

carry out any further investigations.

Reporting to the client about the investment services provided

Partner Bank provides reports to its clients in a suitable form on a durable medium about the services provided. In the case of investment advisory services, clients receive a statement in the course of the business transaction about the recommendations given, in particular how these are tailored to their specific preferences, objectives, and other characteristics. In the case of asset management services, such a statement is included in the quarterly reporting about the services provided, unless otherwise agreed.

Partner Bank's securities clients receive an investment account statement on a quarterly basis at the reporting dates 31st March, 30th June, 30th September, and 31st December. In principle, clients who use the Client Online Service have the facility to make an enquiry about the relevant information on a daily basis. This option substitutes postal delivery in the scope of reporting obligations towards the clients as described above.

Clients receive information about the costs associated with the investment services and non-core investment services provided, and, if applicable, their overall impact on the yield of invested funds prior to the conclusion of the security transaction and subsequently as a complete list.

Partner Bank's ombudsman service for complaints

Please refer your complaint to:

Telephone: +43 732 6965-121, or
Telephone.: +43 732 6965-407
Email: info@partnerbank.at
Fax: +43 732 666767
Address: Goethestraße 1a, 4020 Linz, Austria

More details about the complaints procedure at Partner Bank are available at www.partnerbank.at.

Third-party custodian

In order to be able to ensure maximum protection, securities held by the Bank in custody for its clients are consigned to other institutions which specialise in safekeeping securities (known as third-party custodians). The Bank is liable to its clients for any damage caused by a third-party custodian's unlawful or culpable actions, or acts of nonfeasance. If securities are held in safe custody for a client as an business entrepreneur, the Bank's liability is limited to the careful selection of the third-party custodian. Should a third-party custodian become insolvent in spite of the diligent selection, the Bank can demand that the third-party custodian surrender the securities transferred into its custody.

Collective custody

Securities held by the Bank in custody for its clients are held together with other clients' securities of the same type (known as "collective custody"). Since each client (in the case of insolvency of the Bank or third-party custodian) has the option to request that their share of securities held in collective custody be returned, this type of safekeeping of securities does not involve any particular risk for the clients.

Safe custody abroad

It may be necessary for the securities to be held in custody by a third-party custodian abroad, in particular also outside the European Economic Area. Consequently, they are subject to the national law of the country where they are being held. This national legislation may differ considerably from the laws applicable in the Republic of Austria and may not necessarily provide the same level of protection.

Deposit guarantee and investor compensation

As an Austrian bank, Partner Bank is subject, without limitation, to the provisions of the Austrian Deposit Guarantee and Investor Compensation Act ("ESAEG" and "BWG"). Partner Bank AG is a member of the Statutory Banks' and Bankers' Deposit Protection Scheme (Einlagensicherung der Banken & Bankiers Gesellschaft m.b.H.). For further information, please refer to the legal provisions set out in Article 9 et seqq. of the ESAEG, Article 37(a), 93, and 93(a) of the BWG relating to the deposit guarantee and investor compensation (and in particular, to the exceptions set out in Article 10 of the ESAEG). We can also provide this information upon request. Furthermore, it should be noted that securities accounts kept by Partner Bank are client assets. This means that the Bank does not acquire properties of the assets held for the client in the securities account. Deposit guarantee: Deposits of natural persons (i.e., balances on accounts entrusted to the Bank for the purpose of acquiring financial instruments) are secured up to the maximum amount of EUR 100,000.00 per depositor. In some cases (deposits covered for a limited period, Article 12 of the ESAEG), this amount is EUR 500,000.00. Deposits of legal entity are secured up to an amount of EUR 100,000.00. Deposits in an account that two or more persons can operate as members of a general commercial partnership, limited commercial partnership, company constituted under civil law, or a legal entity incorporated in accordance with one of these corporate forms under the law of a Member State or a third country are combined in order to determine the maximum amount secured and are treated as a deposit of a single depositor; this applies equally to balances on accounts and other claims from securities transactions.

Investor compensation:

Pursuant to Austrian law, securities are to be returned to the investors by the custodian bank. Monetary claims on the grounds of investor compensation are secured up to a maximum amount of 20,000.00 for both natural and non-natural persons. In the case of claims made by non-natural persons, there is a deductible of 10%.

Differentiation between deposit guarantee and investor compensation:

Normally, all types of deposits or assets credited to an interest-bearing and non-interest-bearing account (e.g., money on salary or savings accounts, fixed deposits, etc.) with credit institutions fall into the deposit guarantee category. Any income from securities settlement (dividends, proceeds, repayments, etc.) also falls into the deposit guarantee category if it was credited to an interest-bearing account with a credit institution. If, on the other hand, the income is credited to a non-interest bearing account, the amounts shall be subject to investor compensation.

Rights of lien and retention

Assets transferred to the Bank's custody are subject to the Bank's right of lien and retention for securing the receivables owed to the Bank by the client (subpar. 7 et seqq. of the General Terms and Conditions). Third-party custodians may assert the right of lien on the securities held with regard to the claims arising from the custody of the securities (in particular, custodian fees).

Distribution

Partner Bank cooperates with professional, independent financial service providers from the EU area that are registered with the competent supervisory authority. Financial service providers are companies that are commercially independent and not connected with the Bank. The broker is not entitled to conduct legal transactions and/or collection in the name of Partner Bank: The broker may not accept money from the client (not even for forwarding to Partner Bank). Any interpretations or statements made by the broker which differ from the contractual terms and the GTCs, as well as handwritten additions or supplements to the contractual terms are not legally effective.

B) CLIENT CATEGORISATION

In general, all clients are categorised as private clients by Partner Bank. Therefore, all Partner Bank's private clients benefit from the maximum level of protection and diligence as set out in the Securities Supervision Act as amended. Classification as a professional client is also available upon request and if all of the necessary prerequisites are fulfilled.

For professional clients, who are better acquainted with the securities business, the Securities Supervision Act provides a lower level of protection, and this can also lead to partial loss of investor compensation rights.

C) HANDLING CONFLICTS OF INTEREST (CONFLICTS OF INTEREST POLICY)

Conflicts of interests may arise in particular due to different fields of activity, different securities services, and cooperation with affiliated companies. They may occur in the following relationships:

- **Between the client and the investment service provider or affiliated company,**
- **Between the client and an employee,**
- **Between the clients among each other.**

The objective of identifying potential conflicts of interest is to assess to what extent, as a result of providing investment services and non-core investment services, the credit institution, its staff, or companies associated by control

- are able to achieve a financial gain or avoid a financial loss at the client's expense (financial benefit),
- have an interest in a result of a service provided for the client in the course of the transaction that does not correspond to the client's interest in the result (differing interests),
- have a financial or any other incentive to put one client's or one client group's interests above the interests of other clients (incentives),
- are pursuing the same business as the clients (competitive situation),
- have received or could receive a benefit from third parties relating to the service provided in excess of the usual commission or fee for this type of service (benefits).

Each credit institution is obliged to avoid any possible conflicts of interests identified, and to manage them in such a way as to ensure that clients' interests are sufficiently observed. Management measures include, inter alia, arrangements for effective prevention and control of the exchange of information, independence of the remunerations of employees in different areas of responsibility or from the operating results, prevention of improper influence over the employees' activities and monitoring of employees in areas particularly prone to conflicts of interests. The management and monitoring of conflicts of interests through the measures described above is carried out by a special office (Compliance Office), which must observe specific requirements on its part in respect of its independence, organisation, and conduct.

Activities and services at the Bank

The goal of Partner Bank and its employees is to maintain and improve upon the highest standards in all business relationships. Lawful conduct, diligence, professionalism and in particular acting in the best interest of our clients are the requirements imposed by the Bank on its employees. At the same time, legal regulations are the minimum standard. In cases where employees violate the Bank's existing rules, regulations, or directives, they face disciplinary measures.

Nevertheless, we point out that Partner Bank, for the purpose of

providing our clients with the best possible service at reasonable prices, must balance the client's interests and the business activity to some extent.

Handling conflicts of interests at the Partner Bank

Partner Bank has established an autonomous and independent Compliance Office for managing and monitoring conflicts of interest pursuant to the 2018 Securities Supervision Act ("WAG") and Commission Delegated Regulation (EU) 2017/565 of 25 April 2016.

In addition to the prevention of the misuse of insider information and market manipulation, one of the Compliance Office's core activities is to identify conflicts of interests and manage them, as well as to continuously monitor the implementation of the measures provided for at the Bank and adapt these where necessary.

Partner Bank has conducted a comprehensive analysis of the potential conflicts of interests. Measures for monitoring specific areas or relevant persons whose interests may conflict with the interests of others or Partner Bank are constantly being implemented and at the same time, precautions aimed at preventing conflicts of interests are constantly being introduced. If a conflict of interest cannot be avoided despite Partner Bank's organisational and administrative measures, then it is Partner Bank's responsibility to resolve it in the interest of the client. This resolution may be to disclose the conflict to the client or to refrain from the possible transaction.

The Bank will resort to disclosure only if there is no other solution. In accordance with its size and organisational structure, the Bank has established confidentiality areas for the purpose of preventing the exchange of information between individuals whose activity may involve a conflict of interests. If in individual cases exchange of information between the established areas which could involve a conflict of interests is unavoidable, this is reported to the Compliance Officer who then introduces appropriate measures. Confidentiality areas are continuously adapted to the organisational changes within the Bank.

Staff members and financial service providers attend training sessions related thereto on a regular basis. Furthermore, internal guidelines have been adopted which govern employees' and financial service providers' proprietary trades and aim to prevent conflicts of interests between Partner Bank's clients and staff members or the financial service providers.

Conflicts of interests that have been identified but which are, however, so substantial and also customary for the economic activity that they cannot be completely prevented are reported, as are the principles according to which small gifts and invitations are assessed:

Accepting and granting benefits and commissions

Disclosure of benefits in the case of non-independent investment advisory services¹

As a non-independent consultant, Partner Bank AG may receive benefits from or pay benefits to third parties², subject to the condition that the benefit

- is related to the investment service or non-core investment service, and
- is justifiable in terms of quality-improving measures for the investors.

Partner Bank offers its clients non-independent investment advisory services and access to a broad range of suitable financial instruments from third-party providers without a close relationship with the Bank. Furthermore, Partner Bank offers its clients access to an efficient online client service and makes available to its clients in the countries where it is active a network of on-site financial service providers.

Accepting benefits in the case of independent investment consulting or portfolio management:

In the case of independent investment advisory services and portfolio management, any possible benefits granted by third parties are passed on to the client without exceptions. As part of the independent investment advisory services, clients have access to a wide range of financial instruments from third-party providers without a close relationship with the Bank.

• **Benefits paid to Partner Bank:**

Initial commission (one-time).

For brokerage services of investment funds or structured products to its clients, Partner Bank sometimes receives from the issuers or third parties a commission in the form of a reduction of the issuing commission. Usually, the financial service provider receives a one-off payment from that for its activities (see below).

Portfolio commission (ongoing):

For brokerage services of investment funds or structured products to its clients, Partner Bank sometimes receives from the issuers or third parties a pro-rata remuneration (portfolio commission). This pro-rata remuneration is calculated as a percentage of the respective value of the shares held in custody and depends on the issuer and type of the financial instrument.

Partner Bank may receive a one-off benefit, which may also be in form of price discounts, from an **issuer or third party** for the services provided. The financial service provider may receive one-off pro-rata remuneration from that for its services. Within the scope of portfolio management, any possible benefits granted by third parties are passed on to the client without exception.

Remunerations enable Partner Bank to set up and develop the infrastructure for the provision of services.

• **Benefits paid to Partner Bank's employees:** The salary system for Partner Bank's employees may also include a variable component influenced by the turnover and clients' total volume of assets under custody.

• **Commissions paid to the financial service provider:** The financial service provider receives commissions from Partner Bank for its activities. Here, the financial service provider receives a payment for the financial instruments brokered from the fee or part of the fee collected from the client by Partner Bank. In no case shall the brokerage fee exceed the issue fee stated in the securities prospectus by the issuer. Furthermore, the financial service provider may also receive for its activities pro-rata remuneration from or a part of the remuneration paid to Partner Bank by the issuers or third parties. The specific amount depends on the issuer and type of the financial instrument. In the case of specific financial instruments, one part of the fees and charges collected by the Bank (transaction fee/agio, securities fee, etc.) may be transferred to the financial service provider. For the brokered Asset Management Agreement, the brokers receive a share of the handling fee and Private Banking set-up fee, or they may be granted a part of the management fee as pro-rata remuneration. Partner Bank charges the issue fee and Private Banking set-up fee to the client. For issue fees, please refer to the relevant prospectus. The payment of commissions to the financial service provider enables the provider to develop an infrastructure for carrying out its services.

• **Non-cash benefits:** Partner Bank receives and grants small invitations and gifts, for example in the form of product-related training activities or benefits customary in the line of business (e.g., invitations to cultural events, business meals in the normal restaurants). The amount of non-cash benefits received by the Bank depends on the respective product issuer. The granting of invitations and gifts to the financial service providers is influenced by their quality and quantity, such as total turnover, quality of the service provided, account management, level of training, and willingness to attend trainings.

• At www.fma.gv.at, the client can find information about the market standard fees under "Investment Service Providers" > "Market standard fees." These are charged by the legal representative body of the financial service providers of the Austrian Chamber of Commerce (Wirtschaftskammer Österreich, WKO) and are FMA's recommended fees. Adherence to the Conflict of Interests Policy is monitored by the Compliance Officer and Internal Audit.

The summarised Conflict of Interests Policy implemented the statutory provisions of the 2018 WAG as well as of Commission Delegated Regulation (EU) 2017/565 of 25 April 2016 regarding informing clients about handling conflict of interests and describing the advantages.

¹Benefits: benefits are fees, commissions (e.g., rebates) and other monetary and non-monetary benefits.

²Third parties: issuers, product providers, sales partners

D) PARTNER BANK'S PRINCIPLES OF ORDER EXECUTION (EXECUTION POLICY)

For the purpose of protecting the interests of our clients and investors, Partner Bank provides the following information about its execution policy. This policy was prepared for the clients by Partner Bank and describes important procedures in the securities business at the Bank.

Partner Bank's business model

The client may instruct the Bank to purchase individual securities or perform custodian activities, even though Partner Bank's business focus is on standardised asset management.

Investments at Partner Bank are typically made for private clients. At the moment, Partner Bank does not deal on the stock exchange due to a lack of direct line of connection, but instead employs internationally operating business partners (intermediaries) whose costs are charged to third parties.

I. Priority of client instructions

1. When executing a buy or sell order for securities, Partner Bank follows client's instructions. Instructions given by the client always have priority.

2. We expressly indicate that the client's instructions override the application of the principles stated below and that these instructions may prevent Partner Bank from achieving the best possible result for the client.

II. Client orders

1. Types of order / price limit

The orders are processed in accordance with the "market order" standard. This means that Partner Bank does not observe any price limits and that the client accepts the price obtainable on the date of

transaction. This means that any required capital investment / sales proceeds remain uncertain.

2. Transmission of orders

In principle, orders are transmitted on the same day, assuming that they are entered into the in-house system by 10.00 AM and that order and coverage verification have been conducted.

3. System failures and other events

In the case of unforeseen situations (e.g., system failures), Partner Bank may be forced to rely on types of order execution other than those Specified in the Best Execution Policy. Nevertheless, Partner Bank will still attempt to achieve the best execution possible.

III. Investment funds

Pursuant to Article 62(2) of the 2018 WAG, our Best Execution Policy does not apply to the issue and repurchase of units of investment funds, real estate investment funds, and foreign mutual funds.

IV. Execution outside a regulated market or multilateral trading facility

If securities are not traded on a single trading platform, i.e. on MTF or OTF, the execution of an order may be carried out outside the regulated market, e.g. in over-the-counter trading. Therefore, separate consent from the client must be obtained in the form of a general agreement, which is granted expressly by signing the contract.

V. Notice on the consolidation of client orders

Partner Bank processes client orders together only when there are no reasons to believe that the consolidation of orders will have adverse effects for the client.

VI. Execution from the Bank's own holdings

It may happen that when trading on own account orders are executed to a certain extent in a manner other than as specified in the table under item 5). In that case, the Bank acquires financial instruments from the client as a buyer or supplies financial instruments as a seller. For this purpose, average closing prices are used or, on the given date of execution, the best possible bid or asking prices of the stock exchanges indicated below on the day on which the order is received in accordance with the in-house processing within the system in the securities trading department.

VII. Best Execution Policy

1. Criteria applied to the Best Execution Policy

For the purpose of executing the transactions in the scope of asset management and executing the buying and selling orders in individual securities, the following criteria are used:

Financial instrument / security	Place of execution	Via Partner Bank's business partners
Austrian shares and comparable interests	Xetra Vienna or over-the-counter	ViTrade / RBI / Semper Constantia // Baader Bank/ Interactive Brokers
Foreign stocks (USA and Germany)	Xetra Frankfurt / trading floor / NYSE / AMEX/ NASDAQ / NYSE ARCA	ViTrade / RBI / Baader Bank/ Interactive Brokers
Foreign stocks (Rest of Europe)	Local stock exchange	Hauck & Aufhäuser / ViTrade / RBI / Baader Bank / Interactive Brokers
Foreign stocks (Canada, Hong Kong, Japan)	Local stock exchange	Hauck & Aufhäuser / ViTrade / RBI / Baader Bank / Interactive Brokers
Exchange traded funds (ETFs)	Xetra Frankfurt	Baader Bank / ViTrade / RBI
Austrian bonds	Stock exchange or over-the-counter	Austrian major banks / ViTrade / Hauck u. Aufhäuser / RBI / Interactive Brokers
International bonds	Stock exchange or over-the-counter	Hauck & Aufhäuser / ViTrade / RBI / Interactive Brokers
Certificates, warrants	Euwax Stuttgart / Scoach / Frankfurt futures and certificate exchange / issuer (OTC)	ViTrade / RBI / Interactive Brokers / Baader Bank

Local stock exchanges are exchanges in whose economic environment the issuer's domicile and/or head office is located. In certain cases, a deviation from the specified channel may be necessary in the interest of the client (e.g. in the event of system failures or due to regulations on the minimum fragmentation or in the case of portfolios resulting from securities receipts). Orders for stock exchanges or products not listed above will be executed whenever possible. If an execution is not possible, the client will be notified thereof immediately after the situation becomes known. In case of a different explicit client instruction, we will execute the order in accordance with this explicit instruction.

You can find our current execution policy at www.partnerbank.at /Legal references / Customer information incl. AGB

- rate/price and costs
- quality of the connection

For private clients, overall cost of the orders is the only determining criterion for selecting the best execution venue possible. These result from the rate/price of the financial instrument and all costs incurred for the client relating directly to the order execution, including the execution venue fees, clearing and settlement fees, costs for changing the place of custody, as well as other fees paid to third parties involved in the order execution.

2. Financial instrument categories

Partner Bank's clients can order financial instruments through Partner Bank that fall into one of the following categories and are included in Partner Bank's product offering.

- Shares and comparable interests
- Bonds and comparable debt instruments
- Exchange traded funds (ETF)
- Structured securities and leverage products
- Certificates
- Warrants

Please refer to item E) "Chance and Risk in the Securities Business" of this client information for more details about the product groups.

3. Scope of application

The execution policy complies with the legal requirements on the provision of the highest level of protection possible for private clients. Partner Bank also applies this execution policy for professional clients and therefore avoids the need to set up separate policies. The execution principles stated in this policy do not apply

- to specific financial instruments sold to or bought from Partner Bank directly at a fixed price (fixed-price transaction).
- to the issue and repurchase of shares in domestic investment or real estate funds and foreign mutual funds that are licensed for distribution, if this is carried out via the fund's custodian bank.

4. Determination of the best execution venue

Partner Bank has evaluated its execution venues on the basis of the above criteria and determines the respective execution venue for the categories indicated under item 2, as presented under item 5. Orders for subscription to issues are passed on for execution to the issuer, the issue manager or a member of the issue consortium appointed by the issuer. Executions of sales are carried out under consideration of the overall charge at the places of execution that do not necessitate any change of the depository bank. If this is not possible, then the table specified below is applied:

E) CHANCE AND RISK IN THE SECURITIES BUSINESS

ACCORDING TO 2018 WAG

Preliminary note

Below you will find a description of various investment products as well as opportunities and risks related thereto.

Risk is regarded as the non-achievement of an expected return on invested capital and/or loss of the invested capital up to and including its total loss, whereby this risk can arise from the product itself, the markets or the issuer. Since risks are not always foreseeable, the following description should not be regarded as conclusive.

Either way, investors should pay particularly close attention to any risk related to the credit rating of the issuer of a product, which always depends on the individual circumstances.

The description of the investment product is based on the most typical product characteristics. However, the specific structure of the product is always the decisive factor. Consequently, the description provided below cannot replace a thorough examination of the specific product on the part of the investor.

Indicators which lead to a purchase or sale decision are as follows:

- Fundamental company information
- Company's industry classification and market position
- Sustainable development of the company (corporate strategy, growth, balance sheet)
- Technical analysis of the stock
- Stock valuation, for instance based on the price-earnings ratio (compared to sectoral average)
- Rating/analyst classification
- Risk management

An assessment according to these indicators is not carried out based on weightings measured in advance, but rather within a flexible system that depends for instance on the market situation and positioning of the company.

Classification of risks

The risk classification provided for each asset management product or financial instrument provides information on the sensitivity of the securities contained therein and nature of the investment risks outlined below.

1. General investment risks

Foreign exchange risk

In the case of foreign currency transactions, the return or performance of the transaction depends not only on the local yield of the security in the foreign market, but also heavily on the exchange rate development of the respective foreign currency relative to the currency of the investor (e.g. euro). Changes in the exchange rate can therefore increase or reduce the income and value of the investment.

Transfer risk

In case of transactions containing a foreign element (e.g. a foreign debtor), there is a risk, depending on the country itself, that political or foreign exchange measures may prevent or hamper the investment from being carried out. Furthermore, there may be problems that prevent processing of an order. In the case of foreign currency transactions, this kind of measures may lead to foreign currency not being freely convertible any more.

Sovereign risk

A sovereign risk is the country's credit risk (solvency). If the country concerned poses a political or economic risk, this can adversely affect all of the partners based in this country.

Liquidity risk

The possibility to buy, sell, or close out an investment at any time is called marketability (= liquidity). The market is said to be liquid if an investor can trade their securities without an average sized selling order (as measured by the usual trading volume) leading to noticeable price fluctuations and the order being unable to be settled at all or only at a substantially lower price.

Credit and issuer risk

Credit risk is generally understood as the risk of the partner's insolvency, meaning its inability to fulfil its obligations, such as dividend payment, interest payment, repayment, etc., in a timely manner or at all. Alternatively, this risk is also called debtor or issuer risk. This risk can be assessed using the so-called "ratings." A rating is a performance scale used to evaluate the creditworthiness of an issuer. Ratings are published by rating agencies, with a main focus on credit and sovereign risks. The rating scale ranges from "AAA" (best credit rating) to "D" (worst credit rating).

Interest rate risk

The interest rate risk arises from possible future changes in the market interest rates. A rise in interest rates on the market will lower the market price of a fixed-interest bond, whereas a fall will raise the market price of the bond.

Price risk

The risk of adverse movements in the value of individual investments is called price risk. In the case of transactions that create a legal obligation (e.g., currency futures, futures, option writing), a price risk can make a collateralisation (margin) necessary, i.e. increase the margin, which means tying up liquidity.

Risk of total loss

Risk of total loss is the risk of an investment becoming completely worthless, for example due to its design as a time-limited right. Total loss can particularly occur when the issuer of a security is no longer able to fulfil their payment obligations (insolvency; issuer risk) due to economic or legal reasons.

Buying securities on credit

Buying securities on credit poses an increased risk. The loan taken out for buying securities must be repaid in full, irrespective of the success of the investment. Credit costs also reduce the earnings from such investments.

Guarantees

The term "guarantee" can have various meanings. On the one hand, it may mean a separate commitment by a third party different to the issuer to fulfil the issuer's obligations. On the other hand, this can also be the issuer's commitment to provide a specific service, irrespective of the development of certain indicators that would otherwise determine the amount of the issuer's liability. Guaranties may also refer to various other circumstances. Capital guaranties are usually enforceable only at maturity (repayment), which means that price fluctuations (price losses) may also occur during the term. The quality of a capital guarantee depends to a great extent on the guarantor's creditworthiness.

Taxation issues

As regards general taxation issues relating to various investments, the Bank or financial service provider can only make non-binding statements. The impact of an investment on your personal tax liability must be evaluated together with a tax advisor.

Risks on stock markets, especially secondary markets (e.g., Eastern Europe, Latin America, etc.)

Given the fact that there is no direct line of communication with most of the stock exchanges on secondary markets, the orders must be forwarded by telephone. As a result, errors or delays may occur.

On several secondary stock markets, limited buying and selling orders are generally not possible. Consequently, limited orders can only be placed using enquiries made by telephone with the broker on-site, which may lead to delays. In some cases, such limits cannot be executed at all.

In the case of some secondary stock markets it can be difficult to obtain current prices, which makes it harder to assess the client's current position. If a trading listing is suspended, it may no longer be possible to sell such securities at the stock exchange in question. A transfer to another stock market may also cause problems. The opening hours of some secondary stock markets may not correspond to western European standards at all. Short trading hours of only three or

four hours per day can lead to bottlenecks or failure to process securities orders.

2. Bonds / debentures / notes

Definition

Bonds (= debentures, notes) are securities that obligate the issuer (= debtor) to pay the interest to the holder (= creditor, buyer) on the capital invested and repay the principal amount in accordance with the bond terms. In addition to such bonds, strictly speaking, there are also debentures that significantly differ from the above characteristics and the description given below. Please refer to the description of debt securities in the "Structured products" section. In this area, it is therefore not the designation as a bond or debenture that is decisive for the product-specific risks, but rather the specific structure of the product.

Accrued interest is included in the purchase of bonds. Accrued interest corresponds to the accumulated interest to be paid to the seller by the buyer of an interest-bearing bond.

Return

The bond yield consists of the interest due on the capital and any difference between the purchase price and the price achieved upon sale/maturity of the bond.

Consequently, the return can only be determined in advance if the bond is held until maturity. However, with a variable interest rate, the yield cannot be determined beforehand. As a comparative figure or measure for the yield, the rate of return is used (through to maturity) as calculated according to the usual international standards. Bond yields which are significantly above the generally customary level should always be questioned, as this might stem from an increased credit risk.

If the bond is sold before the regular repayment date, the achievable selling price is uncertain and the return may differ from the originally calculated return. Fees and charges should also be taken into account when calculating the return.

Credit risk

There is always the risk that the debtor is unable to pay all or part of its obligations, e.g. in case of insolvency. The investment decision should therefore always take the debtor's creditworthiness into account. The so-called rating (credit risk assessment of the debtor published by an independent rating agency) can be used to assess the credit quality of debtors. The rating "AAA" or "Aaa" is the best credit rating (e.g., Austrian federal government bonds); the lower the rating (e.g., B or C), the greater the credit risk and probably also the interest rate (i.e. risk premium) on the security, at the expense of the increased risk of non-payment (credit risk) of the debtor. Bonds with a rating BBB or better are referred to as "investment grade" bonds.

Price risk

If the bond is held until maturity, the client receives the redemption proceeds upon bond redemption as set out in the bond terms. In this context, if provided for in the terms of issue, the risk of a premature termination by the issuer must also be taken into account.

If the bond is sold prior to the maturity date, the client receives the market price. This price is determined by supply and demand and these depend on the current interest rates, among other things. For example, the price for fixed-interest bonds may fall when the interest rates rise for comparable maturities and vice versa: the bond will be worth more when the interest rates fall for comparable maturities.

A change in the issuer's creditworthiness may also affect the market price of a bond. For floating rate bonds, the price risk will be significantly higher when the yield curve is flattening out or is already flat in the case of bonds whose interest rate is adjusted to the capital market rates than in the case of bonds whose interest rate depends on the money market interest rate levels.

The degree of change in the market price of a bond in response to a change in the interest level is described by the indicator "duration." The duration depends on the remaining time to maturity of a bond. The greater the duration, the more strongly the general interest rate level will affect the market price, both in the positive and negative sense.

Liquidity risk

The liquidity of the bonds hinges on several factors, e.g., issue volume, remaining time to maturity, exchange practices, and market situation. A bond can also be difficult or impossible to sell and must be held until redemption in such a case.

Bond trading

Bonds are traded at a stock exchange or over-the-counter. Usually, the Bank can provide the buying and selling prices for specific bonds upon request. There is no guarantee of the bond being tradable. For bonds which are also traded at the stock exchange, the prices generated there may differ considerably from the OTC prices. The risk of weak trading can be managed by adding a limit to the order.

Special types of bonds

Supplementary capital bonds

These are subordinated bonds of Austrian banks, for which interests accrue only in the event of corresponding annual surpluses (before changes in reserves). Capital repayment prior to liquidation is subject to a prorated deduction of the net losses accrued over the entire term of the supplementary capital bond.

Subordinated capital bonds

With this type of bond, in the event of liquidation or bankruptcy of the bond debtor, the investor receives payment once all of the other bond debtors' unsubordinated liabilities have been paid in full. It is not possible to offset the claims for repayment arising from the subordinated bond against the issuer's claims.

Your client advisor will be happy to inform you about other special bond types such as bonds with warrants attached, convertible bonds, zero-coupon bonds, etc.

3. Shares

Definition

Shares are defined as securities documenting an interest held in an enterprise (joint-stock company). The principal rights of the shareholders are participating in the company's profits and the right to vote in the shareholders' meeting. (exception: preferred shares)

Return

The return on equity investments consists of dividend payments and price gains or losses and cannot be predicted with certainty. The dividends are the company's profits distributed by a resolution of the shareholders' meeting. The dividend amount is expressed either as an absolute amount per share or as a percentage of the nominal value of the stock. The return obtained from the dividend in relation to the share price is called the dividend yield. In general, it is considerably lower than the dividend indicated as a percentage of the nominal value. As a rule, a substantial part of the earnings from equity investments is generated by the performance / price development of a share (see Price risk).

Price risk

Shares are securities traded in most cases on stock exchanges. Generally, the price is determined on a daily basis according to supply and demand. Equity investments might result in significant losses. Generally speaking, the trading price is calculated according to the economic development of the company and the general commercial and political framework. Irrational factors, such as feelings and opinions, may influence the performance and profit of the investment as well

Credit risk

As a shareholder, you hold an interest in a business. In particular, should it become insolvent, your financial participation may become worthless.

Liquidity risk

The marketability of the illiquid securities may be problematic (in particular, listings on unregulated markets, OTC trade). If a stock is quoted on several stock exchanges, this may lead to differences in its negotiability on different international markets (e.g. quotation of an American stock in Frankfurt).

Stock trading

Stocks are traded at a stock exchange or, occasionally, over-the-counter. If stocks are traded via the stock exchange, then the actual exchange practices (round lots, order types, valuation regulation, etc.) must be taken into account. If a share is quoted on different stock exchanges in different currencies (e.g. a US stock quoted in euros at the Frankfurt Stock Exchange) the price risk also entails an exchange rate risk. The client advisor can provide information on this

When buying shares on a foreign exchange, attention should be paid to "third-party fees" charged by foreign exchanges which are incurred in

addition to the usual bank charges. The client advisor will provide information about their exact amounts.

4. Investment funds

Domestic investment funds

General

Share certificates for Austrian investment funds ("investment certificates") are securities that document joint ownership of an investment fund. Investment funds invest the funds provided by investors in accordance with the principle of risk diversification. The three main types are bond funds, equity funds, and mixed funds that invest in both bonds and shares. Funds may invest in domestic and/or foreign securities.

Apart from securities, the range of investments of a domestic investment fund also includes money market instruments, liquid financial assets, derivative products, and investment fund units. Investment funds may invest in domestic and/or foreign securities.

Furthermore, a distinction is made between a distributing fund, an accumulating fund, and a fund of funds. As opposed to a distributing fund, an accumulating fund does not distribute the profits, but reinvests them in the fund, whereas a fund of funds invests in other domestic and/or foreign funds. Guarantee funds are associated with a firm commitment of a guarantor appointed by the investment company concerning the distributions over a specific period of time, with repayment of the principal, or security performance.

Return

The return on investment fund certificates consists of annual payments (provided that they are distributing and not accumulating funds) and the trend in the calculated value of the certificates, and cannot be predicted with certainty. The performance depends on the investment policy set out in the fund terms and on the development of the individual assets in the fund on the market. Depending on the composition of the fund, risk information relating to bonds, share, and warrants should be observed.

Price and rating risks

Investment fund certificates can normally be redeemed at any time at the redemption price. In exceptional circumstances, the redemption may be temporarily suspended until the fund's assets are sold and realisation proceeds are received. The client advisor will provide information about any fees and the date on which the buying or selling order is executed. The term of an investment fund depends on the fund conditions and is usually unlimited. It must be noted that, unlike with bonds, the investment fund units usually do not normally expire and that there is no fixed redemption price as a consequence. The risk of investment fund certificates depends, as already mentioned under "Return," on the fund's investment policy and the market trends. A loss cannot be ruled out. Despite the usual option of redeeming units at any time, investment companies are investment products which are typically economically viable only over a long investment period. Much like shares, the funds can be traded at stock exchanges, as well. Prices generated on the stock exchange in question may differ from the redemption price. Please refer to the risk information for shares for further information.

Tax effects

Depending on the type of fund, the taxation of the income may vary.

Foreign mutual funds

Foreign mutual funds are subject to foreign legal regulations, which may differ significantly from the provisions applicable in Austria. In particular, the supervisory law may often be less restrictive than Austria's.

Outside Austria, there are also so-called "closed-end funds" or funds established under stock corporation law whose value is determined according to supply and demand and not according to the fund's intrinsic value, comparable to the price determination process in the case of stocks.

It should be noted that distributions and earnings equivalent to distributions of the foreign mutual funds (e.g., an accumulating fund) may be subject to different tax regulations, irrespective of their legal form.

Exchange traded funds

Exchange traded funds (ETFs) are fund units traded at a stock exchange similar to stock trading. Generally, an ETF forms a basket (e.g., a basket of stocks) reflecting the composition of an index, i.e. it tracks the index in one certificate by means of the securities contained in the index and their current weighting, which is why the ETFs are often referred to as "index stocks."

Return

The return depends on the performance of the underlying securities in the basket.

Risk

The risk depends on the underlying securities in the basket.

5. Real estate funds

General

Austrian real estate funds are investment funds owned by an investment trust that holds and manages the investment fund on behalf of the shareholders. The unit certificates document an investment held in this investment fund under the law of obligations. Real estate funds invest the funds received from its unit-holders according to the risk diversification principle, in particular in land, buildings, shares in real estate companies and similar property holdings, as well as in its own construction projects; they also hold liquid financial assets (liquidity investments), such as securities and bank deposits. The liquid investments serve to secure the real estate fund's outstanding payment obligations (for example, due to the purchase of properties) and redemption of unit certificates.

Return

From the unit-holder's point of view, the total return on real estate fund certificates is made up of the annual distributions (provided that the funds distribute dividends instead of reinvesting them) and the price trend of the calculated share value. The amount of return cannot be determined in advance. The performance of a real estate fund depends on the investment policy set out in the fund terms, the market trend, individual properties held in the fund, and other individual assets in the fund (securities, bank deposits). The historic performance of a real estate fund is not indicative of its future performance. Real estate funds are primarily exposed to the risk of reduced return due to vacancies in the buildings. In the case of the fund's own construction projects, there may be problems with initial rental. Subsequently, vacancies may have a negative impact on the real estate fund's value and lead to reduced dividend distribution. Investing in real estate funds may also lead to a partial loss of the invested capital.

In addition to bank holdings, real estate funds invest liquid assets in other forms of investment, especially in interest-bearing securities. These parts of the fund's assets are subject to special risks pertaining to the selected form of investment. When real estate funds invest in foreign projects outside the euro area, the shareholders are also exposed to currency risks, since the market value and the return from such foreign property are converted to euros when calculating the issue or redemption price of the unit certificates.

Price and rating risks

Unit certificates can normally be redeemed at any time at the redemption price. As regards real estate funds, it should be noted that redemption of units may be subject to restrictions. In exceptional circumstances, the redemption may be temporarily postponed until the property fund's assets have been sold and realisation proceeds have been received. In particular, the fund regulations may stipulate that, following the restitution of a large number of unit certificates, redemption may be postponed for up to two years. In such a case,

disbursement of the redemption price by the fund will not be possible during this period. Real estate funds are typically classified as long-term investment projects.

6. Warrants

Definition

Subscription warrants are non-interest-bearing and non-dividend-bearing securities which entitle the holder to buy (call warrants) or sell (put warrants) a specific underlying asset (e.g. shares) at a specific date or within a specific period at a predetermined price (exercise price).

Return

The buyer of a call warrant has fixed the purchase price of the underlying asset. Income can be obtained if the market price of the underlying asset exceeds the stipulated exercise price to be paid by the investor, whereby the warrant purchase price is deducted. The option holder may then buy the underlying asset at the strike price and immediately resell it at the market price.

Usually, the increase in the underlying asset's price is reflected in a comparatively strong rise in the option's price (leverage effect), meaning that most investors achieve a return by selling the subscription warrant.

The same applies *mutatis mutandis* to the put warrants; they usually rise in value if the price of the underlying asset decreases.

The return on investment in the subscription warrants cannot be predicted with certainty.

The maximum loss is limited to the amount of the invested capital.

Price risk

The risk of investing in warrants lies in the development of the underlying asset value until the expiry of the warrant, which may not correspond with what the clients had in mind at the moment of making their purchase decision. In the worst case, the entire capital invested may be lost.

Other factors also affect the price of the warrant. The most important are:

Volatility of the underlying asset (a measure of the fluctuation margin anticipated at the time of purchase and, simultaneously, the most important parameter for determining the appropriateness of the warrant price). High volatility generally implies a higher price for the warrant.

Remaining time to maturity (the longer the maturity of a warrant, the higher the price).

A decrease in volatility or approaching maturity date may cause the warrant price to remain unchanged or to drop, even though the expectations related to the performance of the underlying security are met.

The purchase of warrants which are close to expiry is generally advised against. Purchasing options with high volatility increases the price of the investment and is therefore highly speculative.

Liquidity risk

Warrants are generally issued only in smaller quantities. This results in a higher liquidity risk. This can cause particularly high price spikes in the case of some subscription warrants.

Warrant trading

Warrants are traded to a large extent over-the-counter. There is usually a spread between the buying and selling price. This spread is paid for by the client.

When trading warrants at the stock exchange, attention should be paid to the very low liquidity in most cases.

Conditions for warrants

Subscription warrants are not standardised. Therefore, it is extremely important to be thoroughly informed about the exact configuration, and in particular:

Exercise type:

Is the warrant exercisable at any time (American option) or only at expiry (European option)?

Subscription ratio:

How many subscription warrants are needed to obtain the underlying asset?

Exercise:

Delivery of the underlying asset or cash settlement?

Expiry:

When does the option right expire? It should be noted that the Bank does not exercise a warrant unless specifically instructed to do so.

Last trading day:

This day is often slightly earlier than the expiry date, meaning that it cannot be assumed that the warrant can indeed be sold up to the expiry date.

7. Structured products

"Structured investment vehicles" are investment instruments whose income and/or capital repayments are, in most cases, not fixed, but rather dependent on specific future events or developments. Moreover, these investment vehicles can be structured in such a way so that when predetermined targets are reached, the product can be called in early by the issuer or this may even occur automatically.

This section will cover the individual product types. Generic terms are used to refer to these types of products. However, these are not used uniformly on the market. Due to the many possibilities of linking, combining and disbursement of such instruments, a wide variety of forms have emerged; their names may not always be consistent with the form in question. For that reason, it is always necessary to examine the specific product conditions. The client advisor will be happy to provide information about the various structures of these instruments.

Risks

- 1) When the terms provide for payments of interest and/or dividends, such payments may depend on future events or developments (indexes, baskets, individual stocks, certain prices, commodities, precious metals, etc.) and may therefore be reduced or even eliminated in the future.
- 2) Repayments of principal may depend on future events or developments (indexes, baskets, individual stocks, certain prices, commodities, precious metals, etc.) and may therefore be reduced or even eliminated in the future.
- 3) With respect to payments of interest and/or dividends and repayments of capital, it is necessary to take into account interest rate risks, foreign exchange risks, corporate risks, risks particular to the sector, sovereign risks, and credit risks (and possibly a lack of secured creditor rights and a lack of claim for separation and recovery of assets not belonging to the bankrupt estate), as well as tax risks.
- 4) The risks defined in paragraphs 1) through 3) may lead to strong price fluctuations (price losses) during the term of the instrument, regardless of the interest, earnings, or capital guarantees, and may make it difficult or even impossible to sell the instrument before it reaches maturity.

Cash or share bonds (reverse convertible bonds)

These bonds consist of three components, whose risk is borne by the bond purchaser:

The investor purchases a bond (the bond component) whose interest rate includes an option writer premium. Therefore, this structure results in a higher interest rate compared to a similar bond with the same maturity. The bond may be redeemed either in cash or in shares, depending on the price trend of the underlying stock (stock component).

Hence, the bond purchaser is the writer of a put option (option component), who sells the right to transfer shares to it to a third party, and in so doing, the bond purchaser agrees to accept the consequences if the share price changes in a direction that is contrary to its interests. The bond purchaser also bears the risk of the price trend and receives a premium for this, which essentially depends on the volatility of the underlying share. If the bond is not held until maturity, that risk is compounded by interest rate risk. A change in interest rates will affect the bond price and thus the bond's net yield relative to its maturity. The risk information provided in the "Credit risk," "Interest rate risk," "Price risk (Shares)" sections should also be observed.

Interest spread securities products (Constant maturity swaps)

These products, which are structured like debt securities, initially feature a fixed coupon. After the fixed-interest phase, the products are converted to a variable interest rate. The coupon, which is generally annual, depends on the current interest situation (e.g., interest curve). In addition, such products may involve a target interest rate: i.e. if a predetermined target interest rate is achieved, the product will be called in early.

Return

The investor usually obtains a higher coupon in the fixed-interest phase than with conventional bonds on the market. In the variable-interest phase, investors have the opportunity of achieving higher coupons than from fixed-interest bonds.

Risk

Price fluctuations may occur before maturity, which may prove significant depending on the interest rate trend.

Guarantee certificates

When guarantee certificates reach maturity, they pay out the initial nominal value or a certain percentage thereof, regardless of the performance of the underlying security ("minimum redemption").

Return

The maximum return obtainable from the performance of the underlying asset may be limited by a maximum redemption price as set out in the certificate terms or other restrictions on participation in the performance of the underlying asset. The investor is not entitled to dividends and other payments from the underlying asset.

Risk

The value of the certificate may fall below the minimum redemption before maturity. At maturity, the value will usually be equal to the minimum redemption price. The minimum amount redemption price depends, however, on the issuer's creditworthiness.

Discount certificates

In the case of discount certificates, the investor receives the underlying security (e.g. the underlying stock or index) at a discount of the current price (safety buffer), but, in exchange, their interest in the growth of the underlying security is limited to a certain ceiling (cap or reference price). At the end of the maturity period, the issuer has the right to choose to either repay the certificate at the cap, or to deliver the shares, i.e. to provide a cash settlement corresponding to the index value, if an index is used as underlying asset.

Return

The difference between the discounted buying rate for the underlying asset and the ceiling determined by the cap represents possible income.

Risk

In the event of rapidly falling prices for the underlying security, the shares are delivered at the maturity date. (The equivalent value of the delivered shares will be lower than the purchase price at that time.) Since allocation of shares is possible, the risk information for shares must be taken into account.

Bonus certificates

Bonus certificates are debt securities that, subject to certain requirements, pay out at maturity a bonus or appreciated price of an underlying security (individual shares or indexes) in addition to the nominal value. Bonus certificates have a fixed maturity. The certificate terms typically stipulate the payment of cash or delivery of the underlying security at maturity. The type and price of redemption at maturity depend on the underlying security's performance. Three levels are set for a bonus certificate: a starting level, a barrier underneath the starting level, and a bonus level above the starting level. If the underlying security falls down to the barrier or below, the

bonus is forfeited and the certificate will be redeemed at the price of the underlying security. Otherwise, the minimum redemption price results from the bonus level. When the certificate reaches maturity, the bonus is paid out along with the amount initially paid for the nominal value of the certificate.

Return

With a bonus certificate, the investor acquires a claim against the issuer for payment of an amount determined by the performance of the underlying security. The return depends on the performance of the underlying asset.

Risk

The risk depends on the underlying certificate. If the issuer goes bankrupt, the investor has no secured creditor rights or claim for separation and recovery of assets not belonging to the bankrupt estate with respect to the underlying security.

Index-linked certificates

Index-linked certificates are debt instruments (usually publicly quoted) that offer the investor the possibility of acquiring an interest in a certain index without having to own the securities contained in the index. The underlying index is generally replicated on a 1:1 basis; changes in the index in question are taken into account.

Return

With an index-linked certificate, the investor acquires a monetary claim against the issuer for payment of an amount that depends on the level of the underlying index. The return depends on the performance of the underlying index.

Risk

The risk depends on the securities underlying the index. If the issuer goes bankrupt, the investor has no secured creditor rights or claim for separation and recovery of assets not belonging to the bankrupt estate with respect to the underlying securities.

Basket certificates

Basket certificates are debt instruments that offer investors the opportunity to acquire an interest in the performance of a certain securities basket without buying the individual securities included in it. The composition of the underlying basket is up to the issuer. The securities included in the basket can be weighted equally or unequally. The composition may be adjusted on specified dates (e.g., annually).

Knock-out certificates (turbo-certificates)

The term "knock-out certificate" means a certificate that documents the right to buy or sell a certain underlying security at a certain price if the underlying security fails to reach the specified price threshold (i.e. the knock-out threshold) before maturity. Once the threshold is reached, the investment expires early and most of it will generally be lost. Depending on the price trend of the underlying asset, a distinction is made between knock-out long certificates, which bank on rising markets, and knock-out short certificates, designed specifically for falling markets. In addition to normal knock-out certificates, "leveraged" knock-out certificates are also issued, usually under the name "turbo-certificates" (or "leveraged certificates").

Due to the leverage (turbo), the value of the turbo-certificate responds to the price movement of the relevant underlying instrument more strongly in terms of percentage and may rise, but also fall, more sharply. Therefore, higher profits can be gained with smaller investments, but the risk of loss is also greater.

Return

The return can be obtained from a positive difference between the acquisition price or market price and the exercise price (making it possible to buy the underlying security at the lower exercise price or to sell it at the higher exercise price).

Risk

If the knock-out threshold is reached before maturity, either the certificate expires and becomes worthless or an estimated residual value is paid out (the product is "knocked out"). In the case of some issuers, it suffices to knock out the certificate if the price reaches the knock-out level during the trading day (intraday). The closer the current market price is quoted to the exercise price, the stronger the leverage effect. At the same time, there is a higher risk that the

knock-out level will be undercut and either the certificate becomes worthless or the identified residual amount is paid out.

Spread certificates

Spread certificates offer the investors the possibility of sharing disproportionately in the performance of the underlying asset in expectation of a share price or index varying within a certain price range (spread) defined by a starting point and a stopping point.

Return

Income can be gained from the disproportionate participation in the price development of the underlying asset.

Risk

If the closing price identified at the valuation date is below the starting point, the certificate only replicates the price development of the underlying asset. If the price falls below the stopping point, the investor receives a fixed maximum amount repayable at the end of the term, without being able to participate in any price increase.

Twin-win certificates

The holders of twin-win certificates receive a repayment amount at maturity depending on the performance of the underlying instrument. The certificates contain a barrier. If (as a general rule) the price does not reach or falls below the barrier of the twin-win certificate before it matures, the investor shares in the absolute performance of the underlying instrument starting from the base price set by the issuer; this

means that even price losses of the underlying instrument may translate into gains on the certificates. If the price reaches or falls below the barrier of the twin-win certificate before maturity, the certificate will be redeemed at a price at least equal to the current price trend of the underlying instrument. The issuer may also stipulate that disproportionate sharing in the performance of the underlying instrument is possible above the base price. The maximum redemption price can, however, be limited.

Return

If the price does not reach the barrier, the investor may also profit from the negative performance of the underlying instrument, since they share in the absolute performance; price losses in the underlying instrument may therefore translate into gains. The certificate may respond more or less strongly to the price fluctuations of the underlying instrument depending on various influencing factors (e.g., volatility of the underlying instrument, remaining time to maturity, distance of the underlying instrument from the barrier).

Risk

Twin-win certificates are risky investment instruments. In the event of unfavourable changes in the price of the securities underlying the twin-win certificate, all or much of the invested capital may be lost.

Express certificates

An express certificate lets the investor share in the performance of the underlying instrument with the option of early redemption. If on one of the determination dates the underlying instrument satisfies the trigger criterion specified by the issuer, the certificate expires early and will be automatically redeemed by the issuer at the redemption price applicable on the determination date in question. If the underlying instrument does not satisfy the specified trigger criterion even on the final determination date, the certificate will be redeemed at the closing price of the security underlying the certificate established at maturity/on the final determination date. In this case, if the issuer set a barrier at the start of the issue of the certificate and the price of the underlying instrument neither reaches nor breaks through the barrier during the observation period, the certificate will be redeemed at a price at least equal to the minimum redemption price defined by the issuer.

Return

Express certificates enable early realisation of the positive performance of the underlying instruments. Even if the specified trigger criterion is not satisfied, there may be a payout of the minimum redemption price, if the barrier has not been reached or broken through. The certificate may respond more or less strongly to the price fluctuations of the underlying instrument depending on various influencing factors (e.g., volatility of the underlying instrument, remaining time to maturity, distance of the underlying instrument from the barrier).

Risk

Express certificates enable early realisation of the positive performance of the underlying instruments. In the event of unfavourable changes in the price of the securities underlying the express certificate, all or much of the invested capital may be lost.

8. Hedge funds

(Hedge funds, funds of hedge funds, hedge funds index certificates and other products with hedging strategies as basic investment)

General

Hedge funds are funds that are not subject to any or only limited restrictions regarding the investment principles. By utilising all investment vehicles, they aim to multiply their capital by alternative and sometimes non-transparent investment strategies.

Examples of investment strategies:

Long/Short:

Undervalued securities are purchased and, at the same time, overvalued securities are sold short.

Event-Driven:

An attempt is made to exploit specific corporate results such as mergers, acquisitions, reorganisations, or insolvencies.

Global Macro:

An attempt is made to identify and exploit inefficiencies in the markets through macroeconomic analysis of the most important developments in economy and politics. Funds of hedge funds are funds investing in individual hedge funds. Hedge fund index certificates are debt

securities whose performance and earnings performance depend on the average development of several hedge funds that are pooled into an index to form a calculation basis. The investor benefits from the greater risk spreading resulting from funds of hedge funds and hedge funds index certificates.

Income and risk components

Hedge funds offer an opportunity for very high returns, but the risk of losing the invested capital is correspondingly high. The price trend of the hedge fund products is especially affected by the opportunity and risk-generating factors specified below:

Hedge funds trends tend to be independent from international stock and bond market trends; depending on the hedge fund strategy, the general market trend may either be exaggerated or result in a pronounced trend in the opposite direction. Hedge fund trends are particularly influenced by their market share.

Due to their components, hedge fund assets may be highly volatile, which means that the share prices may be subject to significant upward and downward fluctuations within short periods of time. In extreme cases, unsecured hedge fund products may lead to a total loss. Concentrating on just one strategy or only a few exacerbates the risk. That risk may be reduced through diversification in the case of hedge funds of funds or hedge fund index certificates. The manager of the fund of funds selects the individual funds and their composition in keeping with the fund's desired risk/return profile or according to a system of distribution among various countries and sectors determined by an index committee.

It is impossible for the underlying hedge funds to be transparent at all times to the fund of fund management / index committee.

Liquidity risk

Since hedge funds require complex strategies and are difficult to manage, it takes longer to determine the price of a hedge fund product than with traditional funds. Hedge fund products are therefore less liquid than traditional funds.

The prices are generally determined on a monthly rather than daily basis, so that shares can frequently be redeemed only once a month. To be able to redeem the shares at that time, the investor must give an irrevocable declaration of intent to return their shares well in advance of the redemption date. The share price may change significantly between the time of the declaration of intent to return the shares and the time of redemption, but the investor does not have the right to such price changes since their declaration of intent is irrevocable. The specific terms of redemption depend on the individual product. The limited liquidity of the individual funds and instruments may therefore decrease the negotiability of a hedge fund product.

9. Money market instruments

Definition

Money-market instruments include documented money market investments and borrowings, such as certificates of deposit (CDs), cash deposit certificates, global note facilities, commercial papers, as well as all notes with a maturity of up to five years for the repayment of principal and fixed interest rates for up to one year. Money market transactions also include true repurchase transactions and agreements.

Income and risk components

The income and risk components of the money market instruments largely correspond to those of the "bonds/ debentures / notes". Distinctive features apply to the liquidity risk.

Liquidity risk

There is typically no regulated secondary market for money market instruments. Consequently, it cannot be guaranteed that the instruments can be sold readily. Liquidity risk becomes of secondary importance if the issuer guarantees payment of the invested capital at any time and is sufficiently creditworthy to do so.

Money market instruments – in simple terms

Certificates of deposit

Money market securities with terms of usually 30 to 360 days that are issued by banks.

Public notes

Money market securities issued by banks, generally with a maturity up to 5 years.

Commercial papers

Money market securities, short-term notes issued by major corporations, generally with a maturity of 5 to 270 days.

Global note facility

A variation of a commercial paper facility that permits the issue of the commercial papers in the USA and in European markets simultaneously.

Notes

Short-term capital market instruments, generally with a maturity of 1 to 5 years

10. Profit-participation rights /profit-participation certificates / participating bonds

Definition

In general, profit-participation rights are property rights granted under company law by a company, usually a joint-stock company, to a non-shareholder, e.g., sharing in the company's profits. Securities documenting a profit-participation right are called profit-participation certificates or participating bonds. These terms are generally used interchangeably. Since there is no legal definition of the term "profit-participating right," the terms and conditions for profit-sharing rights are relatively freely defined and should therefore be examined in particular detail. Both the profit-sharing and repayment, but also the maturity and termination rights can be stipulated differently for various profit-sharing rights. Given that these are creditors' rights and not shareholder rights, the certificate holders may only be granted property rights, and under no circumstances management rights or rights of co-determination.

Return

The return on profit-participation rights depends mainly on the underlying terms and conditions. These may provide for payouts with a fixed or variable percentage of the nominal value or may stipulate that a minimum profit must be achieved prior to the distribution. The annual distribution amounts may be defined in advance depending on the conditions of participation, or be decided upon on an annual basis. The agreed repayment date also affects the return. A distinction should be made as to whether the profit-participation right is redeemed at the issue amount or whether the performance of the company is taken into account at the time of redemption, meaning that the certificate holder participates in both increases in value and losses of the company. Finally, the return depends on the fact whether the profit-participation certificates are traded. In such a case, the return may also be subject to price fluctuations.

Credit risk

Since the company granting the profit-participation rights is becoming the certificate holder's debtor, there is a risk, like with any other debt obligation, that the debtor is unable to meet its payment obligations, e.g., due to insolvency, rendering the investment temporarily or permanently worthless.

Price risk

If participation certificates are traded, they are subject to pricing

according to supply and demand and thus also to the corresponding price rises and losses.

Liquidity risk

Low trading volumes for certain profit-participation certificates may make them difficult or even impossible to sell.

Trading in participation certificates

If provided for in the terms and conditions, profit-participation certificates and participating bonds can be traded on a stock exchange or over the counter.

11. Bail-in financial instruments

A 'bail-in' occurs when the Bank's creditors (i.e. investors in its debt instruments) participate in its losses in the event of restructuring or winding-up due to impending insolvency. A winding-up authority may apply winding-up tools to the affected bank only when statutory requirements are complied with.

In its capacity as interest holder or creditor, the bank's client may be involved in this process if they own financial instruments issued by the affected bank (e.g., shares, bonds, or certificates), or, in its capacity as the bank's contract partner, has receivables against the bank (e.g., unconsolidated statements under a master agreement for financial futures transactions).

Exceptions to this are client's deposits covered by deposit protection (up to EUR 100,000), secured receivables, e.g., public-sector debentures or covered debt securities, liabilities from trust relationships and client assets or client funds, to which the right to separation of the collateral from the estate and right to separate satisfaction in or from disposal of the collateral apply.

The following winding-up tools may affect the Bank's clients when used:

- Bail-ins
- Spin-offs
- Bridge institutions
- Sale of business

Risks of bank winding-up:

Counterparty/credit risk

The winding-up authority may make modifications to the basic conditions of the affected securities. These changes may apply to the maturity date, for example.

Liquidity risk

In a bail-in procedure, the securities of the affected bank may be subject to value fluctuations and therefore unsellable or only sellable at a low price.

Cluster/concentration risk

The more securities of the affected bank an investor has in its portfolio, the greater the risk. This may also lead to total loss.

F) GENERAL TERMS AND CONDITIONS OF BANKING OPERATIONS(*)

* Based on a Recommendation of the Austrian Bankers' Association (Verband österreichischer Banken und Bankiers)

GENERAL SECTION

I. BASIC PRINCIPLES FOR THE BUSINESS RELATIONSHIP BETWEEN THE CLIENT AND THE CREDIT INSTITUTE

A. Scope of application in and changes to the Bank's General Terms and Conditions

1. Scope of application

Section 1. (1) The following General Terms and Conditions (hereinafter: the GTCs) shall apply for the overall business relationship between the Client and all domestic and foreign branch offices of the Credit Institute. The terms and conditions of agreements concluded with the Client or of special terms and conditions shall prevail.

(2) In these GTCs, the terms "consumer" and "entrepreneur" shall have the meaning assigned to them in the Austrian Consumer Protection Act (Konsumentenschutzgesetz).

2. Changes to the General Terms and Conditions and the master agreements for payment services

Section 2. (1) Proposed changes to these General Terms and Conditions shall be deemed to have been accepted by the Client no later than two months after they are proposed, unless the Client files an objection with the Credit Institute. CHANGES to the GTCs shall

apply to all current and future business relationships between the Client and the Credit Institute, unless the Bank has received a written objection from the Client by that time. Such notification may be effected in any form agreed with the Client within the scope of the business relationship. The agreed form of service of the Credit Institute's notices shall also apply to the notice of changes to the GTC. In the case of the Online Client Service, the data retrieved from the personal electronic mailbox shall be relevant; the first sentence of this paragraph shall apply accordingly. If the Client has waived postal delivery, the notice of the amended GTCs in the counter area of the Credit Institute shall apply; the first sentence of this paragraph shall apply accordingly.

(2) By means of the notification the Credit Institute shall inform the Client that the GTCs have changed and shall warn the Client that upon expiry of two months following such notification his/her non-response shall be deemed consent.

(3) Paragraphs (1) and (2) shall also apply to amendments to the master agreements for payment services (in particular, current account agreements), if the validity of the GTCs is agreed upon therein.

(4) Changes in fees charged to the Client (including interest on debit balance) and the Credit Institute's services (including interest on credit balances) are excluded. Any changes in the Credit Institute's services and fees charged to the Client are governed separately in subpar. 43 through 46.

B. Notices

1. Client orders and instructions

Section 3. (1) Orders shall be given in writing to the head office, subsidiary or branch office.

(2) The Credit Institute shall also be entitled to carry out orders given via telecommunication means (in particular, by telephone, telegraph, telex, telefax, or data transmission). All other prerequisites being fulfilled, the Credit Institute shall only be obliged to carry out such orders if the Client has reached a corresponding agreement with the Credit Institute.

(3) The Credit Institute shall have the right to carry out, on an entrepreneur's behalf, any orders received in whatever form within the scope of the business relation with the entrepreneur if the Credit Institute is, without fault, of the opinion that the orders originate from the Client and provided that the invalidity of an order cannot be attributed to the Credit Institute.

2. Obtaining confirmations by the Credit Institute

Section 4. For security reasons the Credit Institute shall be entitled, in particular in case of orders placed via telecommunications, to obtain confirmation of the order via the same or a different means of communication before carrying out the order, as the case may be.

3. Notices of the Credit Institute

Section 5. (1) The notifications and notices of the Credit Institute made via telecommunications shall be effective subject to written confirmation, unless otherwise agreed in writing or unless other banking practices exist in this respect.

(2) Statements and information which the Credit Institute is required to provide or make available to the Client shall be issued in hardcopy or, if a corresponding agreement is made, on other durable media (electronically in the scope of Client Online Service).

(3) Notices to the Client about the fees charged to the Client by the Credit Institute will be made available in accordance with the agreed calculation period for the Client's accounts on a monthly or quarterly basis in the agreed form

(4) The provision set out in paragraph 1 shall not apply to consumers.

C. Power of disposition and notices upon the death of the Client

Section 6. (1) As soon as it receives notice of the death of a Client, the Credit Institute shall permit dispositions on the basis of a decision rendered by the probate court or the certificate of inheritance (or equivalent foreign documents proving the status as heir beyond any doubt). In the case of joint accounts/joint securities accounts, dispositions made by an account holder holding an individual authority to dispose of the account shall not be affected by this provision.

(2) Information will be provided to heirs holding proof of probate being granted.

(3) An authority to sign for an account granted by an entrepreneur for a business account shall not cease upon the death of a Client. In the event of doubt, the accounts of an entrepreneur shall be considered business accounts.

D. Obligations and liability of the Credit Institute

1. Information requirements

Section 7. Apart from the statutory obligations to provide information, the Credit Institute shall have no other duties to provide information in addition to those stated in its terms and conditions, unless separately agreed. Unless so required by legal provisions or the terms of any agreement, the Credit Institute is therefore not obliged to inform the Client of any imminent losses in prices or exchange rates, of the value or loss of value of any objects entrusted to the Credit Institute, of any facts or circumstances likely to affect or jeopardise the value of such objects, nor otherwise to provide advice or information to the Client.

2. Carrying out of orders

Section 8. (1) The Credit Institute shall carry out any order which, due to its nature, requires the assistance of a third party by calling in a third party on its own behalf. If the Credit Institute selects the third party, it shall be therefore liable for diligent selection.

(2) The Credit Institute shall be obliged to assign claims vis-à-vis the third party, if any, to the Client upon his/her request.

Section 9. Beyond what is provided for in Section 8, the Credit Institute, as regards payment services in euros or in any other currency of an EEA Member State, shall furthermore be liable vis-à-vis consumers (but not entrepreneurs),

- for the due execution of the transfer until receipt by the payee's payment service provider, if the payment transaction is initiated directly by the payer,
- for the correct transmission of the payment order to the payment service provider of the payer, if the payment order is initiated by the payee or through the payee,
- for any charges for which its is responsible, and for any interest to which the payment service user is subject as a consequence of non-execution or defective execution of the payment transaction.

E. Client's duty to co-operate and Client's liability

1. Introduction

Section 10. In his/her dealings with the Credit Institute the Client shall, in particular, observe the obligations to co-operate stated below. Any violation thereof shall lead to an obligation to pay damages on the part of the Client or to a reduction of his/her claims for damages vis-à-vis the Credit Institute.

2. Notification of important changes

a) Name or address

Section 11. (1) The Client shall immediately notify the Credit Institute in writing of any changes to his/her name, company name, address or the service address advised by him/her, as well as his/her phone or mobile phone number.

(2) If the Client fails to notify changes in the address, written communications of the Credit Institute will be deemed received if they were sent to the address most recently advised to the Credit

Institute. If the Client fails to notify changes to the email address or mobile phone number, communications of the Credit Institute will be deemed received if they were sent to the email address or mobile phone number most recently advised to the Credit Institute.

b) Power of representation

Section 12. (1) The Client shall immediately notify the Credit institute in writing of any cancellation or of changes in any power of representation advised to the Credit institute, including an authority to dispose of and sign for an account (Sections 31., 32., and 32a.), and shall provide appropriate documentary evidence in this regard.

(2) Any power of representation advised to the Credit institute shall continue to be effective in its current scope until written notification of cancellation of or a change to the same has been received, unless the Credit institute had knowledge of such cancellation or change or was not aware thereof due to gross negligence. This shall, in particular, also apply if the cancellation of or change to the power of representation is recorded in a public register and was duly published.

c) Capacity to enter into legal transactions; dissolution of the company

Section 13. The Credit institute shall immediately be notified in writing of any loss of or restrictions to the Client's capacity to enter into legal transactions. If the Client is a company or legal entity, the dissolution of the same shall also be advised to the Credit institute immediately.

d) Business relationship for own or third party account

Section 13a. When establishing any business relationship and when making use of an occasional transaction, the Client must inform the Credit institute whether he/she intends to conduct the business relationship and/or the transaction for his/her own account or for the account of a third party or on behalf of a third party. The Client shall notify the Credit institute immediately of any changes in this regard during the valid business relationship.

3. Clarity of orders

Section 14. (1) The Client shall ensure that his/her orders to the Credit institute are clear and unambiguous. Modifications, confirmations or repetitions shall expressly be marked as such. Orders to buy or sell given to the Credit institute (order placement) must at least include which investment is bought or sold in which quantity or nominal value at what price and over which period of time. In case of doubt, the provided ISIN shall prevail.

(2) If the Client wishes to give special instructions to the Credit institute regarding the carrying out of orders, he/she shall inform the Credit institute thereof separately and explicitly, and in the case of orders given by means of forms, the instructions shall be given separately, i.e. not on the form. This shall apply especially where there is particular urgency for the order to be carried out or where the order is subject to certain periods and deadlines.

Orders shall be received sufficiently far in advance that they may be carried out in the ordinary course of business without making use of special means of express handling.

4. Due care and diligence in using means of telecommunication

Section 15. If the Client gives orders/instructions or other notices via telecommunication, he/she shall take reasonable precautions in order to avoid transmission errors, distortion of messages and/or abuse.

5. Raising of objections

Section 16. (1) The Client shall verify notices of the Credit Institute, such as confirmations of orders placed in relation to financial instruments and communications about the carrying out of the same, statements of account, statements of securities accounts, closing statements and any other accounts, along with letters and payments of the Credit Institute immediately as to their completeness and correctness and shall raise any necessary objections immediately.

(2) If the Credit Institute receives no written objections within a

period of six weeks, this statements and services of the Credit institute shall be deemed approved. The Credit Institute shall in each case inform the Client at the beginning of the period about the consequences of his/her failure to file an objection in due time. Information provided in the account statement shall be deemed sufficient.

6. Notification in case of non-receipt of communications

Section 17. The Client shall notify the Credit institute immediately if he/she does not receive regular communications from the Credit institute (such as closing statements or statements of securities) or other communications or mail from the Credit institute which the Client should have received in their particular case within the period of time normally to be expected with respect to the agreed form of transmission.

7. Translations

Section 18. Any foreign-language documents shall be presented to the Credit institute with a German translation by a court-appointed and sworn interpreter if the Credit institute so requires.

8. Furnishing of collateral for the benefit of a third party

Section 18a. When furnishing as collateral securities held for the benefit of a third party, the Client shall expressly inform the third party in writing about any asset management agreement issued. Any other type of disposition of the securities and clearing account may only be carried out with the consent of the third party until collateralisation is revoked.

F. Place of performance; choice of law; legal place of jurisdiction

1. Place of performance

Section 19. The place of performance for both parties shall be the head office of the Credit institute in Linz, Austria.

2. Choice of law

Section 20. All legal relations between the client and the Credit Institute shall be subject to Austrian law.

3. Place of jurisdiction

Section 21. (1) Legal actions of an entrepreneur against the Credit Institute may only be taken in the court having jurisdiction over the subject matter at the place of the Credit Institute's registered office. This shall also be the place of jurisdiction in the event of legal actions of the Credit Institute against an entrepreneur, with the Credit Institute being entitled to assert its rights in every court having local jurisdiction and jurisdiction over the subject matter.

(2) The general place of jurisdiction in Austria provided for by law in the event of legal actions by a consumer or against a consumer regarding agreements with the Credit Institute shall remain the same even if the consumer, after conclusion of the agreement, transfers his/her domicile abroad and Austrian court decisions are enforceable in that country.

G. Termination of the business relationship

1. Termination

a) Ordinary termination

Section 22. If no fixed-term agreement has been concluded, the Credit Institute and the Client shall be entitled to terminate the business relationship or individual parts thereof at any time upon observation of an adequate period of notice. Please refer to the specific agreement for the terms of termination. Fees that have been paid in advance shall not be refunded.

b) Termination for good cause

Section 23. (1) The Credit Institute and the Client shall, notwithstanding any other agreements, be entitled to terminate the entire business relationship at any time with immediate effect for good cause.

(2) Good cause for termination by the Credit Institute is present in particular, if

- the financial situation of the Client or of a co-debtor deteriorates or is put at risk and the fulfilment of obligations vis-à-vis the Credit Institute is jeopardised as a result thereof,
- the Client has provided incorrect information about his/her financial circumstances or other circumstances in material respects, or
- the Client has failed or is unable to fulfil an obligation to provide or increase collateral.

2. Legal consequences

Section 24. (1) Upon termination of the entire business relationship or individual parts thereof the amounts owed thereunder will

immediately become due and payable. In addition, the Client shall be obliged to release the Credit Institute from all liabilities assumed for him/her.

(2) Furthermore, the Credit Institute shall be entitled to terminate all liabilities assumed for the Client and to settle the same on behalf of the Client as well as to immediately redebit any amounts that may have been credited subject to receipt of the funds. Claims arising from securities, in particular bills of exchange or cheques, may be asserted by the Credit Institute until potential debit balances, if any, are covered.

(3) The GTCs shall apply even after the termination of the business relationship, until complete settlement.

II. BANK INFORMATION

Bank Information

Section 25. General information about the financial situation of an enterprise which is customary in banking practice will only be provided in a non-binding manner unless an obligation to provide

such information exists, and vis-à-vis entrepreneurs only in writing.

Section 26. Deleted

Section 27. Deleted

III. OPENING AND KEEPING OF ACCOUNTS AND SECURITIES ACCOUNTS

A. Scope of application

Section 28. Unless otherwise provided, the following regulations regarding accounts shall also apply to securities accounts.

B. Opening of accounts

Section 29. When opening an account the future account holder shall prove his/her identity by presentation of an official photo identity document. Accounts shall be kept under the name, or company name, of the account holder together with an account number.

C. Specimen signatures

Section 30. Persons who are to be authorised to dispose of or sign for an account shall deposit their signatures with the Credit Institute. Based on the signatures deposited, the Credit Institute shall permit written disposition within the scope of the account.

D. Right of disposal and signing authority

1. Right of disposal

Section 31. (1) Only the account holder shall be entitled to dispose of the account. Only persons whose power of representation is based on statutory provisions or persons who hold written and notarised power of attorney explicitly authorising them to dispose of the account and releasing the Credit Institute from banking confidentiality vis-à-vis the authorised representative shall be entitled to represent the account holder. They shall be obliged to prove their identity and power of representation.

(2) In the case of a representative granted lasting power of attorney on health grounds (Vorsorgevollmacht), notwithstanding the requirements set out in subparagraph 1, a registration confirmation about the occurrence of the health-related event shall be produced.

(3) The account holder shall immediately notify the Credit Institute in writing of any cancellation of or changes to any power of representation advised to it, and shall provide appropriate documentary evidence in this regard.

(4) Any power of representation advised to the Credit Institute shall continue to be effective in its current scope until written notification of cancellation of or a change to the same has been received, unless the Credit Institute had knowledge of such cancellation or change or was not aware thereof due to gross negligence.

2. Signing authority

Section 32. (1) The account holder may expressly and in writing grant third parties authority to sign for the account. The authorised signatory shall be obliged to prove his/her identity to the Credit Institute. The person so authorised to sign for the account shall only

be entitled to make and revoke dispositions on the amount in the account.

(2) The authority to sign for a securities account also includes the power to buy and sell securities within the scope of the coverage available. The Credit Institute does not provide investment advice to a person with authority to sign if the securities account holder who granted the authority to sign for the account is a natural person; therefore, the Credit Institute does not provide any personal recommendations relating to the securities transactions to the person with authority to sign for the securities account. The Credit Institute shall only execute orders placed by the person with authority to sign for which he/she has reached his/her own decision based on independently obtained information in this regard. The Credit Institute merely conducts an assessment of the authorised signatory's knowledge and experience in relation to the selected product (appropriateness test). If the person authorised to sign for the securities account does not possess the relevant experience and knowledge, the Credit Institute will merely issue a warning about insufficient appropriateness to the authorised signatory in a standardised manner; the person with authority to sign for the securities account can nevertheless place the sell order for the securities; however, a security purchase cannot be effected following a prior warning. Right of disposal and signing authority for the securities account of legal persons

Section 32a. (1) If the securities account holder is a legal person, investment advice will be provided to a natural person acting as agent of the legal person who has commissioned a specific securities transaction (the Client). This person can either be a holder of the right of disposal or holder of a signing authority. Investment advice is provided on the basis of the asset classes specified by the securities account holder, as well as on the basis of the previously obtained information about the objectives, financial circumstances, and risk tolerance of the securities account holder. In the scope of assessment of knowledge and experience, information provided by the Client (i.e. person authorised to represent or sign for the account) will be taken into account. If the sale or purchase of securities is not based on the investment advice provided by the Credit Institute and not carried out on an execution-only basis, the Credit Institute only conducts an assessment as to whether the

selected products correlate with the asset classes specified by the securities account holder, as well as whether the Client (person placing an order) has the necessary knowledge and/or experience relating to the selected product (appropriateness test). If the product does not correlate with the asset classes specified by the securities account holder (legal person), the transaction cannot be carried out and standardised notice is given. If the Client does not possess the relevant experience and knowledge, the Credit Institute will merely issue a warning to the person placing the sale or purchase order about insufficient appropriateness in a standardised manner. Sale

orders for securities may still be placed by the Client, despite the warning.

(2) In the case of joint signing authority, an assessment of knowledge and experience is conducted only on the basis of information provided by the Client (person placing an order). If no express instructions were given in regard to whose knowledge and experience should be used to conduct the appropriateness test, it shall be deemed as agreed that the information provided by the person who first submits his/her contractual declaration shall be decisive for the Credit Institute.

E. Special types of accounts

1. Sub-account

Section 33. An account may also include sub-accounts. Even if they are given sub-account names, the account holder shall be exclusively entitled and obligated vis-à-vis the Credit Institute in connection with the same.

2. Escrow account

Section 34. In the case of escrow accounts, the escrow agent shall be exclusively entitled and obligated vis-à-vis the Credit Institute as the account holder.

3. Joint account

Section 35. (1) An account may also be opened for two account holders (joint account). The opening and closing of the account may only be made by both account holders jointly.

(2) Upon opening of a joint account, each holder shall be entitled to dispose of the account. This individual power of disposal includes the authorisation to buy and, in full or in part, sell securities within the scope of the coverage available in accordance with the investment objective of both account holders pursuant to the provisions of the Securities Supervision Act, as well as to cash proceeds obtained from the sale transaction. The individual power of disposal also includes the authorisation, within the scope of the contractual relationship, to make special payments or increase the amounts of monthly payments and to restructure the account. In order to be effective, furnishing securities held as collateral for the benefit of a third party or the Credit Institute within the scope of a Lombard credit shall require the signature of both account holders.

(3) It may be expressly agreed that only both account holders shall be entitled to dispose of the account jointly, in which case any disposition of the account must only be initiated by both account

holders jointly. Individual power of disposal may however be revoked by each individual joint account holder. This revocation shall be effective for the future and thereafter stipulates that the account may only be disposed of jointly.

(4) The account holders shall be liable jointly and severally for obligations arising out of the account. The Credit Institute may address both account holders for the settling of outstanding claims.

Section 36. Deleted

4. Foreign currency account

Section 37. (1) If the Credit Institute keeps a foreign currency account for the Client, transfers in the respective foreign currency shall be credited to that account, unless a different transfer instruction has been given. If no foreign currency account exists, the Credit Institute shall be entitled to credit foreign currency amounts in the national currency, unless expressly instructed to the contrary by the Client. The amount shall be converted at the conversion rate of the day on which the amount in foreign currency is placed at the Credit Institute's disposal and may be used by it.

(2) Holders of credit balances in foreign currencies shall bear any and all financial and legal consequences and damages affecting the total credit balance in the respective currency held by the Credit Institute in Austria and abroad which were caused by measures or events for which the Credit Institute is not responsible, pro rata up to their respective credit balances.

F. Account balancing and custody account statements

Section 38. (1) In the absence of any other agreement, the Credit Institute will balance the account quarterly. Custody account statements are issued to the Customer on a quarterly basis.

(2) The interest and charges accrued in the quarter are part of the closing balance, which will continue to bear interest (compound interest).

(3) The statement of account including the closing balance/the statement of the custody account will be held available for the Customer at the account-keeping branch office of the Credit Institute. The custody account statement and the account balancing are delivered to the address last indicated by the Customer. If the Customer waives the delivery, the Credit Institute is deemed to have provided the custody account settlement/account balancing as soon as it is available for personal collection by the Customer. For the online customer service, the delivery is deemed to have been made once it is accessible via the Customer's personal electronic mailbox.

IV. CLEARING AND CLEARINGACCOUNT

A. Transfer orders

Section 39. (1) The clearing account is not used for payment transactions within the meaning of the Payment Services Act (ZaDiG). Money transfer takes place exclusively in connection with the operation of securities investments such as, inter alia, purchase, sales, payment plans and transfer of a credit balance to the Client. Transfer orders must include the recipient credit institution, the account number and the full account name of the Client.

(2) In the case of transfer orders in favour of a recipient whose account is held with a payment service provider within Austria and other countries of the European Economic Area (EEA), the customer must designate the recipient by the recipient's International Bank Account Number (IBAN).

(3) In the case of transfer orders in favour of a recipient whose account is held with a payment service provider outside the EEA, the Customer shall designate the recipient by the recipient's name and

- by the recipient's account number and either the name, bank code or BIC of the recipient's payment service provider
- by the recipient's IBAN and the recipient's payment service BIC.

(4) The information on the IBAN pursuant to paragraph (1) and the information on the IBAN and BIC or the recipient's account number and the name/bank code/BIC of the recipient's payment service provider pursuant to para. (2) represent the recipient's unique identifier on the basis of which the transfer order is executed. Additional details about the recipient, in particular the recipient's

name, are not part of the unique identifier; such information is for documentation purposes only and will be ignored when executing the transfer by the Credit Institute.

(5) The purpose specified in the transfer order is irrelevant for the Credit Institute in all cases.

(6) The acceptance of a transfer order by the Credit Institute does not it and of itself establish any rights of a third party against the Credit Institute.

(7) The Credit Institute is only obliged to execute a transfer order if there is complete coverage on the account specified by the Customer (credit balance, granted scope).

(8) Transfer orders (Section 39a.) received by the Credit Institute or by the payment service provider commissioned by the Customer cannot be unilaterally revoked by the Customer. If a later execution date has been agreed for a transfer order, the irrevocability will only become effective at the end of the business day preceding the execution date.

(9) If the Credit Institute refuses to execute a transfer order, it will inform the Customer as soon as possible of the revocation in the form agreed with the Customer, or at least within the deadlines specified in Section 39a. (3) and of how to correct the transfer order in order to facilitate its execution in the future. The reason for the refusal will only be stated if this does not constitute an infringement of Austrian or Community law or a judicial or administrative order. Transfer orders which the Credit Institute legitimately rejects do not trigger the execution deadlines agreed in Section 39a.

1. Execution deadlines

Section 39a (1) Payment orders which arrive at the Credit Institute after the times specified for the respective payment method (arrival times) close to the end of the business hours or on a day which is not a business day are considered as received on the following business day. The Credit Institute will inform the Customer in due time prior to and upon conclusion of the current account agreement and thereafter whenever the time of receipt changes, the specified time of receipt, in paper form or – if agreed with the Customer – on another durable medium. A business day is any day on which the Credit Institute is open and is performing the business required to execute payment transactions.

(2) If the Customer placing a payment order and the Credit Institute agree that the execution of a payment order shall begin on a particular day or at the end of a certain period or on the day on which the Customer makes the money available to the Credit Institute, then the agreed date is considered as the time of receipt. If the agreed date does not fall on a Credit Institute business day, the payment order will be considered as received on the following business day.

(3) The Credit Institute shall ensure that, after the date of receipt, the amount of the payment transaction is received no later than the end of the following business day (in the case of paper-based payment transactions at the end of the second consecutive business day) by the payment service provider of the payment recipient. This paragraph applies to euro payments and to payments where amounts in euros are transferred to an account in a non-euro EEA country and where currency conversion is carried out.

(4) For payment transactions within the European Economic Area not specified in paragraph (3), the execution period specified in paragraph (3) shall not exceed 4 business days

B. Credits and cancellation rights

Section 40. (1) In the case of a standing custody bank account contract, the Credit Institute is irrevocably authorised to accept money amounts for the Customer and to credit them to its account. Even after the custody account and account contract have been terminated, the Credit Institute is entitled to accept money amounts for the Customer if any of the Customer's liabilities arising from the custody and bank account contract exist. The Credit Institute will execute the order to make available to the Customer a sum of money (in connection with any Lombard loan agreement), by crediting the amount to the account of the beneficiary, unless otherwise specified in the order.

(2) The Credit Institute may at any time cancel credits that it has made on the basis of its own error. In other cases, the Credit Institute will only cancel the credit if the ineffectiveness of the transfer order has been clearly proven to the Credit Institute. An interim financial statement does not eliminate the right to cancellation.

C. Credit entry reserved

Section 41. (1) If the Credit Institute credits amounts which it has to collect on behalf of the Customer (as part of securities collection) to the Customer's account before the amount to be collected has arrived at the Credit Institute, this shall only be subject to the actual receipt of the credit amount by the Credit Institute. This also applies if the amount to be collected should be payable to the Credit Institute.

(2) Due to this reservation, the Credit Institute is entitled to cancel the credit by simple posting if the collection has failed or if due to the financial circumstances of a debtor, official intervention or other reasons it is foreseeable that the Credit Institute will not obtain unlimited ability to dispose of the amount to be collected.

(3) The reservation may also be exercised if the credited amount has been collected abroad and is charged back to the Credit .

Institute by third parties under foreign law or as a result of an agreement with foreign credit institutions.

(4) In the case of a standing reservation, the Credit Institute is also entitled to refuse the Customer the disposition of the credited amounts. The reservation is not be eliminated by closing of accounts.

D. Belastungsbuchungen

Section 42. (1) In the case of transfer orders, debit entries shall be understood as a notice of performance only if the debit entry is not reversed within two business days (see Section 39a. (1) of these Conditions).

(2) Cheques and other payment instructions as well as SEPA direct debits (Section 42a. (1)) are redeemed at the end of five business days.

E. SEPA direct debit and SEPA business-to-business direct debit

Section 42a. (1) A SEPA direct debit shall be deemed to have been established if the payer has issued a SEPA direct debit mandate to the recipient. A SEPA business-to-business (B2B) direct debit exists when both the recipient and the payer are entrepreneurs and the payer has issued a SEPA B2B direct debit mandate to the recipient. The Customer agrees to the debiting of its account with amounts notified to the Credit Institute by third parties authorised by the Customer by means of a SEPA direct debit or SEPA B2B direct debit on its account. This consent can be revoked by the Customer in writing at any time. Such revocation shall take effect from the business day following receipt by the Credit Institute. Similarly, any consent for collection by an authorised third party given to the Credit Institute may be limited to a certain amount or periodicity, or both.

(2) The Credit Institute shall execute the SEPA direct debit and the SEPA B2B direct debit with which the Customer's account is to be debited on the basis of the International Bank Account Number (IBAN) transmitted by the collecting credit institution. The details of the IBAN represent the unique identifier used to execute the SEPA direct debit or the SEPA B2B direct debit. If the collecting bank provides any further information about the Customer, in particular the name of the account holder of the account from which the collection is to be made, this information is for documentation purposes only and is ignored during the execution of the SEPA direct debit or the SEPA B2B direct debit.

(3) The Customer may demand from the Credit Institute the reimbursement of the amount debited from its account on the basis of a SEPA direct debit mandate issued by it within eight weeks from the date on which its account is debited. The Credit Institute must fulfil this request by the Customer within ten business days and reverse the debit of its account with the amount collected with the value date as the date the account was debited.

(4) By way of derogation from paragraph (3), in the case of SEPA direct debits, the Customer has no right to demand reimbursement of the amount debited from its account on the basis of a SEPA B2B direct debit mandate issued by it.

(5) If the SEPA direct debit or B2B direct debit charged to the account of the Customer was not authorised by the Customer, a Customer who is a consumer may request the reimbursement of the debited amount within 13 months from the debit in accordance with Section 16. (2) and a Customer who is an entrepreneur within one month of the debit; the deadline is only triggered if the Credit Institute provides the Customer with the information specified in Section 39. (9).

V. REMUNERATION FOR SERVICES AND REIMBURSEMENT OF EXPENSES

A. Remuneration

1. Principle of remuneration

Section 43. (1) The Credit Institute is entitled to request remuneration from the Customer, in particular interest, fees and commissions.

(2) This shall also apply to appropriate services performed without an order but in the case of an emergency or for the benefit of the Customer, or which were performed in connection with the settlement of the Customer's estate or in connection with a transfer

of the securities held in custody by the Credit Institute under a third party custody order of the Customer.

2. Remuneration amount

Section 44. The Credit Institute is entitled to reasonable remuneration for its services, the amount of which the Credit Institute will determine in a price announcement for certain common services. The statutory obligation to disclose this remuneration in a consumer credit agreement remains unaffected.

3. Change in remuneration for continuous services

Section 45. (1) The Credit Institute may change the remuneration for entrepreneurs for continuous services (account maintenance fee, etc.) taking into account all relevant circumstances (in particular changes in the legal framework, changes in the money or capital market, changes in refinancing costs, changes in personnel and material expenses, changes in the consumer price index, etc.) at its reasonable discretion.

(2) Unless otherwise agreed, the remuneration agreed with consumers for the continuous services provided by the Credit Institute (excluding interest) shall be adjusted (increased or decreased) annually with effect from 1 April each year on the basis of the development of the national consumer price index 2015 published by Statistik Austria, whereby the amounts are commercially rounded to whole cents. The adjustment is made by comparing the index values of December of the previous year with December of the year before that. If, for any reason, increases in remuneration are not made when the index is increased, the right to increase in subsequent years is not lost. Interest rates in the consumer business may be changed in accordance with an adjustment clause to be agreed separately with the Customer.

Remuneration adjustments in accordance with the adjustment clauses referred to in this paragraph (2) shall be made in the consumer business at the earliest two months after the date of contract conclusion.

(3) Further changes to this remuneration as well as the scope of services are only possible with the consent of the Customer. Such changes shall become effective two months after the Customer has been informed of a change desired by the Credit Institute, unless a written objection of the Customer has been received by the Credit Institute before then. The Credit Institute shall inform the Customer in the notification of the respective desired change as well as of the fact that its non-response is considered consent after the expiry of the deadline.

B. Reimbursement of expenses

Section 46. (1) The Customer shall bear all necessary and useful expenses, expenditures, fees and costs, in particular stamp and legal fees, taxes, postal charges, insurance costs, means for the execution of the order, legal representation, enforcement and collection, business consulting, telecommunication as well as the ordering, administration and utilisation or release of collateral. If the Credit Institute is not able to carry out the Customer's order due to lack of coverage or if it has to act against the Customer due to enforcement measures by third parties, it is entitled to levy a reasonable lump-sum compensation according to the notice displayed before performing the order or action.

(2) The Credit Institute may charge these expenses in a total amount without an itemised listing, unless the Customer explicitly requests an itemised listing.

VI. COLLATERAL

A. Provision and strengthening of collateral

1. Entitlement to provision

Section 47. The Credit Institute may demand adequate collateral within a reasonable deadline from the Customer for all claims arising from the business relationship with the Customer, even if the claims are conditional, limited or not yet due.

2. Change in risk

Section 48. (1) If circumstances subsequently arise or become known which justify an increased risk valuation of the claims against the Customer, the Credit Institute is entitled to demand the provision or strengthening of collateral within a reasonable period of time. This is particularly the case when the economic circumstances of the Customer have changed adversely or there is a danger that they will change, or the existing collateral has deteriorated in value, or there is a danger that it will deteriorate.

(2) This also applies if the provision of collateral was not requested when the claims arose.

B. Right of lien of the Credit Institute

1. Scope and emergence

Section 49. (1) The Customer grants the Credit Institute a lien on property and rights of any kind that come into the possession of the Credit Institute.

(2) The lien shall in particular also apply to all distrainable claims of the Customer vis-à-vis the Credit Institute, e.g. from credit balances. If the lien of the Credit Institute is applicable to securities, the lien shall also extend to the interest and profit-sharing certificates belonging to these securities.

Section 50. (1) The lien secures the claims of the Credit Institute against the Customer arising from the business relationship, including joint accounts, even if the claims are conditional, limited or not yet due.

(2) The lien shall arise upon receipt of the deposit by the Credit Institute, insofar as claims of the Credit Institute pursuant to

paragraph (1) exist, otherwise at the later date of the emergence of such claims.

2. Exceptions to the lien

Section 51. (1) deleted

(2) The Credit Institute shall, without prejudice to the existing lien, carry out dispositions of the Customer as long as the Customer has not received any notification from the Credit Institute about the exercise of the lien. A seizure of the securities and the credit is not considered a disposition of the Customer.

(3) Furthermore, the lien shall not extend to assets which the Customer has disclosed in writing to the credit institution before the liens arose, or which have become the property of the Credit Institute without the Customer's consent.

C. Release of collateral

Section 52. At the request of the Customer, the Credit Institute will release collateral if it has no legitimate interest in the collateral.

D. Recovery of collateral

1. Sale

Section 53. Collateral that has a market or stock exchange price will be used by the Credit Institute according to relevant statutory provisions by sale in a private contract at this price.

Section 54. Collateral that does not have a market or stock exchange price will be valued by the Credit Institute using an expert opinion. The Credit Institute shall inform the Customer of the result of the estimate together with the request to notify a prospective buyer within a reasonable period, who will pay at least the estimated value as the purchase price to the Credit Institute within this period. If the Customer does not name a prospective buyer within the deadline or the purchase price is not paid by the named prospective buyer, the Credit Institute is irrevocably entitled to sell the collateral on behalf of the Customer at least at the estimated value. The proceeds from the sale serve to repay the secured claims, and the Customer is entitled to any surplus.

2. Execution and extrajudicial auction

Section 55. The Credit Institute is also entitled to realise the collateral executively, or – if it has no market or stock exchange price – to have it auctioned out of court.

3. Collection

Section 56. (1) The Credit Institute may terminate and collect the claims of all kinds (including securities-secured) pledged as collateral on the maturity of the secured claim. Before that, the collection of the claim serving as collateral is permitted at its maturity. In the case of imminent loss of value of the claim serving as collateral, its termination is permissible even before its maturity date. The Customer must be informed thereof beforehand if possible. Amounts collected before the secured claim matures will be replaced by the collected claim as pledge.

(2) The provisions of paragraph (1) shall not apply to wage claims of consumers provided as collateral for claims not yet due.

4. Permissibility of realisation

Section 57. Even if the purchaser does not pay the purchase price immediately in cash, realisation of the collateral by the Credit Institute is still permissible, provided that no or no equivalent offer with immediate cash payment is present and the subsequent payment is secured

E. Right of retention

Section 58. The Credit Institute may withhold the services incumbent on it to the Customer due to claims arising from the business relationship, even if they are not based on the same legal relationship. Sections 50 and 51 apply accordingly.

VII. OFFSETTING AND SETTLEMENT

A. Offsetting

1. By the Credit Institute

Section 59. (1) The Credit Institute is entitled to offset all claims of the Customer, insofar as they are distrainable, against all liabilities towards the Customer.

(2) The Credit Institute shall, without prejudice to the existing offset right, execute dispositions of the Customer as long as the Customer has not received an offset statement. A seizure of the credit is not considered a disposition of the Customer.

2. By the Customer

Section 60. The Customer who is a consumer is only entitled to

cancel its liabilities by offsetting if the Credit Institute is insolvent or if the Customer's claim is related to its liability or judicially established or recognised by the Credit Institute. The Customer who is an entrepreneur hereby unconditionally and irrevocably waives the obligation to cancel its liabilities by offsetting.

B. Settlement

Section 61. By way of derogation from the provisions of Article 1416 of the Civil Code of Austria (ABGB), the Credit Institute may initially offset payments for claims of the Credit Institute insofar as no collateral was requested for them, or the value of the collateral requested does not cover the claims. It is not relevant when the individual claims become due.

SPECIAL TYPES OF BUSINESS

I. TRADING IN SECURITIES AND OTHER VALUES

A. Scope of application

Section 62. The conditions of Sections 63 to 67 apply to securities and other assets, even if they are not securitised.

B. Type of execution

Section 63. (1) The Credit Institute usually executes its Customers' orders to buy and sell securities as a commission agent.

(2) However, if the Credit Institute agrees a fixed price with the Customer, it concludes a purchase agreement.

(3) In the absence of any other instruction, the Credit Institute will execute the Customer's orders on the basis of the implementation policy. The Credit Institute will report significant changes in the implementation policy to the Customer.

(4) The Credit Institute may also partially execute orders received for the purchase and sale of securities, if the market situation does not permit full execution.

C. Practices at the execution site

Section 64. The execution shall be governed by the law and practices in force at the place of execution.

D. Timely execution

Section 65. If the order for a same-day execution has not been received in sufficient time to allow it to be processed within the framework of the orderly workflow, it will be valid for the next bank and stock exchange trading day.

E. Lack of coverage

Section 66. (1) The Credit Institute may refrain from the execution of securities transactions, in whole or in part, if there is no appropriate coverage.

(2) However, the Credit Institute is entitled to execute such securities transactions, unless it can be determined that the Customer only wishes to carry out the order if coverage is provided.

(3) If the Customer does not provide coverage despite being requested to do so, the Credit Institute shall be entitled to conclude a closing transaction for the account of the Customer without taking into account the price limit and stop price.

F. Foreign business

Section 67. If the Customer is credited with a claim for delivery of securities (securities invoice), the Customer's claim against the

Credit Institute corresponds to the proportion held by the Credit Institute on that Customer's behalf of the total amount of securities of the same type held by the Credit Institute for all its Customers in accordance with laws and practices.

G. Shares transactions

Section 68. In the case of shares transactions whose final certificates are not yet being traded, the Credit Institute is not liable for the issue of the shares by the stock corporation nor for the possibility of exercising the shareholder rights prior to the issue of the shares.

II. CUSTODY OF SECURITIES AND OTHER VALUES

Section 69. (1) The Credit Institute shall be entitled to place securities deposited therewith in the custody of the beneficiary. The Credit Institute undertakes to perform diligent safekeeping according to Article 957 et seq. ABGB. However, the Credit Institute is not obliged to observe the performance of the securities or, for example, information to be provided about imminent loss of value or circumstances that could influence the value.

(2) The Credit Institute is expressly authorised to also hold locally issued securities in foreign countries and securities issued abroad as well. It is also authorised to register securities issued abroad in the name of the domestic depository or in the name of the representative of the foreign depository ("nominee").

(3) The Credit Institute is liable to an entrepreneur only for the diligent selection of the third-party depository.

B. Redemption of securities, coupon renewal, drawing, termination

Section 70. (1) The Credit Institute shall ensure the separation of the interest, profit participation and dividend coupons due and collect their equivalent value. New interest, profit participation and dividend coupons are managed by the Credit Institute without any special order.

(2) Drawings, terminations and other comparable measures with respect of securities held in safekeeping shall be monitored by the Credit Institute insofar as they are published in the official gazette "Amtsblatt zur Wiener Zeitung" or in "Mercur, Authentischer Verlosungsanzeiger". The Credit Institute shall redeem drawn and terminated securities as well as interest coupons, profit participation certificates and dividend coupons.

(3) In the case of securities deposited with a third-party depository the same shall assume the obligations described in paragraphs 1

and 2 above. In the case of securities held abroad the Credit Institute shall not be obliged to inform the Customer about the numbers of the securities credited and in particular of securities redeemable by drawings; the Credit Institute determines by drawing which redeemed securities are to be distributed to the Customer. If, however, numbers of securities redeemable by drawings are notified, they shall only be relevant to the drawing and redemption and only for as long as this is the practice abroad. If, according to the practice abroad, the procedure is a pro-rata distribution of redeemable amounts from redeemed securities, and if individual customers with remaining proportions of shares are not presentable, the Customers whose shares are redeemed shall be determined by drawing.

C. Audit requirement of the Credit Institute

Section 71. Whether domestic securities of bids, payment stops and similar are affected is checked only once, on their delivery to the Credit Institute, on the basis of its available domestic documents. The review of a bid procedure for the cancellation of securities will also be carried out after receipt.

D. Notification of exchange and other measures

Section 72. In the event of any conversion, capital increase, capital reduction, merger, exercise or realisation of subscription rights, request for payment, grouping, change, exchange/conversion offer, coupon increase or other material measures regarding securities, the Credit Institute shall, to the extent a respective notification has been published in the official gazette "Amtsblatt der Wiener Zeitung" or communicated in time by the issuer or the foreign depository, endeavour to notify the Customer thereof. If the Customer does not issue timely instructions, the Credit Institute shall be entitled, but not obliged, to act in its best judgement, taking into account the interests of the Customer, in particular to realise rights that would otherwise be forfeited, at the latest possible time.

III. TRADING IN FOREIGN EXCHANGE AND CURRENCIES

Section 73. deleted

Section 74. deleted

IV. FOREIGN CURRENCY LOANS

Section 75. Foreign currency loans are effective, i.e. to be repaid, in the currency in which they were issued by the Credit Institute. Payments in other currencies are considered securities unless the Credit Institute notifies the Customer that they will be used to pay off the loan. The Credit Institute is also entitled to convert any outstanding debit balance in foreign currency into domestic currency, provided it makes notification to the Customer, if

- in the course of business relationships with companies, the credit

- risk increases as a result of the development of the foreign currency and the Credit Institute does not obtain sufficient security within a reasonable period of time, or
- due to legal or other circumstances for which the Credit Institute is not responsible, a refinancing in foreign currency is no longer possible or
- the loan is due in full for repayment and is not repaid despite a reminder.

V. COLLECTION AND DISCOUNT TRANSACTIONS, BILL AND CHEQUE TRANSACTIONS

Section 76. – Section 81. deleted

In order to ensure easier readability of this publication, only the shorter male form was used to refer to both sexes for simplification.



PARTNER BANK