



**Raiffeisen Bank International AG,  
Vienna, Austria**

Translation of the  
Independent Assurance Report on  
Compliance with the C-Rules of the  
Austrian Code of Corporate Governance  
(ÖCGK) in accordance with C-Rule 62 of  
the Code for the Year 2020

25 February 2021

KPMG Austria GmbH  
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft  
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To the members of the Management Board of  
Raiffeisen Bank International AG,  
Vienna, Austria

## **Translation of the independent assurance report on compliance with the C-Rules of the Austrian Code of Corporate Governance (ÖCGK)**

Based on C-Rule 62 of the Austrian Code of Corporate Governance (ÖCGK) as amended in January 2020, we have evaluated the compliance with the C-Rules of the code by Raiffeisen Bank International AG (the "Company"), Vienna, for the year 2020.

### **Management's Responsibility**

The Company's Managing Board is responsible for the compliance with the relevant rules of the ÖCGK and the reporting thereon within the Corporate Governance Report for the year 2020 ("Declaration of Compliance").

### **Auditors' Responsibility**

Our responsibility is to state whether, based on our procedures performed and the evidence we have obtained, the Declaration of Compliance of the Company in the Corporate Governance Report accurately discloses the compliance with the relevant rules of the ÖCGK. Since we were also engaged as auditors of the Company for the year 2020, our independent assurance engagement did not include adherence with the C-rules 77 to 83 of the ÖCGK.

Our engagement was conducted in conformity with Austrian Standards for independent assurance engagements (KFS/PG 13) and in accordance with the International Standard on Assurance Engagements (ISAE 3000) applicable to such engagements. These standards require us to comply with our professional requirements including independence requirements, and to plan and perform the engagement to enable us to express a conclusion with reasonable assurance, taking into account materiality.

The procedures selected depend on the auditor's judgment and included in particular the inspection of the representations made in the Declaration of Compliance, inquiry of the involved persons responsible for the Report, inspection of relevant documentation and data as well as of information published on the homepage ([www.rbinternational.com](http://www.rbinternational.com)). The evaluation of the Declaration of Compliance was performed on the basis of the questionnaire published by the Austrian Working Group for Corporate Governance.

The procedures that we performed do not constitute an audit or a review. Our engagement did not focus on revealing and clarifying of illegal acts (such as fraud), nor did it focus on assessing the efficiency of management.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our independent assurance conclusion.

## **Conclusion**

Based on the procedures performed and the evidence we have obtained, the Declaration of Compliance of the Company in the Corporate Governance Report accurately discloses the compliance with the relevant rules of the ÖCGK.

The Company has compliance with the C-Rules of the Austrian Code of Corporate Governance except for the following Rules:

According to C-Rule 45 Supervisory Board members may not assume any functions on the boards of other enterprises which are competitors of the company. Several members of the Company's Supervisory Board assume functions on boards of companies within the same industry, which may lead to conflicts of interest. RBI declares this deviation in the Corporate Governance Report as follows: "*RBI AG is the central institution of the Raiffeisen Banking Group Austria (RBG). Within RBG, RBI AG serves as the central institution (as defined by § 27a of the BWG) of the regional Raiffeisen banks and other affiliated credit institutions. Some members of the Supervisory Board in their function as shareholder representatives also hold executive roles in RBG banks. Consequently, comprehensive know-how and extensive experience specific to the industry can be applied in exercising the control function of the Supervisory Board, to the benefit of the company.*"

According to C-Rule 52a the number of members on the Supervisory Board (without employees' representatives) shall be ten at the most. The number of members on the Supervisory Board without employees' representatives of RBI AG is twelve. RBI declares this deviation in the Corporate Governance Report as follows: "*The Supervisory Board currently consists of twelve members: nine core shareholder representatives for RBG and three free float representatives. This higher number of members was based on a resolution passed by the Annual General Meeting on 22 June 2017. It provides the Supervisory Board with additional industry knowledge, more diversity, and further strengthens its ability to exercise its control function.*"

## **Restriction on use**

Because this report is prepared solely for the Management Board of the Company, its contents may not be relied upon by any other third party. Therefore, this report does not constitute an investment recommendation and should not be considered in investment decisions or decisions on the conclusion of contracts.



*Raiffeisen Bank International AG, Vienna, Austria*  
*Independent Assurance Report on Compliance with the C-Rules of the Austrian Code of*  
*Corporate Governance (ÖCGK) in accordance with C-Rule 62 of the Code for the Year 2020*

### **General Conditions of Contract**

Our responsibility and liability towards the Company and any third party is subject to paragraph 7 of the General Conditions of Contract for the Public Accounting Professions.

Vienna, 25 February 2021

KPMG Austria GmbH  
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

signed by:  
Rainer Hassler  
Wirtschaftsprüfer  
(Austrian Chartered Accountant)

# Corporate Governance Report

This Corporate Governance Report combines the Corporate Governance Report of RBI AG and the consolidated Corporate Governance Report of RBI pursuant to § 267b of the Austrian Commercial Code (UGB) in conjunction with § 251 (3) of the UGB.

RBI attaches great importance to responsible and transparent business management in order to maintain the understanding and confidence of its various stakeholders – not least of capital market participants. Hence, RBI is committed to adhering to the Austrian Corporate Governance Code (ACGC) as laid out in the version dated January 2020. The ACGC is publicly available on the Austrian Working Group for Corporate Governance website ([www.corporate-governance.at](http://www.corporate-governance.at)) and on the RBI website ([www.rbinternational.com](http://www.rbinternational.com) → Investors → Corporate Governance and Remuneration Policy). In addition to RBI, its subsidiary bank Tatra banka, a.s., as a listed company, is obliged to publish a corporate governance report due to local statutory requirements. This report is published with the annual report and can be downloaded from the Tatra banka website ([www.tatrabanka.sk](http://www.tatrabanka.sk) → About bank → Economic results → Annual Reports). RBI has no further subsidiaries which are required to publish a corporate governance report.

## Governance structure of RBI

RBI follows a large number of legal standards and other requirements that govern its actions internally and vis-à-vis third parties. The legal framework ranges from numerous relevant regulations, directives, delegated acts of law, and implementing acts on the European level, through to national laws and regulations, and guidelines, notices and recommendations of responsible supervisory authorities and code of conducts of further institutions.



**Regulatory requirements for a supervised entity:** major banks based in the European Union must adhere to, for example, the Capital Requirements Regulation (CRR) and Capital Rights Directive (CRD), the EU's Anti-money laundering Directive (AMLD), the revised Markets in Financial Instruments Directive (MiFID II), and the Payment Services Directive (PSD 2). On a national level, there are numerous further relevant Austrian laws such as the Austrian Banking Act (BWG), Austrian Stock Corporation Act (AktG), Austrian Securities Supervision Act (WAG), and the Austrian Payment Services Act (ZaDiG). Together, these form the legal framework and thus significantly impact RBI's process procedures.

In addition to the regulatory requirements, and also building on them, RBI has its own internal **Code of Conduct (CoC)**. The CoC - and the values laid out in 2019, described further below, to achieve the Vision & Mission - forms the bedrock of a corporate culture based on integrity and ethical principles. According to the CoC, RBI commits itself to sustainable corporate management and the associated social and environmental responsibilities. All employees are required to abide by the CoC in internal dealings and when in contact with customers or other stakeholders. The CoC thus safeguards that RBI's high standards for employees' business and ethical conduct are met. To ensure this, all

RBI governance documents must be in accordance with the principles laid out in the CoC: [www.rbinternational.com/en/who-we-are/facts-figures/code-of-conduct.html](http://www.rbinternational.com/en/who-we-are/facts-figures/code-of-conduct.html).

Building on the regulatory requirements and CoC, the **Group internal policies & processes** ensure compliant behavior. The policies and processes make up RBI Group's company law and their documentation and review are essential prerequisites for compliance with legal requirements. Through the Group Policy Framework, which targets all RBI employees, governance across the Group is also assured. The Group Policy Framework lays out necessary rules for this, provides an overview of roles and responsibilities, and sets standards for the monitoring and implementation of the policies.

In 2019, to further continue RBI's success story, RBI set an ambitious goal in its **Vision 2025** – we are the most recommended financial services group – to be fulfilled by following its **Mission** – we transform continuous innovation into superior customer experience. The Mission has four **Values** - collaboration, proactivity, learning, and responsibility – which were defined as an especially important part of the implementation and achievement of the goal of RBI's Vision.

The **Strategic Roadmap** was developed from the Mission statement in a comprehensive process involving many employees. This multi-year roadmap categorizes the main strategic goals in concrete and measurable individual initiatives. These are each set for a period of two years with their progression evaluated on a quarterly basis and discussed at senior management level. The roadmap ensures that all employees can have a clear picture of contributions to be made towards achieving the overarching goal (Vision 2025).

Transparency is a key corporate governance issue and is therefore of particular importance to RBI. This Corporate Governance Report is structured according to the legal provisions contained in § 243c of the UGB and is based on the structure set forth in Appendix 2a of the ACGC.

As a result of the 2020 revision of the ACGC, the total remuneration of the individual Management Board members (§ 239 (1)4 lit. a UGB) and principles of remuneration policy (§ 243c (2)3 UGB) are presented in a separate remuneration report according to § 78c AktG.

The remuneration report will be presented for resolution to the Annual General Meeting on 22 April 2021 and published on the website in a timely manner before the Annual General Meeting.

The ACGC is subdivided into L, C and R Rules. L Rules are based on compulsory legal requirements. C Rules (Comply or Explain) should be observed; any deviation must be explained and justified in order to ensure conduct that complies with the ACGC. R Rules (Recommendations) have the characteristics of guidelines; non-compliance does not need to be reported or justified. RBI deviates from the C Rules below, but conducts itself in accordance with the ACGC on the basis of the following explanations and justifications:

#### **C Rule 45: non-competition clause for members of the Supervisory Board**

RBI AG is the central institution of the Raiffeisen Banking Group Austria (RBG). Within RBG, RBI AG serves as the central institution (as defined by § 27a of the BWG) of the regional Raiffeisen banks and other affiliated credit institutions. Some members of the Supervisory Board in their function as shareholder representatives also hold executive roles in RBG banks. Consequently, comprehensive know-how and extensive experience specific to the industry can be applied in exercising the control function of the Supervisory Board, to the benefit of the company.

#### **C Rule 52a: The number of members on the Supervisory Board (without employees' representatives) shall be ten at most**

The Supervisory Board currently consists of twelve members: nine core shareholder representatives for RBG and three free float representatives. This higher number of members was based on a resolution passed by the Annual General Meeting on 22 June 2017. It provides the Supervisory Board with additional industry knowledge, more diversity, and further strengthens its ability to exercise its control function.

In accordance with C Rule 62 of the ACGC, RBI AG commissioned KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Vienna (KPMG) to conduct an external evaluation of compliance with the C Rules of the ACGC. The report on this external evaluation is publicly available at [www.rbinternational.com](http://www.rbinternational.com) → Investors → Corporate Governance and Remuneration Policy → External Evaluation of the CG Code.

## **Composition of the Management Board**

As at 31 December 2020, the Management Board consisted of the following members:

<b>Management Board member</b>	<b>Year of birth</b>	<b>Original appointment</b>	<b>End of term</b>
Johann Strobl, Chairman	1959	22 September 2010 <sup>1</sup>	28 February 2022
Andreas Gschwenter	1969	1 July 2015	30 June 2023
Lukasz Januszewski	1978	1 March 2018	28 February 2026
Peter Lennkh	1963	1 October 2004	31 December 2025
Hannes Mösenbacher	1972	18 March 2017	28 February 2025
Andrii Stepanenko	1972	1 March 2018	28 February 2026

<sup>1</sup> Effective as of 10 October 2010

The number of members of RBI AG's Management Board was reduced from seven to six when Martin Grüll's Management Board mandate expired at the end of February 2020. The Management Board areas of responsibility have been reorganized, thereby utilizing potential to streamline the organization (see also: Division of responsibilities and functions of the Management Board).

After discussing the respective function descriptions and requirements as a basis for the succession and recruiting process and evaluating the performance of the relevant Management Board members whose terms were approaching expiry, the Nomination Committee recommended that the Supervisory Board re-elect Peter Lennkh, Andrii Stepanenko and Lukasz Januszewski. The Supervisory Board extended the mandates of Peter Lennkh at its meeting on 17 June 2020, and of Andrii Stepanenko and Lukasz Januszewski at its meeting on 2 December 2020, for another five years.

Members of the Management Board held supervisory board seats or comparable functions in the following domestic and foreign companies that are not included in the consolidated financial statements:

Johann Strobl	UNIQA Insurance Group AG, 2 <sup>nd</sup> Deputy Chairman (since 25 May 2020), UNIQA Österreich Versicherungen AG, Member (since 25 May 2020) Oesterreichische Kontrollbank Aktiengesellschaft, 1 <sup>st</sup> Deputy Chairman (since 27 May 2020)
Andreas Gschwenter	RSC Raiffeisen Service Center GmbH, Austria, Deputy Chairman Raiffeisen Informatik Geschäftsführungs GmbH, Deputy Chairman
Peter Lennkh	Oesterreichische Kontrollbank Aktiengesellschaft, Member

In addition to the management and governance of RBI AG, the members of the Management Board performed supervisory and managerial duties at the following material subsidiaries as supervisory board members in the 2020 financial year:

	Supervisory Board mandate
<b>Johann Strobl</b>	AO Raiffeisenbank, Russia, Chairman Raiffeisen Bank S.A., Romania, Chairman Raiffeisenbank a.s., Czech Republic, Member Tatra banka, a.s., Slovakia, Member
<b>Andreas Gschwenter</b>	Raiffeisenbank Austria d.d., Croatia, Chairman Raiffeisen Bank Zrt., Hungary, Chairman RSC Raiffeisen Service Center GmbH, Austria, Deputy Chairman Raiffeisen Informatik Geschäftsführungs GmbH, Austria, Deputy Chairman AO Raiffeisenbank, Russia, Member Raiffeisen Bank S.A., Romania, Member Raiffeisenbank a.s., Czech Republic, Member Tatra banka, a.s., Slovakia, Member
<b>Lukasz Januszewski</b>	Raiffeisen Centrobank AG, Austria, Chairman Raiffeisen Bank Aval JSC, Ukraine, Chairman Raiffeisen Kapitalanlage-Gesellschaft m. b. H., Austria, Deputy Chairman AO Raiffeisenbank, Russia, Member Raiffeisen Bank S.A., Romania, Member Tatra banka, a.s., Slovakia, Member
<b>Peter Lennkh</b>	Raiffeisen banka a.d., Serbia, Chairman Raiffeisen Bank Kosovo J.S.C., Kosovo, Chairman Raiffeisen Bank Sh.A., Albania, Chairman Raiffeisenbank (Bulgaria) EAD, Bulgaria, Chairman Raiffeisenbank a.s., Czech Republic, Deputy Chairman AO Raiffeisenbank, Russia, Member Raiffeisen Bank S.A., Romania, Member Tatra banka, a.s., Slovakia, Member
<b>Hannes Mösenbacher</b>	Raiffeisen Centrobank AG, Austria, Deputy Chairman AO Raiffeisenbank, Russia, Member Raiffeisen Bank S.A., Romania, Member Raiffeisenbank a.s., Czech Republic, Member Tatra banka, a.s., Slovakia, Member
<b>Andrii Stepanenko</b>	Priorbank JSC, Belarus, Chairman Raiffeisen Kapitalanlage-Gesellschaft m. b. H., Austria, Chairman Tatra banka, a.s., Slovakia, Chairman Kathrein Privatbank Aktiengesellschaft, Austria, Chairman AO Raiffeisenbank, Russia, Member Raiffeisenbank a.s., Czech Republic, Member Raiffeisen Bank Aval JSC, Ukraine, Member Raiffeisen Bank S.A., Romania, Member Raiffeisen Centrobank AG, Austria, Member



## Composition of the Supervisory Board

As at 31 December 2020, the Supervisory Board comprised:

Supervisory Board member	Year of birth	Original appointment	End of term
Erwin Hameseder Chairman	1956	8 July 2010 <sup>1</sup>	Annual General Meeting 2025
Martin Schaller 1st Deputy Chairman	1965	4 June 2014	Annual General Meeting 2024
Heinrich Schaller 2nd Deputy Chairman	1959	20 June 2012	Annual General Meeting 2022
Klaus Buchleitner	1964	26 June 2013	Annual General Meeting 2025
Peter Gauper	1962	22 June 2017	Annual General Meeting 2022
Wilfried Hopfner	1957	22 June 2017	Annual General Meeting 2022
Rudolf Könighofer	1962	22 June 2017	Annual General Meeting 2022
Reinhard Mayr	1954	20 October 2020	Annual General Meeting 2025
Heinz Konrad	1961	20 October 2020	Annual General Meeting 2025
Eva Eberhartinger	1968	22 June 2017	Annual General Meeting 2022
Andrea Gaal	1963	21 June 2018	Annual General Meeting 2023
Birgit Noggler	1974	22 June 2017	Annual General Meeting 2022
Rudolf Kortenhofer <sup>2</sup>	1961	10 October 2010	Until further notice
Peter Anzeletti-Reikl <sup>2</sup>	1965	10 October 2010	Until further notice
Gebhard Muster <sup>2</sup>	1967	22 June 2017	Until further notice
Helge Rechberger <sup>2</sup>	1967	10 October 2010	Until further notice
Susanne Unger <sup>2</sup>	1961	16 February 2012	Until further notice
Natalie Egger-Grunicke <sup>2</sup>	1973	18 February 2016	Until further notice

<sup>1</sup> Effective as of 10 October 2010

<sup>2</sup> Delegated by the Staff Council

Johannes Ortner resigned from his function with effect from 18 June. Günther Reibersdorfer resigned from his Supervisory Board function with effect from the end of the company's Annual General Meeting on 20 October 2020. They were succeeded by Reinhard Mayr and Heinz Konrad.

Natalie Egger-Grunicke resumed her Supervisory Board functions from Sigrid Netzker on 1 January after returning from parental leave.

The Supervisory Board has 18 members, five of which are women.

## Independence of the Supervisory Board

The Supervisory Board of RBI AG, in accordance with and taking into consideration C Rule 53 and Appendix 1 of the ACGC, has specified the following criteria for the independence of the members of the company's Supervisory Board:

- The Supervisory Board member shall not have been a member of the Management Board or a senior executive of the company or one of its subsidiaries in the past five years.
- The Supervisory Board member shall not have, or have had in the previous year, any significant business relationships with the company or a subsidiary of the company. This also applies to business relationships with companies in which the Supervisory Board member has a significant financial interest, albeit not with regard to carrying out executive functions within the Group. The approval of individual transactions by the Supervisory Board according to L Rule 48 of the ACGC does not automatically lead to a non-independent qualification.
- The exercise of functions within the Group or merely exercising the function of a management board member or senior executive by a Supervisory Board member does not, as a rule, lead to the company concerned being regarded as a company in which a Supervisory Board member has a significant financial interest, to the extent that circumstances do not support the presumption that the Supervisory Board member derives a direct personal advantage from doing business with the company.

- The Supervisory Board member shall not have been an auditor of the company, nor a stakeholder in or employee of the auditing company in the previous three years.
- The Supervisory Board member shall not be a member of the management board of another company in which a Management Board member of the company is a member of the supervisory board.
- The Supervisory Board member shall not be part of the Supervisory Board for longer than 15 years. This does not apply to Supervisory Board members who are shareholders with business interests in the company, or who represent the interests of such shareholders.
- The Supervisory Board member shall not be a close relative (direct descendant, spouse, partner, father, mother, uncle, aunt, brother, sister, nephew, niece) of a member of the Management Board or of persons who meet one of the criteria described in the preceding points.

In accordance with the criteria listed above for the independence of Supervisory Board members, all RBI AG Supervisory Board members are considered independent.

Eva Eberhartinger, Birgit Noggler and Andrea Gaal are free float representatives on the Supervisory Board of RBI AG according to C Rule 54 of the ACGC. These members of the Supervisory Board are neither shareholders with a shareholding of greater than 10 per cent, nor do they represent the interests of such shareholders.

Members of the Supervisory Board had the following additional supervisory board mandates or comparable functions in domestic and foreign stock exchange listed companies from 1 January to 31 December 2020:

Erwin Hameseder	AGRANA Beteiligungs-Aktiengesellschaft, Austria, Chairman STRABAG SE, Austria, Deputy Chairman Südzucker AG, Germany, 2 <sup>nd</sup> Deputy Chairman UNIQA Insurance Group AG, Austria, 2 <sup>nd</sup> Deputy Chairman (until 25 May 2020)
Heinrich Schaller	voestalpine AG, Austria, Deputy Chairman AMAG Austria Metall AG, Austria, Deputy Chairman
Klaus Buchleitner	BayWa AG, Germany, Deputy Chairman AGRANA Beteiligungs-Aktiengesellschaft, Austria, Deputy Chairman
Birgit Noggler	Semperit AG Holding, Austria, Member

In addition to their functions as members of RBI AG's Supervisory Board, the following members also held supervisory board mandates at material subsidiaries during this period:

Erwin Hameseder	LEIPNIK-LUNDENBURGER INVEST Beteiligungs Aktiengesellschaft, Austria, Chairman
Klaus Buchleitner	LEIPNIK-LUNDENBURGER INVEST Beteiligungs Aktiengesellschaft, Austria, Member

No management functions at RBI AG's material subsidiaries were undertaken by Supervisory Board members.

The Supervisory Board, both in its entirety and in its committees, has the necessary knowledge and experience commensurate with the type, scope and complexity of RBI's business and its risk structure.

## Composition of the Committees

The procedural rules of the Supervisory Board govern its organization and allocate particular tasks to the Working, Risk, Audit, Remuneration, Nomination, Personnel and Digitalization Committees. These committees comprised the following members as at 31 December 2020:

	Working-Committee	Risk-Committee	Audit-Committee	Remuneration-Committee	Nomination-Committee	Personnel-Committee	Digitalization-Committee <sup>1</sup>
Chairman	Erwin Hameseder	Birgit Noggler	Eva Eberhartinger	Erwin Hameseder	Erwin Hameseder	Erwin Hameseder	Andrea Gaal
1 <sup>st</sup> Deputy Chairman	Heinrich Schaller	Martin Schaller	Erwin Hameseder	Heinrich Schaller	Heinrich Schaller	Heinrich Schaller	Martin Schaller
2 <sup>nd</sup> Deputy Chairman	Martin Schaller	Erwin Hameseder	Heinrich Schaller	Martin Schaller	Martin Schaller	Martin Schaller	-
Member	Andrea Gaal	Heinrich Schaller	Reinhard Mayr	Eva Eberhartinger	Rudolf Könighofer	Rudolf Könighofer	Rudolf Könighofer
Member	Birgit Noggler	Eva Eberhartinger	Andrea Gaal	Andrea Gaal	Andrea Gaal	Andrea Gaal	Reinhard Mayr
Member	-	Andrea Gaal	Birgit Noggler	Birgit Noggler	Birgit Noggler	Birgit Noggler	-
Member	Rudolf Kortenhof	Rudolf Kortenhof	Rudolf Kortenhof	Rudolf Kortenhof	Rudolf Kortenhof	-	Rudolf Kortenhof
Member	Peter Anzeletti-Reikl	Peter Anzeletti-Reikl	Peter Anzeletti-Reikl	Peter Anzeletti-Reikl	Peter Anzeletti-Reikl	-	Peter Anzeletti-Reikl
Member	Susanne Unger	Susanne Unger	Susanne Unger	Susanne Unger	Susanne Unger	-	-

<sup>1</sup> The newly established Digitalization Committee did not meet during the financial year

There are seven Committees. The Audit Committee, Remuneration Committee and Risk Committee, all consist of one-third core shareholder representatives, one-third free float representatives, and one-third employee representatives. There are women in all of the Committees, and three of the Committees are chaired by women.

Birgit Noggler, as the Chairman of the Risk Committee, satisfies the legal standards, expert qualifications and independence requirements set out in § 39d (3) of the BWG. In addition to serving as the Chairman of the Risk Committee, her principal occupation is the provision of tax advisory services. She was the Chief Financial Officer of Immofinanz AG from 2011 to 2016 and held management positions at Immofinanz AG from 2007 to 2011. Birgit Noggler has worked in accounting from the beginning of her professional career and therefore has extensive expertise in this field. In addition to her mandate at Semperit Aktiengesellschaft Holding, Birgit Noggler also holds supervisory board mandates at B & C Industrieholding GmbH and NOE Immobilien Development GmbH.

According to § 63a (4) of the BWG, one member of the Audit Committee must be a financial expert. This requirement is fulfilled by Eva Eberhartinger as the Chairman of the Audit Committee. Three other members of the Audit Committee also have relevant expertise from their positions as senior executives of banks.

In addition to serving as the Chairman of the Audit Committee, Eva Eberhartinger, in her main position, chairs the Tax Management division at the Institute for Accounting & Auditing at the Vienna University of Economics and Business, and was Vice Rector for financial affairs at the Vienna University of Economics and Business from 2006 to 2011. On account of her high level of expertise and many years of experience in research and lecturing at both national and international universities, Eva Eberhartinger is a recognized expert in the areas of finance and accounting, as well as taxation. Her research focuses on accounting, taxation, financing and taxes, European/international accounting, and international tax law. Furthermore, Eva Eberhartinger has numerous publications in various specialist journals. She has been on the supervisory board of the Austrian Treasury since 2013 and served as the Vice Chair until 2017. She has also been a member of the supervisory board of maxingvest AG (Germany) since 2014.

The decision was taken in the 2020 financial year to establish the Digitalization Committee and the Supervisory Board elected Andrea Gaal as the Chairman of the committee. During her career, Andrea Gaal has held several key positions within British and American high-tech start-ups and served in a managing role at Sony and Sony Ericsson with responsibility for the DACH (German-speaking countries), Central European and North American (Canada) regions. Furthermore, Andrea Gaal is engaged on the advisory council of AI 42.cx, a market data company which specializes in the analysis and identification of intellectual property and intangible assets; she is also a member of the AI-42 INDEX™ committee, which determines the index constituents and weightings. The index comprises the leading listed companies globally with expertise in the area of artificial intelligence and is published through Refinitiv (Thomson Reuters). Aside from the aforementioned roles, Andrea Gaal also teaches as an adjunct professor in the Department of Business & Management at Webster Vienna Private University, where her lectures cover subjects such as Business & Global Issues, Global Competitive Strategies, Corporate Responsibility and Society, and Women in Management.

With Eva Eberhartinger as Chairman of the Audit Committee, Birgit Noggler as Chairman of the Risk Committee, and Andrea Gaal as the new Chairman of the Digitalization Committee, the responsibilities of the free float representatives have been further strengthened.

## The Advisory Council

The Advisory Council consists of representatives of RBG and has a purely consultative function for the Management Board of RBI AG. The rights and obligations that the Management Board and Supervisory Board have under the law and the Articles of Association are not curtailed by the Advisory Council's activities.

The Advisory Council provides advice on matters relating to material ownership interests of the regional Raiffeisen banks as core shareholders and on selected aspects of the relationship between RBI and RBG. It also gives advice on RBI's central institution function as defined in § 27a of the BWG and the responsibilities associated with it, and on the affiliated companies in their capacity as RBG's distribution partners.

The Advisory Council consists of the seven Chairmen of the supervisory boards of the regional Raiffeisen banks and the Chairman of Raiffeisenverband Salzburg. It met three times in 2020. Out of the eight members of the Advisory Council, eight members attended all the meetings in 2020. Member attendance at each meeting was thus 100 per cent.

Advisory Council members receive reasonable compensation for their activities. The compensation for the 2017 financial year and subsequent years was determined by the Annual General Meeting on 21 June 2018.

As long as the General Meeting passes no resolutions to the contrary in the future, Advisory Council members are paid the following annual remuneration:

- For the Chairman of the Advisory Council: € 25,000 (excl. VAT)
- For the Deputy Chairman of the Advisory Council: € 20,000 (excl. VAT)
- For every other member of the Advisory Council: € 15,000 each (excl. VAT)

In addition, each member of the Advisory Council is paid an attendance fee of € 1,000 (excl. VAT) for each meeting.

Depending on the duration of the respective Advisory Council mandate, the annual remuneration for the financial year is allocated on a pro rata basis or in its entirety.

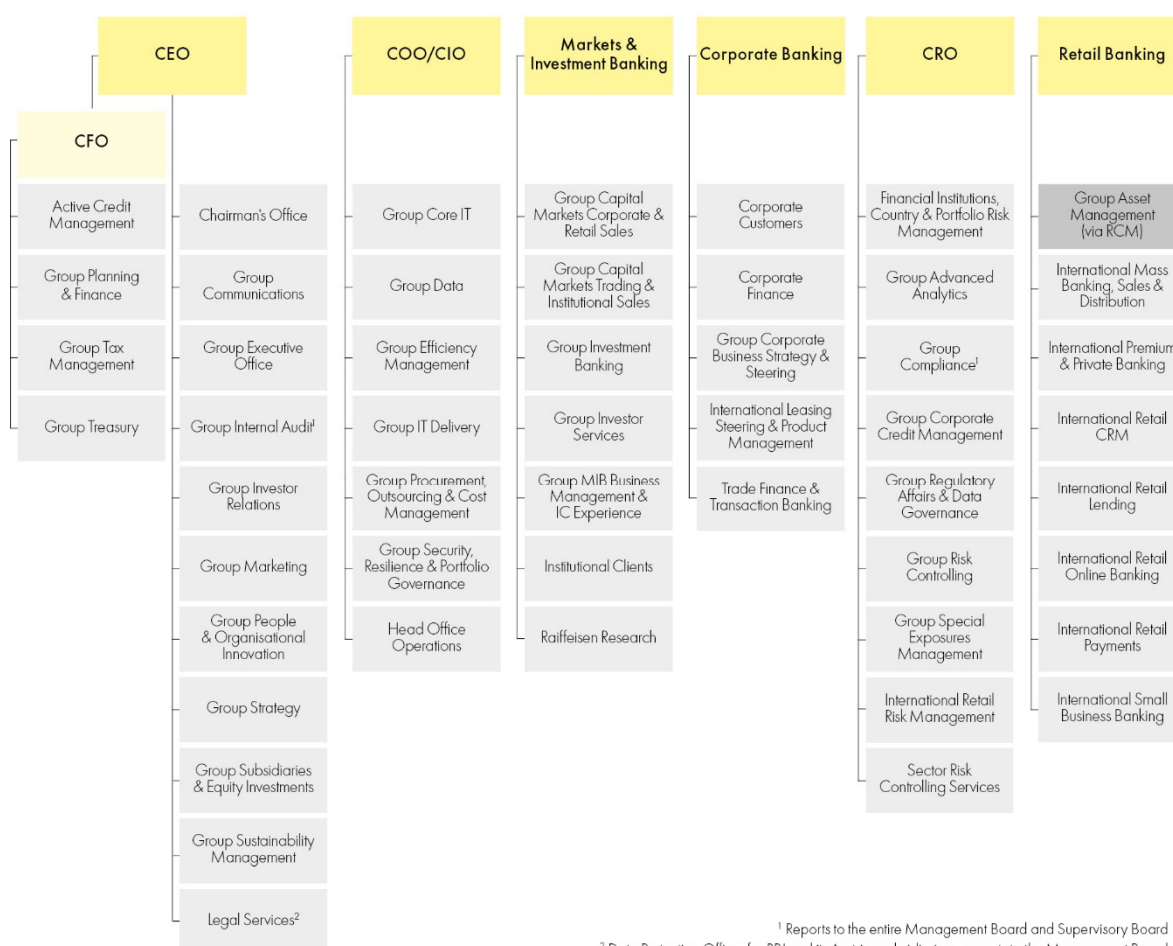
## Functions of the Management Board and the Supervisory Board

### Division of responsibilities and functions of the Management Board

The RBI AG Management Board manages the company according to clearly defined goals, strategies and guidelines on its own authority, with a focus on future-oriented business management and in line with modern, sustainable business principles. In doing so, the Management Board pursues the good of the company at all times and considers the interests of customers, shareholders and employees.

The Management Board manages the company's business in accordance with the law, the Articles of Association and the Management Board's rules of procedure. The Management Board's weekly meetings are convened and led by the Chairman. The meetings facilitate mutual gathering and exchange of information, consultation and decision-making with respect to all matters requiring the Board's approval. The procedural rules of the Supervisory Board and the Management Board describe the duties of the Management Board in terms of information and reporting, as well as a catalog of measures that require the approval of the Supervisory Board.

Management Board members' areas of responsibility have been defined by the Supervisory Board, without prejudice to the general responsibility of the Management Board, as follows (as at 31 December 2020):



<sup>1</sup> Reports to the entire Management Board and Supervisory Board

<sup>2</sup> Data Protection Officer for RBI and its Austrian subsidiaries - reports to the Management Board

## Reduction in size of the Management Board

The expiration of the mandate of CFO Martin Gröll in February 2020, led to substantial changes in the Management Board responsibilities, particularly the reallocation of former CFO duties to other Management Board areas.

### Management Board area of the Chief Executive Officer (CEO)

- The CFO now reports to the CEO
- Former Plenipotentiary, Michael Höllerer, as CFO, took over responsibility for Group Planning & Finance, Group Tax Management, Group Treasury and Active Credit Management.
- The Group Investor Relations division has reported directly to the CEO since the reduction in size of the Management Board.
- The B-1 divisions International Banking Units and Group Participations have been merged into a single B-1 division, Group Subsidiaries & Equity Investments, due to efficiency and synergy considerations. This new structure is designed to enable the division to pool the established strengths and core competencies of the relationship managers and equity investment managers in order to offer their services as a single point of contact to relevant individuals within RBI, its subsidiaries, representative offices, branches and equity investments. The new structure facilitates the adoption of a one-stop shop principle and enables the unit to address all assigned issues within a single division.
- The former Group Human Resources division merged with the Strategy Development department from the Group Strategy & Innovation division. To direct the focus even more toward employees, the division was renamed Group People & Organizational Innovation.

### Management Board area of Retail Banking

- The two divisions International Retail Business Management & Steering and International Mass Banking, Sales & Distribution were combined into a single division, International Mass Banking, Sales & Distribution, in order to streamline the organizational structure. Since the two divisions were each relatively small in terms of staff, the merger aimed to produce a leaner, simpler structure and leverage synergies.
- In the past, the Retail Payments business was handled by multiple departments from different Management Board areas. The Management Board therefore decided to combine the various units and establish International Retail Payments, a new separate B-1 division. This will drive the further expansion of the strategically important Digital Payments business line. The division is responsible for the merchant acquiring business, improving profitability, expanding this business line in the online environment and developing the e-commerce business. The division can thereby provide the requisite attention to the area of digital payments for consumers and between consumers and business customers. These areas play an important role in realizing the Vision & Mission and Strategic Roadmap.

### Management Board area of the Chief Operating Officer / Chief Information Officer (COO/CIO)

- Group Project Portfolio & Security Management was renamed Group Security, Resilience & Portfolio Governance in 2020. Resilience includes the Disaster Recovery, Crisis Management and Business Continuity departments.
- Group Procurement, Cost & Real Estate Management was renamed Group Procurement, Outsourcing & Cost Management in order to emphasize the outsourcing function due to its growing importance.

### Management Board area of the Chief Risk Officer (CRO)

- Group Regulatory Affairs & Data Governance and Group Compliance will report to the CRO from March 2020, due to the reduction in size of the Management Board.

The 2020 financial year was largely dominated by the COVID-19 crisis. A variety of measures were taken by the Management Board in this respect, all of which placed the health of employees and customers first. As a result of years of preparations and regular crisis scenario training, the company was very well-prepared and banking operations were successfully transferred from the physical office to remote working within a few days. This made it possible to continue to serve customers fully and seamlessly despite the challenging situation. The company's business activities were not limited at any point in time.

The Management Board addressed sustainable finance and the regulatory environment at a special meeting. Following an introduction to the EU's planned measures to promote a sustainable economy (EU Action Plan), the issues of sustainable business and sustainable customers were covered in detail.

A key objective in the expansion of sustainable business is the Vision to become the most recommended bank in Austria and in RBI's markets in the CEE region by 2025, including in terms of Environment, Social, Governance (ESG) focus. This is to be achieved by executing a defined five-point plan. In addition, specific action is to be taken to support customers so they can more easily access the market for sustainable financing while taking their respective particular situation in terms of sustainability into account.

The planned range of services to be offered by the Institutional Customers and Corporate Financing businesses was also discussed (identification of products with ESG relevance, ESG consulting, best practice sharing with others - including internationally active customers, etc.) as well as the range to be offered by the Retail area (strengthening customer relationships based on UN principles by promoting digitalization, reducing operational impacts on the environment, taking account of the social needs of our customers and their business, and creating value with practical innovative solutions that focus on the environment).

### Supervisory Board meetings

The Supervisory Board (SB) held six meetings during the reporting period. In addition, the Management Board fully informed the Supervisory Board on a prompt and regular basis of all relevant matters pertaining to the company's performance, including the risk position and risk management of the company and material Group companies, particularly in relation to important issues.

During a Fit & Proper course on current regulatory issues, the Supervisory Board was updated on issues including the EBA's planned changes to ESG risk integration in loan origination and monitoring, better disclosure, control and management of ESG risk factors, diversity (guidelines and measures to ensure adequate representation of all genders in supervisory boards, management boards and upper management), and the consideration of ESG factors in the management and control of companies.

### Decision-making authority and activities of the Committees of the Supervisory Board

The procedural rules of the Management Board, as well as the Supervisory Board and its Committees, outline the business management measures that require the approval of the Supervisory Board or of the appropriate Committee.

The **Working Committee** deals with general focus reports on individual industries in the corporate customer business and financial institutions area in relation to loan and limit applications. It takes these opportunities to discuss selected customer groups and financial institutions, as well as material positive and negative changes in customer creditworthiness. The Working Committee also looks at developments with respect to the 20 largest groups of connected customers in the corporate customer business in the course of the year and reviews special reports on certain customers or industries in response to current events. The Working Committee discusses and decides on limit applications for companies and financial institutions and, following discussion, forwards to the Supervisory Board limit applications that fall within the decision-making authority of the entire Supervisory Board. It also discusses reports written for the Supervisory Board, such as the annual report on all significant investments under § 28b of the BWG, before they are addressed by the entire Supervisory Board.

In addition to the loan and limit applications, the Working Committee also considered and approved capital contributions for Group subsidiaries as well as the delegation of Management Board members to serve on the governing bodies of non-Group companies in the financial year. The Working Committee discussed the new allocation of duties in the Management Board and associated questions relating to the organizational changes prompted by Martin Grüll's departure from the Management Board in great detail. During the decision-making process, the members of the Working Committee also gave particular consideration to the remarks made by the supervisory authority regarding the reallocation of duties in the Management Board.

The responsibilities of the **Risk Committee** include advising the Management Board on current and future risk propensity and risk strategy, monitoring the implementation of this risk strategy with regard to the controlling, monitoring and limitation of risk in accordance with the BWG, as well as the monitoring of capitalization and liquidity. To fulfill these responsibilities, the Risk Committee obtains quarterly reports on issues such as credit, liquidity and market risk, the Internal Capital Adequacy Assessment Process (ICAAP) and uncollectable loans. The Committee also looks at current risk factors, including selected country reports on current political changes as well as reports on regulatory developments and their repercussions for RBI. In addition, the Risk Committee discusses relevant metrics and tolerances regarding the Group's risk appetite, with due consideration given to budgeting and strategy.

Furthermore, the Risk Committee is also responsible for examining whether adequate consideration is given to the business model and risk strategy in the pricing of the services and products offered. To this end, the Risk Committee discusses reports submitted to it on pricing and price calculations in the customer and financial institutions business and discusses remedial action plans if necessary. The Risk Committee also monitors whether the incentives offered by the internal remuneration system give adequate consideration to risk, capital and liquidity, as well as the timing of realized profits and losses. This involves the presentation of a report on remuneration policies in the Risk Committee, which is used to assess whether the remuneration structure reflects RBI's risk appetite.

The risk committee also dealt with current material risk management topics. Due to COVID-19 pandemic, the committee thoroughly assessed the impact on RBI's financial, risk, capital and liquidity position. Committee members were kept informed of the banking group's profits and financials through regular and special reports given at the committee meetings. In addition, the committee looked at the risk management measures taken to limit the effects of COVID-19 on RBI at all its meetings and took this opportunity to discuss the measures themselves as well as planning steps relating to the corona playbook. The members of the Risk Committee addressed regulatory aspects and the internal system for limiting concentration risk and discussed measures derived from it for individual customer groups.

The Risk Committee also focused on the ongoing reporting and monitoring of compliance with Russian and US sanctions, as well as regular Anti-Money Laundering (AML) status reports and measures to combat money laundering in 2020. In addition, it concentrated on the requirements of, and compliance with, competition law and obtained reports on the status of significant legal disputes at every meeting.

The **Audit Committee** monitors the accounting process. It issues recommendations for improving reliability and supervises the effectiveness of the company's internal control, audit and risk management systems. The committee also oversees the annual audit of the financial statements and consolidated financial statements and thus monitors the independence of the external Group auditor/bank auditor, particularly with respect to additional work performed for the audited company. During the financial year, changes were made to internal policies and a process was defined for approving necessary exceptions that conforms to the regulatory framework in order to ensure compliance with internal thresholds that are stricter than the duty of care required by law for non-auditing work performed by the external auditor. In addition, the committee examines the annual financial statements, the management report, the consolidated financial statements and the Group management report and is responsible for the preparation for their adoption by the Supervisory Board. The Audit Committee reviews the audit plan in great detail and engages in discussions with the auditor during the audit about key facts covered in the audit of the financial statements, special focuses of the audit, the management letter and the report on the effectiveness of risk management and the internal control system. It also examines the Management Board's proposal for earnings appropriation and the Corporate Governance Report. The Audit Committee presents a report on the results of its examinations to the Supervisory Board. It also conducts a process, in accordance with statutory requirements, for the selection of the Group auditor and bank auditor and submits a recommendation to the Supervisory Board concerning the appointment of the auditor. Furthermore, the Supervisory Board reviews the consolidated non-financial report (Sustainability Report).

The Audit Committee also engages in regular discussions with Internal Audit about general audit issues, defined audit areas, findings made during audits and steps taken to make improvements in response to audit findings. Group Compliance reports regularly to the Audit Committee and discusses the status and effectiveness of the internal control system with it. In particular, the parties discuss the findings from reviews of key controls in financial reporting and non-financial reporting areas as well as additional required improvements. The Audit Committee also devotes attention to the accounting framework and discusses the implementation of necessary projects.

In addition to its regular auditing and monitoring activities, the Audit Committee focused on discussing issues related to the valuation of equity investments and questions associated with the accounting treatment of legal risks.



The Audit Committee also thoroughly addressed relevant issues relating to the tax ICS at RBI and devoted its attention to the transfer pricing system. Based on the Audit Committee's recommendations to the Supervisory Board, the Annual General Meeting on 20 October 2020 selected Deloitte Audit Wirtschaftsprüfungs GmbH as the external auditor and simultaneously as the bank auditor pursuant to §§ 60 et seq. of the BWG for RBI's annual and consolidated financial statements for the 2021 financial year. In this context, the Audit Committee obtained ongoing status reports on the process of transferring the audit engagement to the new external auditor. The Audit Committee reviewed the economic impacts of the COVID-19 pandemic on the 2020 annual financial statements in detail.

The Audit Committee establishes key issues for the upcoming year at the end of each year.

The **Remuneration Committee's** responsibilities include, first and foremost, establishing general principles for the company's remuneration policies and practices, particularly on the basis of the BWG, as well as relevant sections of the ACGC. In doing so, the company's interests along with the long-term interests of shareholders, investors and employees of the company are taken into account, as are the economic interests of maintaining a functioning banking system and financial market stability. The Remuneration Committee issues detailed internal remuneration policies for the Management Board and employees of RBI and makes changes as required as part of a regular review process. On that basis, the Remuneration Committee selects the companies within the RBI Group that are subject to the remuneration principles. This selection and the underlying selection process are reviewed at regular intervals. The Remuneration Committee is also responsible for approving the proposed list of employees and functions which have a material impact on the risk profile of the Group and/or company. The Remuneration Committee conducts regular reviews of these identified staff.

In addition, the Remuneration Committee supervises and regularly reviews remuneration policies, remuneration practices and relevant incentive structures in the context of risk control, monitoring and limitation in accordance with the BWG, as well as with respect to capitalization and liquidity. To this end, reports from Human Resources, Internal Audit, Compliance and Risk Management are presented to the Remuneration Committee and the associated findings and measures are discussed. The Remuneration Committee further reviews the remuneration of executives responsible for risk management and compliance.

The Remuneration Committee is also responsible for deciding whether employees are subject to penalty or clawback events. It reviews potential cases and then, based on the facts, decides how the event will affect the payment of variable remuneration.

In accordance with the new provisions of §§ 78a et seq. of the AktG, which incorporates the remuneration requirements of the second Shareholder Rights Directive, the responsibility for the preparation of Supervisory Board resolutions relating to remuneration policy for the Management Board and Supervisory Board as well as the corresponding Remuneration Report has been added to the rules of procedure for the Remuneration Committee. The remuneration policy principles for the Management Board and the Supervisory Board were prepared by the Remuneration Committee on the basis of the current remuneration guidelines and in consideration of the long-term goals and risk strategy. The principles describe, among other things, the remuneration components, the definitive criteria for awarding and paying an annual performance bonus along with the payment methods and information on how remuneration and employment conditions for RBI employees factor into the remuneration determined for the Management Board. The Supervisory Board approved the remuneration policy for members of the Management Board and Supervisory Board at the Remuneration Committee's recommendation. The remuneration policy was presented to the Annual General Meeting for vote and resolution on 20 October 2020. In accordance with the remuneration policy for the Management Board, the Remuneration Committee defined the key elements of the performance management process. The members of the Remuneration Committee defined the specifications for structuring individual performance-based step-in criteria based on a performance management process for individual Management Board members, taking their respective duties and responsibilities into account.

Giving due consideration to the European Banking Authority's statements regarding potential risks that may result from the COVID-19 situation, the Remuneration Committee reviewed the remuneration policy and practices at RBI to ensure that they support and are consistent with solid, effective risk management, also in light of the COVID-19 crisis. In the process, the Remuneration Committee examined whether RBI's remuneration policy, particularly the variable remuneration components set out within it, was conservative. The Remuneration Committee ultimately confirmed that no modifications to the remuneration guidelines, practices and allocations were needed. Furthermore, the Remuneration Committee acknowledged the allocation and payment of the 2019 bonus as well as outstanding amounts due from previous years for identified staff, as their payment was not detrimental to the maintenance of RBI's solid capital base and all other step-in criteria for allocating the 2019 bonus were also met.

The **Nomination Committee**'s duties include filling any posts on the Management Board and Supervisory Board that have become vacant. The Nomination Committee evaluates potential candidates based on a description of the duties entailed and, after conducting an appropriate Fit & Proper test, issues recommendations for filling the board vacancy, giving consideration to the balance and diversity of knowledge, skills and experience of all members of the governing body in question.

The Nomination Committee also specifies a target ratio for the under-represented gender on the Management Board and the Supervisory Board, consults on the strategy for achieving the defined target ratio and regularly discusses the implementation of development programs. The Nomination Committee is also responsible for evaluating decision-making within the Management Board and Supervisory Board, ensuring that the Management Board and the Supervisory Board are not dominated by one individual person or a small group of persons in a way which is contrary to the company's interests. The Nomination Committee verifies and makes this assessment based on the meeting processes and communication lines within each board (e.g. minute-taking, deputizing arrangements, resolutions passed by circulation in urgent cases, monitoring of courses of action taken, meeting preparations, forwarding of documents) and on the perceptions of the members themselves. The Nomination Committee's responsibilities also include regularly assessing the structure, size, composition and performance of the Management Board and Supervisory Board, with reports on the bodies' composition, organizational structures and the results of their work being presented as a basis for any decisions. It also regularly evaluates the knowledge, skills and experience of the individual members of both the Management Board and Supervisory Board and also of the respective governing body as a whole. The evaluation takes place in the Nomination Committee and is based on the self-evaluation of the individual members of the Management Board and Supervisory Board, as well as on individual continuing education reports.

The Nomination Committee determined in the Fit & Proper review that all the members of the Management Board and Supervisory Board, as well as the Management Board and Supervisory Board in their entirety, possessed the necessary knowledge, skills and experience. In addition, the mandate limits and availability in terms of time were reviewed and confirmed.

Günther Reibersdorfer and Johannes Ortner resigned from their functions in the 2020 financial year. The Nomination Committee devoted its attention to filling the vacant Supervisory Board seats and confirmed the personal and professional suitability of the new candidates Reinhard Mayr and Heinz Konrad. The Fit & Proper assessments of Erwin Hameseder and Klaus Buchleitner, whose Supervisory Board mandates expired in the 2020 financial year, were also confirmed. As was the case when filling vacant Supervisory Board positions or those nearing the end of their term, the Nomination Committee also thoroughly addressed the expiring Management Board mandates of Peter Lennkh, Andrii Stepanenko and Lukasz Januszewski as part of a structured succession process, positively assessing their past work and personal and professional suitability for the continued exercise of the Management Board functions. Based on the results of the succession process, the Nomination Committee recommended that the Supervisory Board propose the election of Erwin Hameseder, Klaus Buchleitner, Reinhard Mayr and Heinz Konrad to the Supervisory Board to the Annual General Meeting. The members of the Nomination Committee also made the recommendation to the Supervisory Board to extend the expiring Management Board mandates of Peter Lennkh, Andrii Stepanenko and Lukasz Januszewski.

The Nomination Committee also reviews the Management Board's actions with regard to the selection of executives and supports the Supervisory Board in preparing recommendations for the Management Board. To this end, the Nomination Committee evaluates the selection of key function holders, the guiding principles of executive selection and development, succession planning and the policies and steps taken for filling upper management positions.

The Nomination Committee is committed to gender-neutral staffing policies in its activities. The members of the Nomination Committee reviewed the progress made toward achieving the target quota for the underrepresented gender and discussed the measures presented for achieving the target.

The **Personnel Committee** deals with the remuneration of Management Board members as well as their employment contracts. In particular, it discusses and decides on provisions in the individual Management Board members' employment contracts and makes changes to the contracts as needed. It is also responsible for approving any acceptance of secondary employment by members of the Management Board. The Committee discusses and reviews clawbacks of past bonuses or non-payment of bonuses from existing provisions (penalty) if it has any information indicating that these measures appear necessary.

It also sets targets for the Management Board based on applicable rules and regulations and makes any required changes. It discusses whether the Management Board has attained its targets and approves bonus allocations on that basis. The Personnel Committee then decides whether to pay amounts from bonus payments that were deferred as required by law. During the financial year, the Personnel Committee set the 2020 targets for the Management Board, determined whether the Management Board attained its 2019 targets and approved bonus allocations to the Management Board members, taking account of the supervisory authority's remarks and compliance with the rules and regulations related to the COVID-19 pandemic.

The Supervisory Board decided at its meeting on 16 September 2020 to establish a **Digitalization Committee** and adopted rules of procedure for the Committee. At its meeting on 2 December 2020, the Supervisory Board decided on the delegation of Supervisory Board members to the Committee, which would consist of 6 members. The Committee should meet twice a year.

The Digitalization Committee's duties are to advise the Management Board and the Supervisory Board regarding the current and future digitalization strategy (including IT, new technologies, data analysis and innovation) and the related strategic investment decisions. It is also responsible for monitoring the execution of the digitalization strategy as well as the progress made in RBI's digitally transformation and for regularly reporting on this to the Supervisory Board.

## Number of Committee meetings

The Working Committee (WC) held nine meetings in the 2020 financial year. The Risk Committee (RiC) met three times, the Audit Committee (AC) four times, the Remuneration Committee (ReC) three times, the Nomination Committee (NC) four times, and the Personnel Committee (PC) three times. The Digitalization Committee, established on 16 September 2020, had no meetings in the 2020 financial year.

No member of the Supervisory Board was unable to personally attend more than half of the meetings of the Supervisory Board.

Supervisory Board members attended the meetings of the Supervisory Board and its Committees as shown below:

Supervisory Board member	SB (6)	WC (9)	RiC (3)	AC (4)	ReC (3)	NC (4)	PC (3)	Total (32)
Erwin Hameseder	6/6	9/9	3/3	4/4	3/3	4/4	3/3	32
Martin Schaller	5/6	9/9	3/3	n/a	3/3	4/4	3/3	27
Heinrich Schaller	4/6	7/9	3/3	2/4	2/3	3/4	2/3	23
Klaus Buchleitner	5/6	n/a	n/a	n/a	n/a	n/a	n/a	5
Peter Gauper	6/6	n/a	n/a	n/a	n/a	n/a	n/a	6
Wilfried Hopfner	6/6	n/a	n/a	n/a	n/a	n/a	n/a	6
Rudolf Könighofer	6/6	n/a	n/a	n/a	n/a	4/4	3/3	13
Johannes Ortner <sup>1</sup>	2/2	n/a	n/a	2/2	n/a	n/a	n/a	4
Reinhard Mayr <sup>2</sup>	3/3	n/a	n/a	1/1	n/a	n/a	n/a	4
Günther Reibersdorfer <sup>3</sup>	2/3	n/a	n/a	n/a	n/a	n/a	n/a	2
Heinz Konrad <sup>4</sup>	3/3	n/a	n/a	n/a	n/a	n/a	n/a	3
Eva Eberhartinger	6/6	n/a	3/3	4/4	3/3	n/a	n/a	16
Andrea Gaal	6/6	9/9	3/3	4/4	3/3	4/4	3/3	32
Birgit Noggler	6/6	9/9	3/3	4/4	3/3	4/4	3/3	32
Rudolf Korten Hof	6/6	9/9	3/3	4/4	3/3	4/4	n/a	29
Peter Anzeletti-Reikl	6/6	9/9	3/3	4/4	3/3	4/4	n/a	29
Gebhard Muster	6/6	n/a	n/a	n/a	n/a	n/a	n/a	6
Natalie Egger-Grunicke	6/6	n/a	n/a	n/a	n/a	n/a	n/a	6
Helge Rechberger	6/6	n/a	n/a	n/a	n/a	n/a	n/a	6
Susanne Unger	6/6	9/9	3/3	4/4	3/3	4/4	n/a	29

n/a - not applicable, as not a member of the respective Committee

<sup>1</sup> Johannes Ortner left the Supervisory Board and Audit Committee effective 18 June 2020

<sup>2</sup> Reinhard Mayr was elected to the Supervisory Board and Audit Committee on 20 October 2020

<sup>3</sup> Günther Reibersdorfer left the Supervisory Board effective 20 October 2020

<sup>4</sup> Heinz Konrad was elected to the Supervisory Board on 20 October 2020

In addition, the Supervisory Board as well as the Working and Remuneration Committees also passed resolutions by circulation in accordance with § 92 (3) of the AktG.

## Self-evaluation and efficiency review by the Supervisory Board

As required by C Rule 36 of the ACGC, the Supervisory Board of RBI AG conducted a year-to-year self-evaluation and efficiency review covering the 2019 and 2020 financial years.

Going beyond the minimum requirement for the self-evaluation and efficiency review pursuant to C Rule 36 of the ACGC, the Supervisory Board, in partnership with the Vienna University of Economics and Business (WU Vienna), conducted a comprehensive evaluation of the Supervisory Board's activities beginning in 2019 in order to achieve a sustainable improvement in the efficiency and effectiveness of the Supervisory Board's work.

A questionnaire-based evaluation was carried out under the direction of Werner Hoffmann, Head of the Institute for Strategic Management at WU Vienna. The evaluation was tailored to the company's specific requirements. External experts then conducted individually prepared interviews with all members of the Supervisory Board in order to gain further insight from the evaluation and most effectively identify the Supervisory Board members' requests and suggestions. The Supervisory Board members were asked, in particular, for their assessment of the organizational structure, the working methods of the Supervisory Board, the work done by the Committees, the provision of information, and the composition and independence of the Supervisory Board. The Supervisory Board's work was analyzed objectively as part of the efficiency project, and the Supervisory Board drew up specific, jointly supported recommendations for action based on the project's results.

The Supervisory Board discussed the results of the evaluation at a joint moderated workshop held on 18 June 2020. The Supervisory Board's work received very good ratings overall; suggestions for improvement started from a high baseline. Concrete future measures were defined in connection with the recommendations for improving the Supervisory Board's activities. Some of these recommendations have already been implemented, including, for example, the creation of a Digitalization Committee, which was decided by the Supervisory Board on 16 September 2020. Furthermore, the Supervisory Board held its first-ever strategy workshop on 28 September 2020, with the Management Board, the CFO and internal strategy experts. It is planned to hold these types of strategy workshops twice a year. In response to the Supervisory Board members' request for greater involvement of the network banks in Supervisory Board activities, local CEOs from selected network banks will present reports at every future Supervisory Board meeting. In addition, appropriate measures have already been taken to prepare information for the Supervisory Board in a way that is specifically oriented towards its needs.

## Role and activities of the Chairman of the Supervisory Board

The Chairman of the Supervisory Board leads and coordinates the Supervisory Board and interacts internally with the Management Board as the highest-ranking representative of the Supervisory Board. Serving as an intermediary, the Chairman of the Supervisory Board forwards information received from the Management Board to the other Supervisory Board members, so that they can perform their function in terms of supervision, control and participation. In addition to fulfilling his duties to ensure the smooth functioning of the Supervisory Board's activities, the Chairman of the Supervisory Board also has external public-facing roles, such as chairing the Annual General Meeting.

In addition to the 32 days on which the Supervisory Board and its committees met in 2020, seven meetings were held between the Management Board and the Chairman of the Supervisory Board, Erwin Hameseder, to prepare for the meeting days and discuss current (strategic) issues on an ongoing basis. The Chairman and both his Deputies of the Supervisory Board met with the Management Board nine times in 2020.

In addition, 37 bilateral meetings were held with members of the Management Board and the Chairman of the Supervisory Board during the financial year, including 26 meetings with the CEO. Similarly, the Chairmen of the Audit and Risk Committees stayed in regular contact and communication with the members of the Management Board, particularly the CEO and CRO, and with the heads of internal control functions as well as with the CFO. All in all, the Chairman of the Supervisory Board attended 84 RBI meetings.

Furthermore, in his capacity as the Chairman of the Supervisory Board, Erwin Hameseder visited several selected network banks in the 2020 financial year with CEO Johann Strobl, as was the case in 2019. The visits focused on obtaining detailed reports from local management boards on current business policy issues as well as a comprehensive picture of the respective financial, risk, capital and liquidity trends. In 2020, there was an onsite visit to the Raiffeisen bank in Serbia and virtual visits to the Raiffeisen banks in the Czech Republic and Bulgaria.

In addition, the Chairman of the Supervisory Board met with representatives of the ECB and FMA in the 2020 financial year for an open exchange of views in which key supervisory issues and current topics relevant to RBI were discussed.

To support the activities of the Supervisory Board and assist the Chairman of the Supervisory Board, the Chairman's Office has been set up as an internal interface and secretarial office for the Supervisory Board and acts as a coordinator between the Supervisory Board (in particular the Chairman of the Supervisory Board) and all relevant RBI stakeholders.

## Annual General Meeting

The Annual General Meeting for the 2019 financial year was held in Vienna on 20 October 2020. For the first time in RBI's history, the Annual General Meeting was held virtually to protect all participants amid the COVID-19 pandemic. A web portal set up specifically for shareholders was made available. Both the live video stream of the meeting and the various portal features provided valuable support in ensuring that the 2020 Annual General Meeting went smoothly. Shareholders welcomed and actively used the possibility to participate through RBI's AGM web portal, which also enabled them to ask questions and exercise their voting rights during the meeting.

Following the ECB's recommendation to suspend distributions until 1 January 2021, no vote was taken on the originally proposed distribution of dividends. Although the financial strength of RBI would have enabled a dividend to be paid in 2020, the Management Board and Supervisory Board jointly decided to follow the ECB's recommendation and carry forward the planned dividend.

In consideration of the ECB's restrictions on dividend distributions (release from 15 December 2020), the dividend payment decision will be taken by the Annual General Meeting (22 April 2021)

The Annual General Meeting for the 2020 financial year will take place on 22 April 2021. The convening notice will be published in the Wiener Zeitung's official journal and in electronic form a minimum of 28 days before the Annual General Meeting.

At the Annual General Meeting, shareholders, as owners of the company, can exercise their rights by voting. The fundamental principle of "one share, one vote" applies. Accordingly, there are no restrictions on voting rights and all shareholders have equal rights. Every share confers one vote; registered shares have not been issued. Shareholders may exercise their voting rights themselves or by means of an authorized agent.

## Syndicate agreement concerning RBI

Due to a syndicate agreement relating to RBI, the regional Raiffeisen banks and direct and indirect subsidiaries of the regional Raiffeisen banks are parties acting in concert as defined in § 1 6 of the Austrian Takeover Act (see most recent notification of voting rights published on 20 August 2019). The terms of the syndicate agreement include a block voting agreement for all matters that require a resolution from the General Meeting of RBI, rights to nominate members of the RBI Supervisory Board and preemption rights among the syndicate partners. The terms also include a contractual restriction on sales of the RBI shares held by the regional Raiffeisen banks (with a few exceptions) since the expiration of the three year period from the effective date of the merger between RZB and RBI, thus as of 18 March 2020, if the sale would directly and/or indirectly reduce the regional Raiffeisen banks' aggregate shareholding in RBI to less than 40 per cent (formerly 50 per cent) of the share capital plus one share. There were no changes in the ownership structure of the syndicate members during the financial year.

## Report on measures taken by the company to promote women to the Management Board, the Supervisory Board and into executive positions (§ 80 AktG) and a description of the diversity strategy as laid down in § 243c (2) 2 and 3 of the UGB

### Description of the diversity strategy

Prejudice and discrimination have no place in RBI. This is also clearly stated in the Code of Conduct which applies across the entire Group. RBI instead advocates equality, and in keeping with its corporate identity, it offers equal opportunities for equal performance within the company, regardless of gender or other factors. This begins with staff selection, which must be done without prejudice and where the same standards must always be applied.

The RBI Group Diversity Policy describes the relevance of this issue for RBI, defines the various responsibilities, and also specifies how to implement a diversity strategy within the Group. The relevant subsidiaries, which are the subsidiary banks and Austrian credit institutions, have appointed diversity officers and adopted local strategies.

The key components of this policy include RBI's diversity vision and mission statement and the daily implementation guidelines. In them, RBI presents its stance on this issue: "RBI believes that diversity adds value. Capitalizing on the opportunities of diversity provides long-term benefits to the company and its employees, as well as to the economy and society as a whole. RBI is continuing Raiffeisen's 130-year success story as it embraces diversity. RBI actively and professionally harnesses the potential of diversity to give clients the best possible service as a strong partner and to position itself as an attractive employer."

The RBI Group Diversity Policy defines a strategy for filling Management Board and Supervisory Board positions, whereby hiring must give consideration to both diversity and compliance with statutory requirements. Other important diversity aspects include age, gender and geographic origin. The main requirements for holding such a position also include solid education and professional experience, preferably in roles related to fintech companies, banks or financial institutions. The objective is that the boards include a wide range of qualifications and expertise in order to obtain the broadest possible variety of experience and diverse opinions, collectively resulting in sound decision-making.

The composition of the Management Board and Supervisory Board should be structured so that the board members' geographic origins reflect the diversity of RBI's markets and its cultural context. With respect to the age structure of the Management Board and Supervisory Board, in order to achieve a good balance, the board members should preferably not have all been born in the same decade. The aim is for women to fill 35 per cent of positions within the Supervisory Board, Management Board and Tier 2 management of the RBI Group by no later than 2024.

The mandates of three members of the RBI AG Management Board were extended (see composition of the Management Board). Of the six Management Board members, currently four are from Austria, one is from Poland, and one is from Ukraine. Members of non-Austrian origin therefore constituted 33 per cent of the Management Board at the end of 2020 (2019: 29 per cent). Two Supervisory Board positions were filled by men and two men were re-elected in 2020. All the Supervisory Board members are of Austrian origin and thus unchanged. The ages of the Supervisory Board members range between 46 and 66 years (2019: between 44 and 65 years), and of the Management Board between 42 and 61 years (2019: between 41 and 60 years).

### Measures taken to promote women to the Management Board, the Supervisory Board and into executive positions

RBI is convinced that having leadership teams that are diverse in terms of gender, age, geographic origin, education and professional background is essential to optimizing decision-making quality and minimizing groupthink. It thus assumes that diversity ultimately contributes positively to the company's performance. While the diversity of the management team is satisfactory in terms of age, geographic origin, education and professional background, RBI aims to further increase the proportion of women in management.

The Nomination Committee has therefore set a target for RBI AG of filling 30 per cent of the positions on the Supervisory Board, Management Board and in upper management (Tier 2 and Tier 3 management) with women by 2024. As at 31 December 2020, the corresponding proportion was 23 per cent (2019: 22 per cent). Women held the following proportions of Tier 3 management positions and higher (positions with staff responsibility) at RBI AG as at 31 December 2020: Supervisory Board, 28 per cent (2019: 28 per cent); Management Board, 0 per cent (2019: 0 per cent); Tier 2 management, 19 per cent (2019: 20 per cent) and Tier 3 management, 24 per cent (2019: 24 per cent). Female employees make up 46 per cent (2019: 47 per cent) of the total workforce. RBI AG therefore meets the legal requirement for the proportion of women on its Supervisory Board.

For the entire RBI Group, the Nomination Committee has set a target of filling 35 per cent of the positions on the Supervisory Board, Management Board and in Tier 2 management with women by no later than 2024. The following figures include RBI AG and 13 network banks in CEE, as well as Raiffeisen Bausparkasse Gesellschaft m.b.H., Raiffeisen Kapitalanlage-Gesellschaft m.b.H., Raiffeisen-Leasing Gesellschaft m.b.H, as well as Valida Holding AG, Kathrein Privatbank Aktiengesellschaft and Raiffeisen Centrobank AG. As at 31 December 2020, the corresponding proportion of female employees totaled 31 per cent (2019: 30 per cent). In RBI Group, female employees make up 65 per cent (2019: 66 per cent) of the total workforce. Women held 14 per cent of Management Board positions (2019: 14 per cent), and 37 per cent of Tier 2 management positions (2019: 35 per cent). The proportion of women in Supervisory Board positions was 24 per cent (2019: 24 per cent).

Women are underrepresented in management for various reasons based on individual circumstances and the social environment as well as the company. Therefore, a strategy to increase the representation of women must encompass a wide variety of measures and recognize that certain reasons cannot be addressed by organizational measures. Based on a large-scale corporate analysis, the Nomination Committee adopted measures in three areas that approach the issue from different angles. The first set of measures focuses on the work culture and aims to achieve a healthy work-life balance as well as a gender-sensitive organization of the New World of Work. This included conducting the first-ever work and family audit at RBI AG in 2020, and the promotion of active parental leave management. The work and family audit is a customized certification process for companies, which is supervised by qualified advisors and designed to provide support for the defining, evaluating and planning of family-friendly measures. The objective is to create a work environment that opens up equal career opportunities for both women and men.

The second set of measures targets the work with female employees and aims specifically to support this. Bias can already begin in the talent selection process. Female employees are also treated differently in some instances during their careers because they, for example, express specific needs or have these attributed to them.

The career trajectories of female and male employees generally show noticeable differences over time. In future, therefore, specific focus will be placed on the selection and development of female talent.

The third set of measures relates to the selection of upper management (first and second tier below the Management Board) and is aimed at improving the selection processes and making them more transparent. Interview transcripts and documents for interviews or hearings (for higher management positions) are anonymized and evaluated by several people in order to ensure objectivity in the selection process and to prevent possible unconscious bias. Furthermore, at least one female assessor must be involved in the hearing. The search for candidates is also an essential step in the selection process. Emphasis will be placed on the selection of suitable executive search partners and their role in finding qualified women.

This bundle of measures provides medium- and long-term impetus to bring about cultural change and thus permanently establish gender diversity at the company.

## Transparency

The internet, particularly the company website, plays an important role for RBI with regard to open communication with shareholders, their representatives, customers, analysts, employees, and the interested public. Therefore, the website offers regularly updated information and services, including the following: annual and interim reports, company presentations, telephone conference webcasts, ad-hoc releases, press releases, investor relations releases, share price information and stock data, information for debt investors, the Sustainability Report and current sustainability news, financial calendar with advance notice of important dates, information on securities transactions of the Management Board and Supervisory Board that are subject to reporting requirements (directors' dealings), RBI AG's Articles of Association, the corporate governance report, analysts' recommendations, as well as an ordering service for written information and registration for the automatic delivery of investor relations news by e-mail.

A secure, anonymous and digital whistleblower platform was established at RBI in line with regulatory and statutory guidelines. Employees throughout the Group can use this to report possible violations in their local language. All reports are investigated by RBI's Compliance department. The investigation findings must be reported back before the case can be closed.

## Conflicts of interest

Both the Management Board and the Supervisory Board of RBI AG are required to disclose any potential conflicts of interest.

Members of the Management Board must therefore disclose to the Supervisory Board any significant personal interests in transactions involving the company and Group companies, as well as any other conflicts of interest. They must also inform the other members of the Management Board. Members of the Management Board who occupy management positions within other companies must ensure a fair balance between the interests of the companies in question.

Members of the Supervisory Board must immediately report any potential conflicts of interest to the Chairman of the Supervisory Board, who is supported by Compliance when carrying out his evaluation. In the event that the Chairman himself should encounter a conflict of interest, he must report this immediately to the Deputy Chairman. Company agreements with members of the Supervisory Board that require members to perform a service for the company or for a subsidiary outside of their duty on the Supervisory Board (§ 189a 7 of the UGB) in exchange for not-insignificant compensation require the approval of the Supervisory Board. This also applies to agreements with companies in which a member of the Supervisory Board has a significant financial interest. Furthermore, related party transactions as defined by § 28 of the BWG require the approval of the Supervisory Board.

These and other requirements and rules of conduct are covered by a corporate policy that contains the duties required by law and by the ACGC. The policy also gives due consideration to the European Banking Authority's (EBA) guidelines on internal governance, the joint European Securities and Markets Authority/EBA guidelines to assess the suitability of members of management bodies and key function holders, the European Central Bank's guide to fit and proper assessments, and the Basel Committee on Banking Supervision's corporate governance principles for banks.

For a number of years, RBI has had internal policies that govern business transactions in detail in order to avoid conflicts of interest. The rules enacted in Austria in mid-2019 on transactions with related companies and parties (as part of the transposition of the EU Shareholder Rights Directive into Austrian law) have been reflected in a separately issued internal directive.

## Independent consolidated non-financial report (§ 267a of the UGB) as well as disclosures for the parent company according to § 243b of the UGB

The company prepared an independent consolidated non-financial report according to § 267a of the UGB for the 2020 financial year for RBI, which also contains the disclosures for the parent company according to § 243b of the UGB. The report was reviewed by the Supervisory Board according to § 96 (1) of the AktG. In addition, KPMG Austria GmbH (KPMG) was appointed by the Management Board to audit the consolidated non-financial report and will report its findings to the Supervisory Board at its March 2021 meeting. The Supervisory Board will report on the results of the audit at the Annual General Meeting.



## Accounting and audit of financial statements

RBI's consolidated financial statements are prepared in accordance with the International Financial Reporting Standards (IFRS) as applied in the EU. They also comply with the regulations of the BWG in conjunction with the UGB to the extent that these are applicable to the consolidated financial statements. The consolidated annual financial statements are published within the first four months of the financial year following the reporting period. Interim reports are published no later than two months after the end of the respective reporting period pursuant to IFRS.

The Annual General Meeting on 13 June 2019 selected KPMG as external Group auditor and bank auditor for the 2020 financial year. KPMG has confirmed to RBI AG that it has the certification of a quality auditing system. It has also declared that there are no reasons for disqualification or prejudice. The Supervisory Board is informed of the result of the audit by a statutory report regarding the audit of the consolidated financial statements by the auditor, as well as by the report of the Audit Committee. Furthermore, the auditor assesses the effectiveness of the company's risk management in accordance with the ACGC, based on the documents submitted to the auditor and otherwise available. The resulting report is presented to the Chairman of the Supervisory Board, who is responsible for ensuring the report is addressed in the Audit Committee and presented to the Supervisory Board.

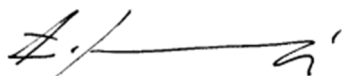
### The Management Board



Johann Strobl



Andreas Gschwenter



Łukasz Januszewski



Peter Lennkh



Hannes Mösenbacher



Andrii Stepanenko

# General Conditions of Contract for the Public Accounting Professions (AAB 2018)

Recommended for use by the Board of the Chamber of Tax Advisers and Auditors, last recommended in its decision of April 18, 2018

## Preamble and General Items

(1) Contract within the meaning of these Conditions of Contract refers to each contract on services to be rendered by a person entitled to exercise profession in the field of public accounting exercising that profession (de facto activities as well as providing or performing legal transactions or acts, in each case pursuant to Sections 2 or 3 Austrian Public Accounting Professions Act (WTBG 2017). The parties to the contract shall hereinafter be referred to as the "contractor" on the one hand and the "client" on the other hand).

(2) The General Conditions of Contract for the professions in the field of public accounting are divided into two sections: The Conditions of Section I shall apply to contracts where the agreeing of contracts is part of the operations of the client's company (entrepreneur within the meaning of the Austrian Consumer Protection Act. They shall apply to consumer business under the Austrian Consumer Protection Act (Federal Act of March 8, 1979 / Federal Law Gazette No. 140 as amended) insofar as Section II does not provide otherwise for such business.

(3) In the event that an individual provision is void, the invalid provision shall be replaced by a valid provision that is as close as possible to the desired objective.

## SECTION I

### 1. Scope and Execution of Contract

(1) The scope of the contract is generally determined in a written agreement drawn up between the client and the contractor. In the absence of such a detailed written agreement, (2)-(4) shall apply in case of doubt:

(2) When contracted to perform tax consultation services, consultation shall consist of the following activities:

- a) preparing annual tax returns for income tax and corporate tax as well as value-added tax (VAT) on the basis of the financial statements and other documents and papers required for taxation purposes and to be submitted by the client or (if so agreed) prepared by the contractor. Unless explicitly agreed otherwise, documents and papers required for taxation purposes shall be produced by the client.
- b) examining the tax assessment notices for the tax returns mentioned under a).
- c) negotiating with the fiscal authorities in connection with the tax returns and notices mentioned under a) and b).
- d) participating in external tax audits and assessing the results of external tax audits with regard to the taxes mentioned under a).
- e) participating in appeal procedures with regard to the taxes mentioned under a).

If the contractor receives a flat fee for regular tax consultation, in the absence of written agreements to the contrary, the activities mentioned under d) and e) shall be invoiced separately.

(3) Provided the preparation of one or more annual tax return(s) is part of the contract accepted, this shall not include the examination of any particular accounting conditions nor the examination of whether all relevant concessions, particularly those with regard to value added tax, have been utilized, unless the person entitled to exercise the profession can prove that he/she has been commissioned accordingly.

(4) In each case, the obligation to render other services pursuant to Sections 2 and 3 WTBG 2017 requires for the contractor to be separately and verifiably commissioned.

(5) The aforementioned paragraphs (2) to (4) shall not apply to services requiring particular expertise provided by an expert.

(6) The contractor is not obliged to render any services, issue any warnings or provide any information beyond the scope of the contract.

(7) The contractor shall have the right to engage suitable staff and other performing agents (subcontractors) for the execution of the contract as well as to have a person entitled to exercise the profession substitute for him/her in executing the contract. Staff within the meaning of these Conditions of Contract refers to all persons who support the contractor in his/her operating activities on a regular or permanent basis, irrespective of the type of underlying legal transaction.

(8) In rendering his/her services, the contractor shall exclusively take into account Austrian law; foreign law shall only be taken into account if this has been explicitly agreed upon in writing.

(9) Should the legal situation change subsequent to delivering a final professional statement passed on by the client orally or in writing, the contractor shall not be obliged to inform the client of changes or of the consequences thereof. This shall also apply to the completed parts of a contract.

(10) The client shall be obliged to make sure that the data made available by him/her may be handled by the contractor in the course of rendering the services. In this context, the client shall particularly but not exclusively comply with the applicable provisions under data protection law and labor law.

(11) Unless explicitly agreed otherwise, if the contractor electronically submits an application to an authority, he/she acts only as a messenger and this does not constitute a declaration of intent or knowledge attributable to him/her or a person authorized to submit the application.

(12) The client undertakes not to employ persons that are or were staff of the contractor during the contractual relationship, during and within one year after termination of the contractual relationship, either in his/her company or in an associated company, failing which he/she shall be obliged to pay the contractor the amount of the annual salary of the member of staff taken over.

### 2. Client's Obligation to Provide Information and Submit Complete Set of Documents

(1) The client shall make sure that all documents required for the execution of the contract be placed without special request at the disposal of the contractor at the agreed date, and in good time if no such date has been agreed, and that he/she be informed of all events and circumstances which may be of significance for the execution of the contract. This shall also apply to documents, events and circumstances which become known only after the contractor has commenced his/her work.

(2) The contractor shall be justified in regarding information and documents presented to him/her by the client, in particular figures, as correct and complete and to base the contract on them. The contractor shall not be obliged to identify any errors unless agreed separately in writing. This shall particularly apply to the correctness and completeness of bills. However, he/she is obliged to inform the client of any errors identified by him/her. In case of financial criminal proceedings he/she shall protect the rights of the client.

(3) The client shall confirm in writing that all documents submitted, all information provided and explanations given in the context of audits, expert opinions and expert services are complete.

(4) If the client fails to disclose considerable risks in connection with the preparation of financial statements and other statements, the contractor shall not be obliged to render any compensation insofar as these risks materialize.

(5) Dates and time schedules stated by the contractor for the completion of the contractor's products or parts thereof are best estimates and, unless otherwise agreed in writing, shall not be binding. The same applies to any estimates of fees: they are prepared to best of the contractor's knowledge; however, they shall always be non-binding.

(6) The client shall always provide the contractor with his/her current contact details (particularly the delivery address). The contractor may rely on the validity of the contact details most recently provided by the client, particularly have deliveries made to the most recently provided address, until such time as new contact details are provided.

### 3. Safeguarding of Independence

(1) The client shall be obliged to take all measures to prevent that the independence of the staff of the contractor be jeopardized and shall himself/herself refrain from jeopardizing their independence in any way. In particular, this shall apply to offers of employment and to offers to accept contracts on their own account.

(2) The client acknowledges that his/her personal details required in this respect, as well as the type and scope of the services, including the performance period agreed between the contractor and the client for the services (both audit and non-audit services), shall be handled within a network (if any) to which the contractor belongs, and for this purpose transferred to the other members of the network including abroad for the purpose of examination of the existence of grounds of bias or grounds for exclusion and conflicts of interest. For this purpose the client expressly releases the contractor in accordance with the Data Protection Act and in accordance with Section 80 (4) No. 2 WTBG 2017 from his/her obligation to maintain secrecy. The client can revoke the release from the obligation to maintain secrecy at any time.

#### 4. Reporting Requirements

(1) (Reporting by the contractor) In the absence of an agreement to the contrary, a written report shall be drawn up in the case of audits and expert opinions.

(2) (Communication to the client) All contract-related information and opinions, including reports, (all declarations of knowledge) of the contractor, his/her staff, other performing agents or substitutes ("professional statements") shall only be binding provided they are set down in writing. Professional statements in electronic file formats which are made, transferred or confirmed by fax or e-mail or using similar types of electronic communication (that can be stored and reproduced but is not oral, i.e. e.g. text messages but not telephone) shall be deemed as set down in writing; this shall only apply to professional statements. The client bears the risk that professional statements may be issued by persons not entitled to do so as well as the transfer risk of such professional statements.

(3) (Communication to the client) The client hereby consents to the contractor communicating with the client (e.g. by e-mail) in an unencrypted manner. The client declares that he/she has been informed of the risks arising from the use of electronic communication (particularly access to, maintaining secrecy of, changing of messages in the course of transfer). The contractor, his/her staff, other performing agents or substitutes are not liable for any losses that arise as a result of the use of electronic means of communication.

(4) (Communication to the contractor) Receipt and forwarding of information to the contractor and his/her staff are not always guaranteed when the telephone is used, in particular in conjunction with automatic telephone answering systems, fax, e-mail and other types of electronic communication. As a result, instructions and important information shall only be deemed to have been received by the contractor provided they are also received physically (not by telephone, orally or electronically), unless explicit confirmation of receipt is provided in individual instances. Automatic confirmation that items have been transmitted and read shall not constitute such explicit confirmations of receipt. This shall apply in particular to the transmission of decisions and other information relating to deadlines. As a result, critical and important notifications must be sent to the contractor by mail or courier. Delivery of documents to staff outside the firm's offices shall not count as delivery.

(5) (General) In writing shall mean, insofar as not otherwise laid down in Item 4. (2), written form within the meaning of Section 886 Austrian Civil Code (ABGB) (confirmed by signature). An advanced electronic signature (Art. 26 eIDAS Regulation (EU) No. 910/2014) fulfills the requirement of written form within the meaning of Section 886 ABGB (confirmed by signature) insofar as this is at the discretion of the parties to the contract.

(6) (Promotional information) The contractor will send recurrent general tax law and general commercial law information to the client electronically (e.g. by e-mail). The client acknowledges that he/she has the right to object to receiving direct advertising at any time.

#### 5. Protection of Intellectual Property of the Contractor

(1) The client shall be obliged to ensure that reports, expert opinions, organizational plans, drafts, drawings, calculations and the like, issued by the contractor, be used only for the purpose specified in the contract (e.g. pursuant to Section 44 (3) Austrian Income Tax Act 1988). Furthermore, professional statements made orally or in writing by the contractor may be passed on to a third party for use only with the written consent of the contractor.

(2) The use of professional statements made orally or in writing by the contractor for promotional purposes shall not be permitted; a violation of this provision shall give the contractor the right to terminate without notice to the client all contracts not yet executed.

(3) The contractor shall retain the copyright on his/her work. Permission to use the work shall be subject to the written consent by the contractor.

#### 6. Correction of Errors

(1) The contractor shall have the right and shall be obliged to correct all errors and inaccuracies in his/her professional statement made orally or in writing which subsequently come to light and shall be obliged to inform the client thereof without delay. He/she shall also have the right to inform a third party acquainted with the original professional statement of the change.

(2) The client has the right to have all errors corrected free of charge if the contractor can be held responsible for them; this right will expire six months after completion of the services rendered by the contractor and/or – in cases where a written professional statement has not been delivered – six months after the contractor has completed the work that gives cause to complaint.

(3) If the contractor fails to correct errors which have come to light, the client shall have the right to demand a reduction in price. The extent to which additional claims for damages can be asserted is stipulated under Item 7.

#### 7. Liability

(1) All liability provisions shall apply to all disputes in connection with the contractual relationship, irrespective of the legal grounds. The contractor is liable for losses arising in connection with the contractual relationship (including its termination) only in case of willful intent and gross negligence. The applicability of Section 1298 2<sup>nd</sup> Sentence ABGB is excluded.

(2) In cases of gross negligence, the maximum liability for damages due from the contractor is tenfold the minimum insurance sum of the professional liability insurance according to Section 11 WTBG 2017 as amended.

(3) The limitation of liability pursuant to Item 7. (2) refers to the individual case of damages. The individual case of damages includes all consequences of a breach of duty regardless of whether damages arose in one or more consecutive years. In this context, multiple acts or failures to act that are based on the same or similar source of error as one consistent breach of duty if the matters concerned are legally and economically connected. Single damages remain individual cases of damage even if they are based on several breaches of duty. Furthermore, the contractor's liability for loss of profit as well as collateral, consequential, incidental or similar losses is excluded in case of willful damage.

(4) Any action for damages may only be brought within six months after those entitled to assert a claim have gained knowledge of the damage, but no later than three years after the occurrence of the (primary) loss following the incident upon which the claim is based, unless other statutory limitation periods are laid down in other legal provisions.

(5) Should Section 275 Austrian Commercial Code (UGB) be applicable (due to a criminal offense), the liability provisions contained therein shall apply even in cases where several persons have participated in the execution of the contract or where several activities requiring compensation have taken place and irrespective of whether other participants have acted with intent.

(6) In cases where a formal auditor's report is issued, the applicable limitation period shall commence no later than at the time the said auditor's report was issued.

(7) If activities are carried out by enlisting the services of a third party, e.g. a data-processing company, any warranty claims and claims for damages which arise against the third party according to law and contract shall be deemed as having been passed on to the client once the client has been informed of them. Item 4. (3) notwithstanding, in such a case the contractor shall only be liable for fault in choosing the third party.

(8) The contractor's liability to third parties is excluded in any case. If third parties come into contact with the contractor's work in any manner due to the client, the client shall expressly clarify this fact to them. Insofar as such exclusion of liability is not legally permissible or a liability to third parties has been assumed by the contractor in exceptional cases, these limitations of liability shall in any case also apply to third parties on a subsidiary basis. In any case, a third party cannot raise any claims that go beyond any claim raised by the client. The maximum sum of liability shall be valid only once for all parties injured, including the compensation claims of the client, even if several persons (the client and a third party or several third parties) have sustained losses; the claims of the parties injured shall be satisfied in the order in which the claims have been raised. The client will indemnify and hold harmless the contractor and his/her staff against any claims by third parties in connection with professional statements made orally or in writing by the contractor and passed on to these third parties.

(9) Item 7. shall also apply to any of the client's liability claims to third parties (performing agents and vicarious agents of the contractor) and to substitutes of the contractor relating to the contractual relationship.

#### 8. Secrecy, Data Protection

(1) According to Section 80 WTBG 2017 the contractor shall be obliged to maintain secrecy in all matters that become known to him/her in connection with his/her work for the client, unless the client releases him/her from this duty or he/she is bound by law to deliver a statement.

(2) Insofar as it is necessary to pursue the contractor's claims (particularly claims for fees) or to dispute claims against the contractor (particularly claims for damages raised by the client or third parties against the contractor), the contractor shall be released from his/her professional obligation to maintain secrecy.

(3) The contractor shall be permitted to hand on reports, expert opinions and other written statements pertaining to the results of his/her services to third parties only with the permission of the client, unless he/she is required to do so by law.

(4) The contractor is a data protection controller within the meaning of the General Data Protection Regulation ("GDPR") with regard to all personal data processed under the contract. The contractor is thus authorized to process personal data entrusted to him/her within the limits of the contract. The material made available to the contractor (paper and data carriers) shall generally be handed to the client or to third parties appointed by the client after the respective rendering of services has been completed, or be kept and destroyed by the contractor if so agreed. The contractor is authorized to keep copies thereof insofar as he/she needs them to appropriately document his/her services or insofar as it is required by law or customary in the profession.

(5) If the contractor supports the client in fulfilling his/her duties to the data subjects arising from the client's function as data protection controller, the contractor shall be entitled to charge the client for the actual efforts undertaken. The same shall apply to efforts undertaken for information with regard to the contractual relationship which is provided to third parties after having been released from the obligation to maintain secrecy to third parties by the client.

#### 9. Withdrawal and Cancellation („Termination“)

(1) The notice of termination of a contract shall be issued in writing (see also Item 4. (4) and (5)). The expiry of an existing power of attorney shall not result in a termination of the contract.

(2) Unless otherwise agreed in writing or stipulated by force of law, either contractual partner shall have the right to terminate the contract at any time with immediate effect. The fee shall be calculated according to Item 11.

(3) However, a continuing agreement (fixed-term or open-ended contract on – even if not exclusively – the rendering of repeated individual services, also with a flat fee) may, without good reason, only be terminated at the end of the calendar month by observing a period of notice of three months, unless otherwise agreed in writing.

(4) After notice of termination of a continuing agreement and unless otherwise stipulated in the following, only those individual tasks shall still be completed by the contractor (list of assignments to be completed) that can (generally) be completed fully within the period of notice insofar as the client is notified in writing within one month after commencement of the termination notice period within the meaning of Item 4. (2). The list of assignments to be completed shall be completed within the termination period if all documents required are provided without delay and if no good reason exists that impedes completion.

(5) Should it happen that in case of a continuing agreement more than two similar assignments which are usually completed only once a year (e.g. financial statements, annual tax returns, etc.) are to be completed, any assignments exceeding this number shall be regarded as assignments to be completed only with the client's explicit consent. If applicable, the client shall be informed of this explicitly in the statement pursuant to Item 9. (4).

#### 10. Termination in Case of Default in Acceptance and Failure to Cooperate on the Part of the Client and Legal Impediments to Execution

(1) If the client defaults on acceptance of the services rendered by the contractor or fails to carry out a task incumbent on him/her either according to Item 2. or imposed on him/her in another way, the contractor shall have the right to terminate the contract without prior notice. The same shall apply if the client requests a way to execute (also partially) the contract that the contractor reasonably believes is not in compliance with the legal situation or professional principles. His/her fees shall be calculated according to Item 11. Default in acceptance or failure to cooperate on the part of the client shall also justify a claim for compensation made by the contractor for the extra time and labor hereby expended as well as for the damage caused, if the contractor does not invoke his/her right to terminate the contract.

(2) For contracts concerning bookkeeping, payroll accounting and administration and assessment of payroll-related taxes and contributions, a termination without prior notice by the contractor is permissible under Item 10. (1) if the client verifiably fails to cooperate twice as laid down in Item 2. (1).

#### 11. Entitlement to Fee

(1) If the contract fails to be executed (e.g. due to withdrawal or cancellation), the contractor shall be entitled to the negotiated compensation (fee), provided he/she was prepared to render the services and was prevented from so doing by circumstances caused by the client, whereby a merely contributory negligence by the contractor in this respect shall be excluded; in this case the contractor need not take into account the amount he/she obtained or failed to obtain through alternative use of his/her own professional services or those of his/her staff.

(2) If a continuing agreement is terminated, the negotiated compensation for the list of assignments to be completed shall be due upon completion or in case completion fails due to reasons attributable to the client (reference is made to Item 11. (1)). Any flat fees negotiated shall be calculated according to the services rendered up to this point.

(3) If the client fails to cooperate and the assignment cannot be carried out as a result, the contractor shall also have the right to set a reasonable grace period on the understanding that, if this grace period expires without results, the contract shall be deemed ineffective and the consequences indicated in Item 11. (1) shall apply.

(4) If the termination notice period under Item 9. (3) is not observed by the client as well as if the contract is terminated by the contractor in accordance with Item 10. (2), the contractor shall retain his/her right to receive the full fee for three months.

#### 12. Fee

(1) Unless the parties explicitly agreed that the services would be rendered free of charge, an appropriate remuneration in accordance with Sections 1004 and 1152 ABGB is due in any case. Amount and type of the entitlement to the fee are laid down in the agreement negotiated between the contractor and his/her client. Unless a different agreement has verifiably been reached, payments made by the client shall in all cases be credited against the oldest debt.

(2) The smallest service unit which may be charged is a quarter of an hour.

(3) Travel time to the extent required is also charged.

(4) Study of documents which, in terms of their nature and extent, may prove necessary for preparation of the contractor in his/her own office may also be charged as a special item.

(5) Should a remuneration already agreed upon prove inadequate as a result of the subsequent occurrence of special circumstances or due to special requirements of the client, the contractor shall notify the client thereof and additional negotiations for the agreement of a more suitable remuneration shall take place (also in case of inadequate flat fees).

(6) The contractor includes charges for supplementary costs and VAT in addition to the above, including but not limited to the following (7) to (9):

(7) Chargeable supplementary costs also include documented or flat-rate cash expenses, traveling expenses (first class for train journeys), per diems, mileage allowance, copying costs and similar supplementary costs.

(8) Should particular third party liabilities be involved, the corresponding insurance premiums (including insurance tax) also count as supplementary costs.

(9) Personnel and material expenses for the preparation of reports, expert opinions and similar documents are also viewed as supplementary costs.

(10) For the execution of a contract wherein joint completion involves several contractors, each of them will charge his/her own compensation.

(11) In the absence of any other agreements, compensation and advance payments are due immediately after they have been requested in writing. Where payments of compensation are made later than 14 days after the due date, default interest may be charged. Where mutual business transactions are concerned, a default interest rate at the amount stipulated in Section 456 1<sup>st</sup> and 2<sup>nd</sup> Sentence UGB shall apply.

(12) Statutory limitation is in accordance with Section 1486 of ABGB, with the period beginning at the time the service has been completed or upon the issuing of the bill within an appropriate time limit at a later point.

(13) An objection may be raised in writing against bills presented by the contractor within 4 weeks after the date of the bill. Otherwise the bill is considered as accepted. Filing of a bill in the accounting system of the recipient is also considered as acceptance.

(14) Application of Section 934 ABGB within the meaning of Section 351 UGB, i.e. rescission for *laesio enormis* (lesion beyond moiety) among entrepreneurs, is hereby renounced.

(15) If a flat fee has been negotiated for contracts concerning bookkeeping, payroll accounting and administration and assessment of payroll-related taxes and contributions, in the absence of written agreements to the contrary, representation in matters concerning all types of tax audits and audits of payroll-related taxes and social security contributions including settlements concerning tax assessments and the basis for contributions, preparation of reports, appeals and the like shall be invoiced separately. Unless otherwise agreed to in writing, the fee shall be considered agreed upon for one year at a time.

(16) Particular individual services in connection with the services mentioned in Item 12. (15), in particular ascertaining whether the requirements for statutory social security contributions are met, shall be dealt with only on the basis of a specific contract.

(17) The contractor shall have the right to ask for advance payments and can make delivery of the results of his/her (continued) work dependent on satisfactory fulfillment of his/her demands. As regards continuing agreements, the rendering of further services may be denied until payment of previous services (as well as any advance payments under Sentence 1) has been effected. This shall analogously apply if services are rendered in installments and fee installments are outstanding.

(18) With the exception of obvious essential errors, a complaint concerning the work of the contractor shall not justify even only the partial retention of fees, other compensation, reimbursements and advance payments (remuneration) owed to him/her in accordance with Item 12.

(19) Offsetting the remuneration claims made by the contractor in accordance with Item 12. shall only be permitted if the demands are uncontested and legally valid.

### 13. Other Provisions

(1) With regard to Item 12. (17), reference shall be made to the legal right of retention (Section 471 ABGB, Section 369 UGB); if the right of retention is wrongfully exercised, the contractor shall generally be liable pursuant to Item 7. or otherwise only up to the outstanding amount of his/her fee.

(2) The client shall not be entitled to receive any working papers and similar documents prepared by the contractor in the course of fulfilling the contract. In the case of contract fulfillment using electronic accounting systems the contractor shall be entitled to delete the data after handing over all data based thereon – which were prepared by the contractor in relation to the contract and which the client is obliged to keep – to the client and/or the succeeding public accountant in a structured, common and machine-readable format. The contractor shall be entitled to an appropriate fee (Item 12. shall apply by analogy) for handing over such data in a structured, common and machine-readable format. If handing over such data in a structured, common and machine-readable format is impossible or unfeasible for special reasons, they may be handed over in the form of a full print-out instead. In such a case, the contractor shall not be entitled to receive a fee.

(3) At the request and expense of the client, the contractor shall hand over all documents received from the client within the scope of his/her activities. However, this shall not apply to correspondence between the contractor and his/her client and to original documents in his/her possession and to documents which are required to be kept in accordance with the legal anti-money laundering provisions applicable to the contractor. The contractor may make copies or duplicates of the documents to be returned to the client. Once such documents have been transferred to the client, the contractor shall be entitled to an appropriate fee (Item 12. shall apply by analogy).

(4) The client shall fetch the documents handed over to the contractor within three months after the work has been completed. If the client fails to do so, the contractor shall have the right to return them to the client at the cost of the client or to charge an appropriate fee (Item 12. shall apply by analogy) if the contractor can prove that he/she has asked the client twice to pick up the documents handed over. The documents may also further be kept by third parties at the expense of the client. Furthermore, the contractor is not liable for any consequences arising from damage, loss or destruction of the documents.

(5) The contractor shall have the right to compensation of any fees that are due by use of any available deposited funds, clearing balances, trust funds or other liquid funds at his/her disposal, even if these funds are explicitly intended for safekeeping, if the client had to have anticipated the counterclaim of the contractor.

(6) To secure an existing or future fee payable, the contractor shall have the right to transfer a balance held by the client with the tax office or another balance held by the client in connection with charges and contributions, to a trust account. In this case the client shall be informed of the transfer. Subsequently, the amount secured may be collected either after agreement has been reached with the client or after enforceability of the fee by execution has been declared.

### 14. Applicable Law, Place of Performance, Jurisdiction

(1) The contract, its execution and the claims resulting from it shall be exclusively governed by Austrian law, excluding national referral rules.

(2) The place of performance shall be the place of business of the contractor.

(3) In absence of a written agreement stipulating otherwise, the place of jurisdiction is the competent court of the place of performance.

## SECTION II

### 15. Supplementary Provisions for Consumer Transactions

(1) Contracts between public accountants and consumers shall fall under the obligatory provisions of the Austrian Consumer Protection Act (KSChG).

(2) The contractor shall only be liable for the willful and grossly negligent violation of the obligations assumed.

(3) Contrary to the limitation laid down in Item 7. (2), the duty to compensate on the part of the contractor shall not be limited in case of gross negligence.

(4) Item 6. (2) (period for right to correction of errors) and Item 7. (4) (asserting claims for damages within a certain period) shall not apply.

(5) Right of Withdrawal pursuant to Section 3 KSChG:

If the consumer has not made his/her contract statement in the office usually used by the contractor, he/she may withdraw from the contract application or the contract proper. This withdrawal may be declared until the contract has been concluded or within one week after its conclusion; the period commences as soon as a document has been handed over to the consumer which contains at least the name and the address of the contractor as well as instructions on the right to withdraw from the contract, but no earlier than the conclusion of the contract. The consumer shall not have the right to withdraw from the contract

1. if the consumer himself/herself established the business relationship concerning the conclusion of this contract with the contractor or his/her representative,

2. if the conclusion of the contract has not been preceded by any talks between the parties involved or their representatives, or

3. in case of contracts where the mutual services have to be rendered immediately, if the contracts are usually concluded outside the offices of the contractors, and the fee agreed upon does not exceed €15.

In order to become legally effective, the withdrawal shall be declared in writing. It is sufficient if the consumer returns a document that contains his/her contract declaration or that of the contractor to the contractor with a note which indicates that the consumer rejects the conclusion or the maintenance of the contract. It is sufficient if this declaration is dispatched within one week.

If the consumer withdraws from the contract according to Section 3 KSChG,

1. the contractor shall return all benefits received, including all statutory interest, calculated from the day of receipt, and compensate the consumer for all necessary and useful expenses incurred in this matter,

2. the consumer shall pay for the value of the services rendered by the contractor as far as they are of a clear and predominant benefit to him/her.

According to Section 4 (3) KSChG, claims for damages shall remain unaffected.

(6) Cost Estimates according to Section 5 Austrian KSChG:

The consumer shall pay for the preparation of a cost estimate by the contractor in accordance with Section 1170a ABGB only if the consumer has been notified of this payment obligation beforehand.

If the contract is based on a cost estimate prepared by the contractor, its correctness shall be deemed warranted as long as the opposite has not been explicitly declared.

(7) Correction of Errors: Supplement to Item 6.:

If the contractor is obliged under Section 932 ABGB to improve or complement his/her services, he/she shall execute this duty at the place where the matter was transferred. If it is in the interest of the consumer to have the work and the documents transferred by the contractor, the consumer may carry out this transfer at his/her own risk and expense.

(8) Jurisdiction: Shall apply instead of Item 14. (3)

If the domicile or the usual residence of the consumer is within the country or if he/she is employed within the country, in case of an action against him/her according to Sections 88, 89, 93 (2) and 104 (1) Austrian Court Jurisdiction Act (JN), the only competent courts shall be the courts of the districts where the consumer has his/her domicile, usual residence or place of employment.

(9) Contracts on Recurring Services:

(a) Contracts which oblige the contractor to render services and the consumer to effect repeated payments and which have been concluded for an indefinite period or a period exceeding one year may be terminated by the consumer at the end of the first year, and after the first year at the end of every six months, by adhering to a two-month period of notice.

(b) If the total work is regarded as a service that cannot be divided on account of its character, the extent and price of which is determined already at the conclusion of the contract, the first date of termination may be postponed until the second year has expired. In case of such contracts the period of notice may be extended to a maximum of six months.

(c) If the execution of a certain contract indicated in lit. a) requires considerable expenses on the part of the contractor and if he/she informed the consumer about this no later than at the time the contract was concluded, reasonable dates of termination and periods of notice which deviate from lit. a) and b) and which fit the respective circumstances may be agreed.

(d) If the consumer terminates the contract without complying with the period of notice, the termination shall become effective at the next termination date which follows the expiry of the period of notice.