breach of duty.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Undue gratuity (§ 307a StGB)</td>
<td>Provision of an improper gratuity to an official (or arbitrator) for the duty bound exercise or dereliction of a concrete official act.</td>
</tr>
<tr>
<td>Use of undue gratuities to gain an advantage (“sweeteners”) (§ 307b StGB)</td>
<td>Provision of an improper gratuity to an official (or arbitrator) with the deliberate intention of influencing the recipient in his or her function.</td>
</tr>
<tr>
<td>Notes to §§ 307a and 307b StGB – only proper are:</td>
<td></td>
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<tr>
<td>- Gratuities, the acceptance of which is expressly legally permitted</td>
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<tr>
<td>- Gratuities provided in the course of events for which there is an official interest in participation</td>
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<td>- [under certain circumstances, gratuities made by the donor for charitable purposes]</td>
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<tr>
<td>- Standard local and national gifts of low value</td>
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<tr>
<td>Forbidden intervention (§ 308 StGB)</td>
<td>The acceptance of a gratuity in order to exert improper influence on the decisions of an official (or arbitrator). Legal lobbying and the representation of the interests of a client are permitted.</td>
</tr>
</tbody>
</table>
The term provision of an improper gratuity includes the offer, promise or provision of a gratuity to an official (or arbitrator) in person, or to a third party (e.g. family member, friend, related body, ..) close to the official (arbitrator).

The term official is defined in § 74 StGB and includes:

- Members of both chambers of the national parliament, provincial parliaments, local authorities and district councils.
- Anyone serving as an employee of the federal government, a provincial government, a district association, a district, other persons subject to civil law, another state, or an international organization with assignments relating to the formulation of legal statutes, administration, or justice (e.g. civil servants, contractual civil servants, EU Commission members, the federal president, federal ministers, secretaries of state, provincial governors, provincial parliamentarians, mayors, local government members, judges, public attorneys, chambers, tourism associations)
- Other persons with an official function (e.g. vehicle registration office; businesspersons providing toll stickers pursuant to § 57a Motor Vehicle Act).
- Anyone serving as an executive or an employee of a company in which one or more national or international local administrative bodies have a direct or indirect majority holding, operate the company, or exercise control over it either in financial or actual terms (in all companies audited by a domestic or international court of accounts) (e.g. Federal Real Estate Company, Federal Purchasing Company, Austrian Railways (ÖBB), Salzburg Festival Fund, ASFINAG Service GmbH).

An arbitrator is a member of a nationally- or internationally-based court of arbitration, in line with the Code of Civil Procedure, who possesses discretionary powers.

Official acts are understood as meaning all activities and decisions completed (or infringed) by an official. Concrete actions (e.g. the removal of garbage by collectors) are also regarded as official acts.

Sufficient evidence of influence or the attempted exertion of influence already exists when there is a justified belief in the possibility that an official (or arbitrator) could act within his or her area of responsibility. Whether the official behaves correctly or in breach of duty is not decisive. Instead, the criminality derives from the desired favorable treatment.

**Criminal liability of the official (arbitrator)**

Conversely, not only a personage who makes a gratuity to an official is punishable, but also an official who demands, accepts or allows him- or herself to be promised such a gratuity (passive corruption).

**Penalties for bribery**

The extent of the punishment is dependent upon the amount of the advantage:

- Up to EUR 3,000  Imprisonment for up to three years
- Up to EUR 50,000  Imprisonment of six months to five years
- Over EUR 50,000  Imprisonment of one to ten years
Public sector

| **Fraudulent breaches of trust**<br> (§153 StGB) | The intentional misuse of an authorization by the holder and at least the partly willful damage of the authorizing party. |
| **Acceptance of gifts by holders of authorizations**<br> (§ 153a StGB) | The acceptance of a not insignificant financial advantage for the exercise of an authorization over third party assets allocated by law, an official order or legal transaction, or the transfer to another, when in a breach of duty the advantage is not declared (should the authorizing party not have granted permission, all advantages obtained during the fulfillment of duties must be handed over to it). |
| **Acceptance of gifts and the bribery of employees and representatives**<br> (§ 309 StGB) | Provision of a gratuity to an employee (or representative) of a company for the exercise or neglect of a concrete legal act in breach of duty. |

As in the public area, the term gratuity includes the offer, promise or provision of an advantage to the employee (or representative) personally, or to a third party (e.g. family members, friends, related bodies,...). In the private sector, the offence requires conduct (or neglect) of the employee (e.g. contractual conclusion) that represents a breach of duty. A breach of duty exists in the case of conduct contrary to internal company directives and service instructions, or that infringes valid legal statutes. Every gratuity, independent of the amount, can constitute an offence. If the company incurs damages owing to the breach of duty by the employee, this represents a fraudulent breach of trust. It is not necessary that an employee accept a personal gratuity for him- or herself, or for a third party.

Conversely, employees also become punishable should they demand, accept or permit the promise of an advantage. Furthermore, the failure in breach of duty to declare a not insignificant advantage, which is obtained in the course of professional activities, may be punishable under § 153a of the Austrian Criminal Code. However, this offence only relates to gratuities in excess of around EUR 100.

**Penalties for bribery**

The extent of the punishment is dependent upon the amount of the advantage:

- Up to EUR 3,000  Imprisonment for up to two years
- Up to EUR 50,000  Imprisonment for up to three years
- Over EUR 50,000  Imprisonment of six months to five years

**Penalties for fraudulent breaches of trust**

The extent of the punishment is dependent upon the amount of the advantage:

- Up to EUR 3,000  Imprisonment for up to six months
- Up to EUR 50,000  Imprisonment for up to three years
- Over EUR 50,000  Imprisonment of one to ten years
Other Definitions

§ 74. (1) In line with this federal statute an ...

4a. Official: is anyone that
   a. (Note: replaced by Federal Law Gazette I No. 61/2012)
   b. undertakes legislative, administrative or judicial tasks for the federal government, a federal province, a district association, a district, another public law personage, excluding a church or religious community, another state or an international organization as an executive or employee,
   c. is otherwise entitled to undertake official acts in fulfillment of the law in the name of the bodies named in lit b., or
d) is active as an executive or employee of a company in which one or more national or international authorities has a direct or indirect holding of at least 50 per cent of the nominal, share or equity capital, operates such a company alone or jointly with other such companies, or actually dominates it through financial or other economic or organizational measures, but in any event those companies the management of which is subject to auditing by the Austrian Court of Accounts, bodies that are similar to the Court of Accounts in the federal provinces, or a comparable international or foreign control body.

Fraudulent breaches of trust

§ 153. (1) Personages knowingly misusing the authorization allocated to them by law, an official order or legal transaction to dispose over third party assets, or transfer these to another, and thus causing the other party a financial disadvantage, shall be punishable by a term of imprisonment of up to six months or a fine of up to 360 daily rates.

(2) Personages causing damage in excess of EUR 3,000 due to their actions shall be punishable by a term of imprisonment of up to three years, and those causing damage of more than EUR 50,000, shall be punishable by a term of imprisonment of one to ten years.

Acceptance of gifts by persons holding authorizations

§ 153a. Personages who for the exercise of the authorization allocated to them by law, official order or legal transaction to dispose over third party assets, or transfer these to another, accept a not insignificant financial advantage and do not declare this in breach of duty, shall be punishable by a term of imprisonment of up to one year.

Section twenty-two
Punishable infringements of official duties, corruption and related criminal actions

Bribery

§ 307. (1) Personages offering, promising or giving an official or arbitrator a gratuity for him- or herself or a third party for the completion or dereliction of an official act shall be punishable with a term of imprisonment of up to three years. Equally punishable is the offer, promise or giving of a gratuity to an expert (§ 304 Para. 1) or a third party for the provision of an incorrect finding or expertise.

(2) Personages committing an offence, in which the value of the related gratuity exceeds EUR 3,000, shall be punishable by a term of imprisonment of six months to five years. However, those committing an offence in which the value of the related gratuity exceeds EUR 50,000 shall be punishable by a term of imprisonment of one to ten years.

Use of undue gratuities (“sweeteners”)

§ 307a. (1) Personages promising or giving an improper gratuity to an official or arbitrator personally or to a third party for the duty bound
undertaking or dereliction of an official act shall be punishable by a term of imprisonment of up to two years.

(2) Personages committing an offence, in which the value of the related gratuity exceeds EUR 3,000, shall be punishable by a term of imprisonment of up to three years. However, those committing an offence in which the value of the related gratuity exceeds EUR 50,000 shall be punishable by a term of imprisonment of six months to five years.

Use of undue gratuities to gain an advantage ("sweeteners")
§ 307b. (1) Apart from the cases included under §§ 307 and 307a, personages offering, promising or giving an improper gratuity to an official, arbitrator personally or to a third party, in order to influence the recipient in his or her function shall be punishable by a term of imprisonment of up to two years.

(2) Personages committing an offence, in which the value of the related gratuity exceeds EUR 3,000, shall be punishable by a term of imprisonment of up to three years. However, those committing an offence in which the value of the related gratuity exceeds EUR 50,000 shall be punishable by a term of imprisonment of six months to five years.

Forbidden intervention
§ 308. (1) Personages demanding, accepting or permitting the promise of a gratuity for themselves or a third party for the exertion of an improper influence on the decisions of an official or an arbitrator shall be punishable by a term of imprisonment of up to two years.

(2) Equally punishable are personages who offer, promise or give a gratuity to another for the exertion of an improper influence on the decisions of an official or an arbitrator.

(3) Personages committing an offence, in which the value of the related gratuity exceeds EUR 3,000, shall be punishable by a term of imprisonment of up to three years. However, those committing an offence in which the value of the related gratuity exceeds EUR 50,000 shall be punishable by a term of imprisonment of six months to five years.

Acceptance of gifts and bribery of employees and representatives
§ 309. (1) An employee or representative of a company that demands, accepts or accepts the promise of a gratuity for him- or herself or a third party for the exercise or dereliction of a legal act in the course of commercial dealings shall be punishable by a term of imprisonment of up to two years.

(2) Equally punishable are personages who offer, promise or give a gratuity to an employee or representative of a company for the exercise or dereliction of a legal act in the course of commercial dealings in breach of duty.

(3) Personages committing an offence, in which the value of the related gratuity exceeds EUR 3,000, shall be punishable by a term of imprisonment of up to three years. However, should the value of the related gratuity exceed EUR 50,000 shall be punishable by a term of imprisonment of six months to five years.