

To the members of the Management Board of  
Raiffeisen Bank International AG  
Am Stadtpark 9  
1030 Wien

Vienna, February 9, 2023  
BIT/si/ext 3800  
[pbitzyk@deloitte.at](mailto:pbitzyk@deloitte.at)

## **Translation of the German Language Assurance report on compliance with the C-Rules of the Austrian Code of Corporate Governance (ACGK)**

Based on C-Rule 62 of the Austrian Code of Corporate Governance (ACGK) as amended in January 2021, we have evaluated the compliance of Raiffeisen Bank International AG (the “Company”), Vienna, with the C-Rules of the code for the year 2022.

### Management’s Responsibility

The Company’s Managing Board is responsible for the compliance with the relevant rules of the ACGK and reporting on the code and compliance with the rules in the Corporate Governance Report for the year 2022 (“Declaration of Compliance”).

Company Location Vienna, Company Register Vienna, FN 36059 d, DVR 0508951, WT-Code 800192, UID: ATU16060704  
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### Auditor's Responsibility

Our responsibility is to state whether, based on the procedures we 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 ACGK in all material aspects. Since we are also the auditors of the Company for the year 2022, our independent assurance engagement did not include adherence with the C-rules 77 to 83 of the ACGK.

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 audit procedures selected depend on the auditor's professional judgment and included in particular:

- Review and evaluations of the representations made in the Declaration of Compliance,
- Inquiry of the persons responsible for the Report,
- Sample based inspection of relevant documentation and data as well as the information published on the homepage ([www.rbinternational.com](http://www.rbinternational.com)) in relation to corporate governance.

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), or 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 conclusion.

## Conclusion

Based on the procedures we performed and the evidence we have obtained, nothing came to our attention that causes us to believe that the Declaration of Compliance of the Company in the Corporate Governance Report does not accurately disclose the compliance with the relevant rules of the ACGK.

The Company is in 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 function 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 (RGB). Within RGB, 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 RGB 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 shareholders representatives on the Supervisory Board of RBI AG currently consist of twelve members: nine core shareholder representatives for RGB 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.

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.

<b>Deloitte Audit Wirtschaftsprüfungs GmbH</b>			
Qualified electronically signed			
Date:		Date:	
Qualified electronic signatures can be checked at <a href="http://www.signaturpruefung.gv.at">www.signaturpruefung.gv.at</a> .			

Annexes

Corporate Governance Report of Raiffeisen Bank International AG  
General Conditions of Contract

This report is a courtesy translation of the original report in German language, which is legally binding.

# 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, or “the Code”) as laid out in the version dated January 2021. 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). In addition to RBI, its Slovakian subsidiary bank Tatra banka, a.s., as a listed company, publishes a corporate governance report in line with local statutory regulations. This report is published with the annual report of Tatra banka and can be downloaded from the website ([www.tatrabanka.sk](http://www.tatrabanka.sk) → About bank → Investor relations → Economic results → Annual Reports). RBI has no further subsidiaries which are required to publish a corporate governance report.

## Governance structure of RBI

**Regulatory requirements for a supervised entity:** Major banks based in the European Union must adhere to certain requirements, for example, the Capital Requirements Regulation (CRR), the Capital Requirements Directive (CRD), the Markets in Financial Instruments Directive (MiFID II), the Anti-Money Laundering Directive (AMLD) or the Payment Services Directive (PSD 2). In addition, RBI also has to comply with numerous Austrian laws such as the Banking Act, the Stock Corporation Act, the Securities Supervision Act and the Payment Services Act. This legal framework significantly impacts RBI's processes and procedures.

RBI used the legal framework as a basis for defining its internal code of conduct, the **RBI Code of Conduct** ([www.rbinternational.com](http://www.rbinternational.com) → Who we are → Governance → Code of Conduct). Together with the values mentioned below, it forms the foundation of the corporate culture based on integrity and ethical principles. With the Code of Conduct, RBI commits itself to sustainable corporate management and the associated social and environmental responsibilities. The Code of Conduct is binding on all employees and Management Board members both within the company and when in contact with customers or other stakeholders. The Code of Conduct thus ensures a high standard of employee conduct. To ensure this, all RBI governance documents must be in accordance with the principles laid out in the RBI Code of Conduct.



Building on the regulatory requirements and the Code of Conduct, the **Group internal policies & processes** ensure compliant behavior. They make up RBI's company law and their documentation and ongoing implementation are essential prerequisites for compliance with legal requirements. The framework defines roles and responsibilities as well as standards for monitoring the implementation of the policies.

In 2019, RBI set an ambitious goal in its **Vision 2025** – we are the most recommended financial services group – to be achieved by fulfilling its **Mission** – we transform continuous innovation into superior customer experience. The **Values** of collaboration, proactivity, learning and responsibility were defined as an especially important part of achieving the Vision.

The multi-year **Strategic Roadmap** was developed by building on the Vision & Mission. Its main strategic goals are divided into several specific and measurable individual phases. These are each set for a period of two years, enabling employees to gain a clear picture, at any time, of the contributions to be made within each area towards achieving the Vision 2025. Progress is evaluated on a quarterly basis and discussed by the Management Board.

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 company is required to present principles for the remuneration of the Management Board members (remuneration policy pursuant to § 78a of the Austrian Stock Corporation Act (AktG)) and the total remuneration of individual Management Board members in a separate remuneration report according to § 78c of the AktG. The remuneration report will be presented for resolution to the Annual General Meeting on 30 March 2023 and published on the RBI 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 legal requirements. C Rules (Comply or Explain) should be observed; any deviation must be explained and justified in order to ensure conduct is compliant 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 Austrian Banking Act (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 shareholder representatives on the Supervisory Board of RBI AG currently include 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 Deloitte Audit Wirtschaftsprüfungs GmbH, Vienna (Deloitte) to conduct an external evaluation of compliance with the C Rules of the ACGC. The report is publicly available at [www.rbinternational.com](http://www.rbinternational.com) → Investors → Corporate Governance and Remuneration → External Evaluation of the CG Code.

**Composition of the Management Board**

As at 31 December 2022, the Management Board consisted of the following members:

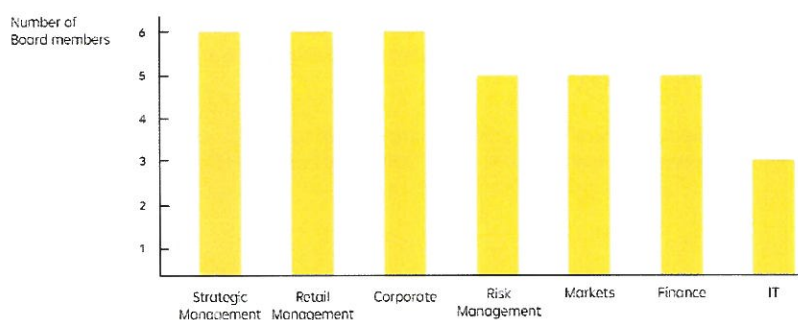
Management Board member	Year of birth	Original appointment	End of term
Johann Strobl, Chairman	1959	22 September 2010 <sup>1</sup>	28 February 2027
Andreas Gschwenter	1969	1 July 2015	30 June 2023
Łukasz Januszewski	1978	1 March 2018	28 February 2026
Peter Lennkh	1963	1 October 2004	31 December 2025 <sup>2</sup>
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

<sup>2</sup> On 31 January 2023, Peter Lennkh announced his intention to step down from the Management Board in the course of 2023.

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

**Expertise within the full Board of Management**



In the past financial year, the members of the Management Board served on the supervisory board or performed comparable functions at 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 UNIQA Österreich Versicherungen AG, Member Oesterreichische Raiffeisen-Sicherungseinrichtung eGen, Austria, Member
Andreas Gschwenter	RSC Raiffeisen Service Center GmbH, Austria, Deputy Chairman Raiffeisen Informatik Geschäftsführungs GmbH, Deputy Chairman Oesterreichische Raiffeisen-Sicherungseinrichtung eGen, Austria, Member
Peter Lennkh	Oesterreichische Kontrollbank Aktiengesellschaft, 1 <sup>st</sup> Deputy Chairman Oesterreichische Raiffeisen-Sicherungseinrichtung eGen, Austria, Member
Hannes Mösenbacher	Raiffeisen-Kundengarantiegemeinschaft Austria, President Oesterreichische Raiffeisen-Sicherungseinrichtung eGen, Austria, Member

In addition to the management and governance of RBI AG, the members of the Management Board performed supervisory duties at the following material subsidiaries of RBI AG as supervisory board members in the 2022 financial year:

	<b>Supervisory Board mandate</b>
<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, Deputy Chairman
<b>Andreas Gschwenter</b>	Raiffeisen Bank Zrt., Hungary, Chairman AO Raiffeisenbank, Russia, Member Raiffeisen Bank S.A., Romania, Member Raiffeisenbank a.s., Czech Republic, Member Tatra banka, a.s., Slovakia, Member
<b>Łukasz Januszewski</b>	Raiffeisenbank a.s., Czech Republic, Chairman Raiffeisen Bank JSC, Ukraine, Chairman Raiffeisen Kapitalanlage-Gesellschaft m.b.H., Austria, Chairman AO Raiffeisenbank, Russia, Member Raiffeisen Bank S.A., Romania, Member
<b>Peter Lennkh</b>	Raiffeisen banka a.d., Serbia, Chairman Raiffeisen Bank Kosovo J.S.C., Kosovo, Chairman Raiffeisen Bank Sh.A., Albania, Member 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 Digital Bank AG, Austria, Deputy Chairman Raiffeisen Bank S.A., Romania, Deputy Chairman AO Raiffeisenbank, Russia, Member Raiffeisenbank a.s., Czech Republic, Member Tatra banka, a.s., Slovakia, Member
<b>Andrii Stepanenko</b>	Raiffeisen Kapitalanlage-Gesellschaft m.b.H., Austria, Deputy Chairman Tatra banka, a.s., Slovakia, Chairman Kathrein Privatbank Aktiengesellschaft, Austria, Chairman Raiffeisen Bank JSC, Ukraine, Deputy Chairman Raiffeisenbank a.s., Czech Republic, Member Raiffeisen Bank S.A., Romania, Member Raiffeisen Digital Bank AG, Austria, Chairman

## Composition of the Supervisory Board

In the financial year 2022, the Supervisory Board comprised:

Supervisory Board member	Year of birth	Initial appointment	End of term
Erwin Hameseder, Chairman	1956	8 July 2010 <sup>1</sup>	Annual General Meeting 2025
Martin Schaller First Deputy Chairman	1965	4 June 2014	Annual General Meeting 2024
Heinrich Schaller Second Deputy Chairman	1959	20 June 2012	Annual General Meeting 2027
Klaus Buchleitner <sup>2</sup>	1964	26 June 2013	31 March 2022
Peter Gauper	1962	22 June 2017	Annual General Meeting 2027
Wilfried Hopfner <sup>2</sup>	1957	22 June 2017	31 March 2022
Rudolf Könighofer	1962	22 June 2017	Annual General Meeting 2027
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 2027
Michael Höllner <sup>3</sup>	1978	31 March 2022	Annual General Meeting 2027
Michael Alge <sup>3</sup>	1971	31 March 2022	Annual General Meeting 2027
Andrea Gaal	1963	21 June 2018	Annual General Meeting 2023
Birgit Noggler	1974	22 June 2017	Annual General Meeting 2027
Rudolf Kortenhof <sup>4</sup>	1961	10 October 2010	Until further notice
Peter Anzeletti-Reikl <sup>4</sup>	1965	10 October 2010	Until further notice
Gebhard Muster <sup>4</sup>	1967	22 June 2017	Until further notice
Helge Rechberger <sup>4</sup>	1967	10 October 2010	Until further notice
Natalie Egger-Grunicke <sup>4</sup>	1973	18 February 2016	Until further notice
Denise Simek <sup>4</sup>	1971	1 October 2021	Until further notice

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

<sup>2</sup> Resigned as of the Annual General Meeting of 31 March 2022

<sup>3</sup> Member of the Supervisory Board as of the Annual General Meeting of 31 March 2022

<sup>4</sup> Delegated by the Staff Council

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 that the composition of the Supervisory Board must meet 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.



For the purposes of the above criteria, all but one of the Supervisory Board members elected by the Annual General Meeting are considered independent of the company and its Management Board in compliance with C Rule 53 of the ACGC. Michael Höllner served as a senior executive of the company in the past five years before accepting the Supervisory Board mandate but meets all the other criteria for independence. In addition, all the members of the committees meet the stated criteria for independence (C Rule 39 of the ACGC).

Eva Eberhartinger, Birgit Noggler and Andrea Gaal are free float representatives of 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 2022:

Erwin Hameseder	AGRANA Beteiligungs-Aktiengesellschaft, Austria, Chairman STRABAG SE, Austria, Deputy Chairman Südzucker AG, Germany, 2 <sup>nd</sup> Deputy Chairman
Heinrich Schaller	voestalpine AG, Austria, Deputy Chairman AMAG Austria Metall AG, Austria, 2 <sup>nd</sup> Deputy Chairman
Klaus Buchleitner	BayWa AG, Germany, Deputy Chairman (resigned on 31 March 2022)

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 of 31 December 2022:

	Working Committee	Risk Committee	Audit Committee	Remuneration Committee	Nomination Committee	Personnel Committee	Digitalization Committee
<b>Chairperson</b>	Erwin Hameseder	Birgit Noggler	Eva Eberhartinger	Erwin Hameseder	Erwin Hameseder	Erwin Hameseder	Andrea Gaal
<b>1st Deputy</b>	Heinrich Schaller	Martin Schaller	Erwin Hameseder	Heinrich Schaller	Heinrich Schaller	Heinrich Schaller	Martin Schaller
<b>2nd Deputy</b>	Martin Schaller	Erwin Hameseder	Heinrich Schaller	Martin Schaller	Martin Schaller	Martin Schaller	-
<b>Member</b>	Andrea Gaal	Heinrich Schaller	Reinhard Mayr	Eva Eberhartinger	Heinz Konrad	Heinz Konrad	Michael Alge
<b>Member</b>	Birgit Noggler	Eva Eberhartinger	Andrea Gaal	Andrea Gaal	Andrea Gaal	Andrea Gaal	Reinhard Mayr
<b>Member</b>	-	Andrea Gaal	Birgit Noggler	Birgit Noggler	Birgit Noggler	Birgit Noggler	-
<b>Member</b>	Rudolf Korten Hof	Rudolf Korten Hof	Rudolf Korten Hof	Rudolf Korten Hof	Rudolf Korten Hof	-	Rudolf Korten Hof
<b>Member</b>	Peter Anzeletti-Reikl	Peter Anzeletti-Reikl	Peter Anzeletti-Reikl	Peter Anzeletti-Reikl	Peter Anzeletti-Reikl	-	Peter Anzeletti-Reikl
<b>Member</b>	Denise Simek	Gebhard Muster	Natalie Egger-Grunicke	Denise Simek	Natalie Egger-Grunicke	-	-

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 Chairwoman 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 Chairwoman 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, B&C KB Holding GmbH, NOE Immobilien Development GmbH and immigon portfolioabbau ag.

In addition to serving as the Chairwoman 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 from 2006 to 2011 was the university's Vice Rector, Financial Affairs. 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 a member of the supervisory board of the Austrian Treasury since 2013 and of maxingvest AG (Germany) since 2014.

Andrea Gaal, Chairwoman of the Digitalization Committee, has held several key positions within British and American high-tech start-ups in the course of her career 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. With Eva Eberhartinger as the Chairwoman of the Audit Committee, Birgit Noggler as the Chairwoman of the Risk Committee, and Andrea Gaal as the Chairwoman 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 Chairpersons of the supervisory boards of the regional Raiffeisen banks and the Chairman of Raiffeisenverband Salzburg. It met four times in 2022. Member attendance at each meeting was 90.63 per cent.

Advisory Council members receive 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 (excluding VAT)
- For the Deputy Chairman of the Advisory Council: € 20,000 (excluding VAT)
- For every other member of the Advisory Council: € 15,000 each (excluding VAT)

In addition, each member of the Advisory Council is paid an attendance fee of € 1,000 (excluding 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.

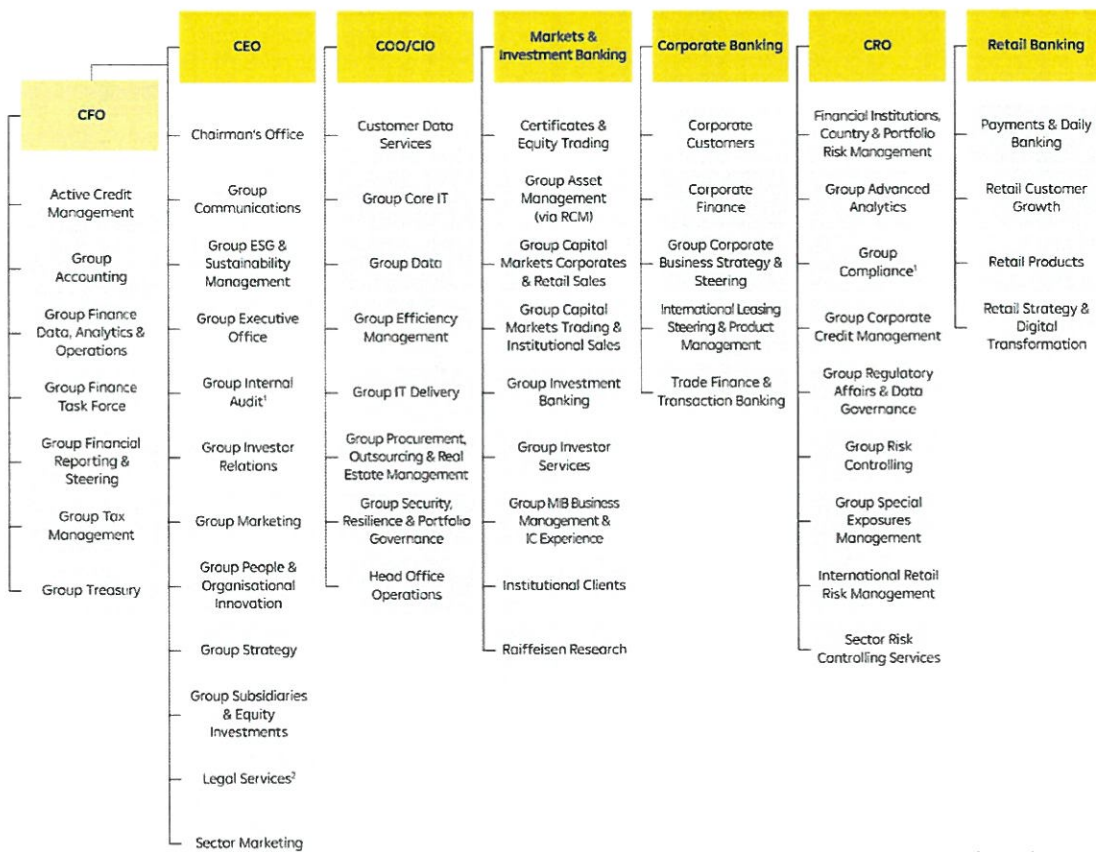
## Functions of the Management Board and the Supervisory Board

### 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 always pursues the good of the company and considers the interests of the 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 of 31 December 2022):



<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

## Changes in the organizational structure

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

One Finance (CFO): Following the fundamental reorganization of the Finance division in 2021, responsibilities and interfaces between two existing service divisions were additionally adjusted and fine-tuned in the second quarter of 2022 to ensure the divisions were clearly focused. As part of these adjustments, Group Finance Services was renamed Group Finance Data, Analytics & Operations. It focuses on intelligent, efficient data procurement and data processing for the Finance division. The newly created Group Accounting division is tightly focused on the recording of banking activities and external reporting as well as the preparation of consolidated financial statements in accordance with corporate guidelines and relevant accounting and regulatory standards. Group Financial Reporting & Steering supplements external reporting with management reporting and analyses, which it views as a core task along with internal reporting.

## Management Board area of Markets & Investment Banking

Certificates & Equity Trading: In the second phase of the integration of Raiffeisen Centrobank (RCB), the Certificates & Equity Trading unit, which was originally part of RCB, was integrated into Markets & Investment Banking as a new business area. Related support functions were transferred along with this unit to the corresponding units of RBI. This integration gives RBI's customers access to an expanded product and service range and creates new growth opportunities for RBI. The Digital Retail business area, which is remaining within RCB, will continue to operate as an independent bank along with the related support functions and Raiffeisen Centrobank AG was renamed Raiffeisen Digital Bank AG accordingly.

## Management Board area of Retail Banking

Following the extensive reorganization of the Retail division in the second quarter of 2021, Retail's structure was adjusted again in the second quarter of 2022 as part of the ongoing adaptive transformation. The new structure encompasses four areas in total and aims to establish Retail a customer-centric transformation driver for the Group at head office and strengthen the focus on the design and development of standardized Group solutions (Digital First Products) for customers. Two of the four areas (Payments & Daily Banking, Retail Products) focus on providing end-to-end group solutions. As part of this realignment, International Premium & Private Banking and International Small Business Banking & CX were dissolved; their products and processes were integrated into the remaining areas. International Retail Payments was renamed Payments & Digital Banking; existing responsibilities were expanded to include daily banking and customer onboarding. International Retail Lending was renamed Retail Products. It focuses on retail customers and the small and medium-sized enterprise (SME) business. The area remains responsible for the Group-wide management of secured and unsecured lending products. Retail Customer Growth acts as an enabler for retail business growth in the Group. Retail Strategy & Digital Transformation covers the overall digital transformation strategy, including customer experience (CX), sustainability and the adaptive transformation of Retail Banking, and is also responsible for innovation and the development of key digital channels.

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

The risk management responsibilities of Group IT Risk Management have been expanded and moved to Group Risk Controlling to strengthen IT risk management within the existing framework. This change is necessary to ensure proper segregation of responsibilities and address the greater importance of IT risk management for the Group and the heightened need for transparency and reporting of IT risks.

## Management Board area of Corporate Banking

Retail Sustainability Strategy has moved to Sustainable Finance in Corporate Finance in order to establish an ESG competence center there. The change was made in response to the growing need for sustainable finance and for cross-functional collaboration and centralization of processes and experience. Sustainable Finance will act as an ESG competence center for all customer segments, including retail.

## The situation in light of the Ukraine war

RBI looks back on a challenging financial year that was largely defined by the effects of the war in Ukraine and the ensuing economic upheaval. The war in Ukraine posed an unprecedented challenge for RBI and its employees. RBI employees joined forces and pulled together to meet these challenges. Various relief initiatives and appeals for donations enabled not only first aid to be provided but also long-term support for people affected by the war. Aid was given either directly to employees or indirectly through donations to aid organizations. The war has changed the lives of many employees of Raiffeisen Bank JSC (Ukraine). RBI thus made sure and continues to make sure to provide various forms of support to employees and their families who have had to flee the war and leave the country. RBI would like to thank all employees who not only made cash or in-kind contributions but also gave of their time. Despite the crisis-ridden financial year, RBI achieved a solid business performance thanks to its employees' hard work and outstanding effort. This past financial year confirmed that RBI's business model and its governance are resilient and sustainable.

## Management Board meetings

The Management Board held 53 meetings during the reporting period. It regularly discussed and debated current business developments as well as strategic topics such as the further development of business operations and key regulatory issues. Strategic topics include, for example, the annual strategy review and discussions relating to the footprint of the RBI Group.

Regulatory topics in this context include ongoing updates on auditing, compliance and internal rules and regulations. The Management Board addressed a large number of topics in 2022. Those of relevance to RBI's governance are discussed in more detail below.

One of the biggest issues in 2022 was the war in Ukraine and its impact on employees, customers of Raiffeisen Bank JSC (Ukraine), and business operations in Ukraine and Russia. Many meetings were held in which all the strategic options for AO Raiffeisenbank (Russia), up to and including a carefully managed exit from Russia, were examined, discussed and evaluated in detail. The tremendous complexity and the fluid, difficult environment made it impossible to reach a final decision on this matter by the reporting date.

In addition to the status of Raiffeisen Bank JSC (Ukraine), there were also regular status reports on the progress of the sale of Raiffeisenbank (Bulgaria) EAD to KBC Bank, which had been decided the year before. The sale closed on 7 July 2022. The purchase of the Crédit Agricole Group in Serbia, consisting of a bank and a leasing company, was also on the Management Board's agenda, as was the progress made in integrating Equa bank in the Czech Republic following its acquisition by Czech Raiffeisenbank a.s. the previous year.

Employee surveys were conducted several times during the financial year and were reported on to, and discussed by, the Management Board. High work pressure and emotional strains on many employees meant that much of the attention focused on issues such as work-life balance, career prospects and the meaningfulness of work. The Management Board discussed possible causes and improvement initiatives aimed at making corporate goals and employee needs even easier to reconcile with another.

To ensure good, sustainable governance, the processes for identifying and addressing potential conflicts of interest were improved further. The relevant rules were substantively revised and brought in conformity with current regulatory requirements. Among other things, the revisions incorporated updates to regulatory requirements (EBA Guidelines on Internal Governance from July 2021/ECB Guide to Fit & Proper Assessments from December 2021) and provided further detail for relevant definitions as well as general responsibilities and expectations (primarily vis-à-vis employees).

Regular status reports and updates on developments in the field of compliance kept the Management Board apprised of risks, market developments, effectiveness of internal control mechanisms, etc. in this important area. Status reports were also given on money laundering and terrorist financing prevention, financial sanctions and capital market compliance. There were also regular reports on general white-collar crime (e.g. fraud) and on technical and procedural improvements aimed at optimizing processes and risk management. Internal and external audit and benchmarking analyses once again attested to RBI's very high compliance standards last year. The war in Ukraine, the resulting sanctions and the closer monitoring of fund flows continue to require special efforts by compliance employees.

Digitalization is and remains an essential tool for providing banking services in a modern, accessible manner. The Management Board spent many meetings evaluating and advancing the various initiatives that are underway at RBI. The initiatives focus on developing digital products and services to be used in both digital and face-to-face sales that will address customers' needs. The Management Board not only serves as a driver of this development process but keeps an eye on the strategic goals as well.

RBI's transformation into an agile, nimble organization and the associated changes to its internal governance remain a major goal, notwithstanding the achievement of important milestones. Agile teams make significant contributions to continuous product development as well as process and product digitalization in order to increase not only customer satisfaction but also employee satisfaction at head office and within the Group. At head office, agile teams already cover 86 per cent of all further development activities, which includes IT. The considerable maturity of the agile organization played a big role in quickly and efficiently managing the huge impact of the war in Ukraine by, for example, acting swiftly to comply with sanctions in the various business areas.

Progress reports on advanced analytics and AI (artificial intelligence) were also regularly discussed by the Management Board. These methods are expected to improve business intelligence in order to make more accurate forecasts or generate recommendations for customers that are highly tailored to their needs. In the retail area, projects in 2022 focused on increasing the efficiency of customer relationship management and enhancing customer satisfaction with improved customer service. In the non-retail area, the focus was partly on automating processes (e.g. through the use of language models) and partly on supporting customer service representatives in order to identify various types of risks quickly and better (money laundering, greenwashing in the ESG domain, foreign currency risks, etc.).

The Fit & Proper training course for the Management Board focused primarily on changes to regulatory provisions, anti-corruption and changes to rules and regulations on sustainability reporting.

## Supervisory Board meetings

The Supervisory Board (SB) held 6 meetings during the reporting period.

The war in Ukraine and its consequences for RBI also required the Supervisory Board to constantly assess the status of operations at Raiffeisen Bank JSC (Ukraine) and the resulting challenges for the company and the entire Group. 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, risk management and capital and liquidity situation of the company and material Group companies, particularly in relation to the repercussions of the war in Ukraine. The Supervisory Board's focus in these reports was on prudent, foresighted risk management and capital planning.

The Supervisory Board also received regular reports on the economic situation of selected network banks and macroeconomic circumstances in those banks' countries. Some of these reports were presented directly by members of the banks' management boards at the Supervisory Board meeting.

Regular compliance updates provided the Supervisory Board and its committees with detailed information about current compliance issues, particularly with regard to financial sanctions and anti-money laundering.

The Supervisory Board also discussed the annual strategy review in 2022. These discussions covered the underlying fundamentals, analyses and peer comparisons in detail and took up the Management Board's recommendations for the areas and directions of future growth. Given geopolitical developments and the situation in Eastern European markets, the Supervisory Board meticulously laid out RBI's future strategic and geographical positioning and related projects with the Management Board in regular meetings and in several strategy workshops. Geopolitical events were an ongoing focus of in-depth discussions.

The Supervisory Board also received reports on the implementation of projects aimed at building a structure for digital platforms. Details are available in the chapter on Management Board meetings.

The Supervisory Board once again gave special attention to RBI's sustainability initiatives and compliance with legal and regulatory ESG requirements.

The Supervisory Board cares deeply about developing and motivating employees and promoting their health. It therefore obtained detailed information on the current situation and the status of measures taken in relation to these issues. This information stressed the fact that the war in Ukraine was, and still is, a challenging time, especially for employees. The Supervisory Board supports the Management Board's initiatives to improve working conditions and support employees as well as the Healthy Organization and Leadership & Culture priorities set for the 2022 financial year. Action was taken on these priorities, including measures specifically designed to address the special physical and mental stresses brought about by the war situation as well as tensions that appeared within the organization as well. Managers were also given the tools needed to avoid or work through conflicts.

As in every financial year, multiple Fit & Proper training courses were held for the members of the Supervisory Board. One of the main topics of the Fit & Proper training courses was the analysis of geopolitical trouble spots and the related changes in the banks' financing and business environment, with a particular focus on market and interest rate developments. The members of the Supervisory Board also received extensive training on crypto assets that addressed general macroeconomic, legal and regulatory conditions. Like every year, regulatory updates were a fixed component of the Fit & Proper training courses; this time, the regulatory updates covered issues such as the IT risk framework, sustainability reporting and new regulations in retail banking.

The relationship between the Supervisory Board and the Management Board was based on open communication, not only in the regular meetings, but also outside in the form of information meetings and informal discussions.

## 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 not only with loan and limit applications but also with general focus reports on individual industries in the corporate customer business and financial institutions areas. 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 segment over 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 entire Supervisory Board limit applications that fall within its decision-making authority. It also discusses reports written for the Supervisory Board, such as the annual report on all large loans 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 received extensive focus reports on individual customer segments in the Corporate Customers and Financial Institutions divisions. The various segments' shares in the overall portfolio, rating quality, and segment-specific developments and default probabilities were also discussed. In addition, concentration risk was monitored regularly and the current and potential portfolio impact of the Russia-Ukraine crisis was evaluated.

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 aspects, 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 consequences of the war in Ukraine were an important topic for the Risk Committee in particular in 2022. Different scenarios were constantly being evaluated. The risk situation at RBI and its subsidiaries – especially in countries directly affected by the conflict, i.e. Ukraine, Russia and Belarus – was also monitored closely and promptly. Discussions covered topics such as measures relating to business continuity management, liquidity, risk costs, credit risk, clearing, settlement and payment services and currency risks as well as strategic issues. The Risk Committee carefully assessed the results of the stress tests, which were carried out amid the geopolitical and macroeconomic situation, and was kept informed of current developments and actions.

The Risk Committee addressed regular updates on the compliance risk profile, particularly with regard to anti-money laundering and sanctions management. It also focused on the monitoring of IT risk management and the resilience of IT infrastructure.

The Risk Committee regularly discussed the characterization of risk appetite and related forecasts. It also considered risk developments in the individual business segments as well as portfolio quality, particularly for retail and corporate customers. All these activities were consistently focused on ensuring forward-looking, prudent and proactive risk management.

In keeping with these efforts, the Risk Committee also addressed the potential impact of the changed macroeconomic environment on the risk profile. Potential risks resulting from the energy and gas supply bottlenecks were discussed. Among other things, the discussions clarified the extent to which the risk assessment reflected industry-wide implications and announced political plans. Approaches to quantifying a potential energy crisis were discussed as well.

Reports on risk-related ESG issues were given on an ongoing basis. The results of the ECB climate stress test were presented and analyzed in the Risk Committee.

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.

The Audit Committee considers 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. 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 required improvements. The Audit Committee also devotes attention to the accounting framework and discusses the implementation of necessary projects.

In addition to the Audit Committee's regular annual monitoring activities, there were regular updates on business developments in the 2022 financial year which addressed the financial performance, key figures, development of the lending business and the impact of current geopolitical circumstances on RBI. Moreover, the Audit Committee verified that financial statements were properly audited at the subsidiary banks in Ukraine, Russia and Belarus. It also conducted a quality review of RBI's auditor using a structured process and a detailed questionnaire.

The Audit Committee addressed the requirements set out in IFRS 9 with regard to the use of forward-looking information for calculating expected credit loss and assessed current legal cases and ESG issues in greater detail.

The Audit Committee was briefed on the mandatory and voluntary standards for sustainability reporting.

The **Remuneration Committee's** responsibilities include, first and foremost, establishing guidelines 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 is responsible for preparing the Supervisory Board's resolutions on the principles governing the remuneration of the members of the Management Board and the Supervisory Board (remuneration policy) and for preparing the remuneration report on these matters. The Remuneration Committee issues detailed internal remuneration policies for the Management Board and employees of RBI, giving due consideration to the remuneration policies, 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 annually 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 the selection criteria and the decision-making process. The Risk Committee has a preparatory role in the selection of identified employees.

The Remuneration Committee defines performance management principles for the Management Board while taking the remuneration policy into consideration. It also monitors the fulfillment of regulatory and general performance-related criteria for granting and paying bonuses and is involved in deciding whether a penalty or clawback event has occurred.

The Remuneration Committee confirmed that the general criteria had been met for paying bonuses for the 2022 financial year. Details on Management Board remuneration are provided in the remuneration report. The Remuneration Committee was involved in preparing the remuneration report that was presented to the Annual General Meeting.

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 assessment, 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, develops a strategy for achieving the defined target ratio and regularly discusses the adoption 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.

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.

In the 2022 financial year, the Nomination Committee reviewed and confirmed the suitability of Michael Höllerer and Michael Alge as new members of the Supervisory Board.

In every meeting, the Nomination Committee held discussions on progress made toward achieving the target ratio for the underrepresented gender. The discussions showed not only that RBI is making excellent progress in appointing women to senior management positions but also that efforts should constantly be made to develop and implement additional measures. To advance this goal, a workshop was held with the members of the Nomination Committee in which, using benchmarking and market best practices, previous measures and their effectiveness were analyzed in detail and confirmed as appropriate. Further initiatives were also developed in the workshop. There is agreement that diversity, in particular gender diversity, is a key issue for RBI and ongoing targeted efforts should be made to further increase the share of women in management. For details, please see the chapter describing the diversity strategy.

The Nomination Committee approved the updated version of the internal Fit & Proper policy, incorporating the EBA's and ECB's revised regulatory guidelines on the assessment of the suitability of members of the management body and key function holders.

The **Personnel Committee** deals with the remuneration of Management Board members and 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. The Personnel Committee is also responsible for approving any acceptance of secondary employment by members of the Management Board. The Committee discusses and reviews any 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 concrete targets for the Management Board based on applicable rules and regulations and makes any required changes. The Personnel Committee discusses whether the Management Board has attained its targets and approves bonus allocations on that basis. It then also decides whether to pay amounts from bonus payments that were deferred as required by law.

The Personnel Committee confirmed the achievement of the Management Board's eligibility criteria and approved the payment of variable remuneration that reflected target achievement. Details are provided in the remuneration report.

The Personnel Committee also determined individual performance criteria for the 2022 financial year as well as weights for financial and non-financial targets. This is done in accordance with RBI's internal performance management policy. The primary basis for the non-financial performance criteria are the goals of the Vision Mission 2025, particularly sustainability targets. For details, see the remuneration report.

The **Digitalization Committee's** duties are to advise the Management Board and 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 the digital transformation and for regularly reporting on this to the Supervisory Board.

The main areas covered by the Digitalization Committee in the financial year were corporate digital banking as well as digital banking for markets and investments. The committee discussed digital products and services as well as other measures and focuses of digitalization.

The Digitalization Committee thoroughly discussed the Group's IT strategy for 2022 in preparation for a review by the Supervisory Board. Activities and measures in fintech and innovation were presented. The Digitalization Committee also gave an update to the Audit Committee on the business activities of Elevator Ventures GmbH, a venture capital subsidiary of RBI that invests in fintech start-ups.

## Number of Committee meetings

The Working Committee (WC) held eleven meetings in the 2022 financial year. The Risk Committee (RC) met four times, the Audit Committee (AC) six times, the Remuneration Committee (ReC) three times, the Nomination Committee (NC) four times, the Personnel Committee (PC) twice, as did the Digitalization Committee (DC). In addition, a joint meeting of the Risk and Audit Committee was held.

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 (11)	RC (4)	AC (6)	ReC (3)	NC (4)	PC (2)	DC (2)	Joint RC&AC (1)	Total (39)
Erwin Hameseder	6/6	11/11	4/4	6/6	3/3	4/4	2/2	n/a	1/1	37
Martin Schaller	5/6	9/11	4/4	n/a	3/3	4/4	2/2	2/2	1/1	30
Heinrich Schaller	6/6	6/11	3/4	6/6	3/3	3/4	2/2	n/a	0/1	29
Klaus Buchleitner <sup>3</sup>	2/2	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	2
Peter Gauper	6/6	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	6
Wilfried Hopfner <sup>3</sup>	2/2	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	2
Rudolf Könighofer	5/6	n/a	n/a	n/a	n/a	1/1	1/1	n/a	n/a	7
Reinhard Mayr	6/6	n/a	n/a	6/6	n/a	n/a	n/a	2/2	1/1	15
Heinz Konrad	5/6	n/a	n/a	n/a	n/a	3/3	1/1	n/a	n/a	9
Eva Eberhartinger	6/6	n/a	4/4	6/6	2/3	n/a	n/a	n/a	1/1	19
Andrea Gaal	6/6	11/11	4/4	6/6	3/3	4/4	2/2	2/2	1/1	39
Michael Höllner <sup>1</sup>	4/4	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	4
Michael Alge <sup>2</sup>	4/4	n/a	n/a	n/a	n/a	n/a	n/a	2/2	n/a	6
Birgit Naggler	6/6	11/11	4/4	6/6	3/3	4/4	2/2	n/a	1/1	37
Rudolf Kortenhof	5/6	8/11	4/4	6/6	3/3	3/4	n/a	2/2	1/1	32
Peter Anzeletti-Reikl	6/6	11/11	4/4	6/6	3/3	4/4	n/a	2/2	1/1	37
Gebhard Muster	6/6	n/a	4/4	n/a	n/a	n/a	n/a	n/a	1/1	11
Natalie Egger-Grunicke	4/6	n/a	n/a	4/6	n/a	4/4	n/a	n/a	1/1	13
Helge Rechberger	5/6	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	5
Denise Simek	6/6	9/11	n/a	n/a	3/3	n/a	n/a	n/a	n/a	18
Total attendance	94%	86%	97%	96%	96%	94%	100%	100%	91%	

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

<sup>1</sup> Michael Höllner was appointed to the Supervisory Board as of 31 March 2022.

<sup>2</sup> Michael Alge was appointed to the Supervisory Board and the Digitalization Committee as of 31 March 2022.

<sup>3</sup> Klaus Buchleitner and Wilfried Hopfner's mandates expired at the Annual General Meeting held on 31 March 2022.

In addition, the Supervisory Board and Working Committee also passed resolutions outside of meetings 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 for the 2019, 2020, 2021 and 2022 financial years in order to achieve a lasting improvement in the efficiency and effectiveness of the Supervisory Board's work.

Going beyond the minimum requirement for the self-evaluation and efficiency review pursuant to C Rule 36 of the ACGC, the self-evaluation has been conducted with professional outside assistance since 2019 through a partnership with the Vienna University of Economics and Business (WU Vienna).

As in prior years, a written online survey was conducted in 2022 and then analyzed and evaluated by the external experts. The results of the evaluation of the Supervisory Board, future measures and courses of action for a further strengthening of the activities of the Supervisory Board were debated in a discussion format moderated by the external advisors at a separate workshop for Supervisory Board members. The Supervisory Board members also highlighted several aspects as being particularly positive: the professionalism of the Supervisory Board, the good and constructive working relationships within the Supervisory Board and the high level of trust within the Supervisory Board.

## 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 39 days on which the Supervisory Board and its committees met in 2022, 7 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 presidium (the Chairman of the Supervisory Board and both his Deputies) and the Management Board met 14 times in 2022. The Supervisory Board also held two workshops with the Management Board.

In addition, 48 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 Chairpersons 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 the internal control functions and the CFO. The Chairman of the Supervisory Board attended over 100 meetings in total relating to RBI.

The Chairman of the Supervisory Board also held a meeting with representatives of the supervisory authorities in which key supervisory issues and current topics relevant to RBI were discussed.

To support the activities of the Supervisory Board, particularly the Chairman of the Supervisory Board, the Chairman's Office has been set up as a competence center for Supervisory Board matters and as an internal interface. The Chairman's Office ensures that the Supervisory Board's work is efficiently organized in conformity with legal and regulatory requirements and acts as a coordinator between the Supervisory Board and all relevant stakeholders at RBI.

## General Meeting

Given the still-high COVID-19 incidence rates in the first quarter of 2022, and after careful consultation with health experts, the Management Board of RBI AG decided to hold the Annual General Meeting on 31 March 2022 as a hybrid event for the first time. Shareholders and other participants could either attend physically or participate virtually via remote attendance and remote voting. To give shareholders attending the General Meeting virtually a simple and, most importantly, safe way to exercise their voting rights, a web-based portal with extensive functionality was set up, as was the case in previous years, that provided the opportunity to exercise voting rights and ask questions in advance or in real time in writing or by video conference in the General Meeting. The procedure strictly conformed to the statutory and internal COVID-19 precautions and regulations.

In response to the war in Ukraine and the need to exercise prudence, the originally proposed dividend of € 1.15 per share was revised in advance and replaced with a proposal to carry forward the net profit for the year to new account, which the Annual General Meeting approved. No dividend was thus distributed in the 2022 financial year. In addition, the Annual General Meeting passed a resolution electing Michael Höllerer to the Supervisory Board of RBI. He succeeds Klaus Buchleitner, who resigned from the Supervisory Board at his own request. Michael Alge was elected to the Supervisory Board of RBI as a new member due to the expiration of Wilfried Hopfner's mandate. Additionally, the Supervisory Board mandates of Heinrich Schaller, Peter Gauper, Rudolf Könighofer, Birgit Noggler and Eva Eberhartinger were extended.

The following overview summarizes the votes of the Annual General Meeting held on 31 March 2022:

Agenda item	Voting results <sup>1</sup>		Valid votes <sup>2</sup>
	Votes for	Votes against	
2) Resolution on the utilization of net profit, as shown in the annual financial statements as at 31 December 2021	99.99	0.01	78.58
3) Resolution on the report of the remuneration of the members of the Management Board and the Supervisory Board for the 2021 financial year (Remuneration Report 2021)	99.55	0.45	78.14
4) Resolution on the release of the members of the Management Board from liability for the 2021 financial year	99.93	0.07	78.48
5) Resolution on the release of the members of the Supervisory Board from liability for the 2021 financial year	99.77	0.23	78.35
6) Appointment of an auditor (bank auditor) for the audit of the annual financial statements and consolidated financial statements for the 2023 financial year	99.29	0.71	78.57
7) Election of Heinrich Schaller to the Supervisory Board	81.61	18.39	77.94
7) Election of Peter Gauper to the Supervisory Board	87.15	12.85	78.02
7) Election of Rudolf Könighofer to the Supervisory Board	83.60	16.40	78.02
7) Election of Birgit Noggler to the Supervisory Board	86.66	13.34	78.10
7) Election of Eva Eberhartinger to the Supervisory Board	90.95	9.05	78.10
7) Election of Michael Höllner to the Supervisory Board	87.09	12.91	78.02
7) Election of Michael Alge to the Supervisory Board	86.16	13.84	77.94
8) Resolution to authorize the purchase and, if applicable, the retirement of own shares pursuant to § 65 (1) 8 as well as (1a) and (1b) of the Stock Corporation Act and in connection therewith the authorization of the Management Board, subject to the consent of the Supervisory Board, to exclude shareholders' tender rights and authorization, with the consent of the Supervisory Board, to sell own shares by other means than on the stock exchange or through a public offering with exclusion of shareholders' subscription rights	99.48	0.52	78.50
9) Resolution on the authorization to acquire own shares pursuant to § 65 (1) 7 of the Stock Corporation Act for the purposes of securities trading	99.61	0.39	78.54
10) Resolution on the amendment to Articles 2 and 19 of the Articles of Association	99.95	0.05	77.78

<sup>1</sup> All figures in per cent  
<sup>2</sup> Of share capital

At the Annual General Meeting the shareholders, as owners of the company, can exercise their rights by voting. The fundamental principle of "one share, one vote" applies pursuant to Article 15 (3) of the Articles of Association of RBI AG. 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.

The Annual General Meeting for the 2022 financial year will take place on 30 March 2023. 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.

## Syndicate agreement concerning RBI

Due to a syndicate agreement relating to RBI, the regional Raiffeisen banks and direct 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. In the past financial year, RBI was not notified of any changes in the shareholder structure of RBI, that were subject to publication pursuant to the Austrian Stock Exchange Act, in relation to the syndicate as a whole or with regard to individual syndicate members.

## 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

RBI is actively committed to ensuring equal opportunities for all employees regardless of age, gender, nationality, sexual orientation, physical or mental ability, religion or world view. This principle applies across all areas of human resource management, from employee selection to salaries all the way to appraisals and career development. The RBI Group diversity and inclusion policy defines RBI's attitude, roles and responsibility with regard to diversity and establishes the principle of implementing a diversity strategy at RBI. All subsidiaries have appointed diversity officers and adopted local strategies. For example, the diversity and inclusion strategy drawn up at head office in 2021 aims to embed the issue throughout the Group, moving away from individual initiatives toward holistic, leadership-driven diversity and inclusion according to the following five principles:

- Our engagement and commitment to diversity and inclusion begins at the very highest level of management
- Our management teams are diverse and aware of the importance of diversity
- We empower all employees to contribute to an inclusive work culture
- We actively integrate diversity and inclusion into HR processes and practices
- We work transparently and on the basis of data

Key focuses for 2022 were gender, LGBTQI+ and people with disabilities.

The key components of the RBI Group diversity and inclusion policy include RBI's diversity vision and mission statement and the daily implementation guidelines: "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-long 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." More information on diversity is available on the RBI website at [www.rbiinternational.com](http://www.rbiinternational.com) → Sustainability & ESG → Diversity & Inclusion. The RBI Group diversity and inclusion policy defines a strategy for filling Management Board and Supervisory Board positions, whereby hiring must consider both diversity and compliance with statutory requirements. Important diversity aspects include age, gender and geographic origin. The main requirements for holding such a position also include solid educational background and professional experience, preferably in roles related to fintech companies, banks or financial institutions. The formalization of the hiring process (at all levels), the focus placed on women in the internal succession pipeline and the support given to women in their careers facilitate decision-making and the attainment of the targets we have set for ourselves. RBI aims for the boards to 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 the positions within the Supervisory Board, Management Board and Tier 2 management of RBI by no later than 2024.

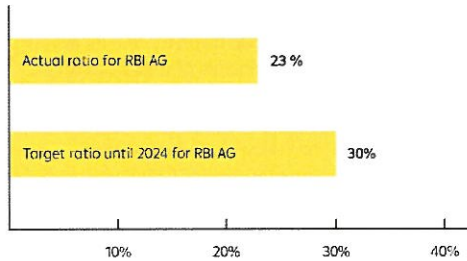
Of the six Management Board members of RBI AG, currently four are from Austria, one from Poland, and one from Ukraine. Members of non-Austrian origin therefore constituted 33 per cent of the Management Board at the end of 2022 (2021: 33 per cent). All the Supervisory Board members are of Austrian origin. The ages of the Supervisory Board members range between 48 and 68 (2021: from 47 to 67), and of the Management Board between 44 and 63 (2021: from 43 to 62).

### 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 optimize quality of decision making and minimize 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 2022, the corresponding proportion was 27 per cent (2021: 22 per cent). Women held the following proportions of Tier 3 management positions and higher (positions with staff responsibility) at RBI AG:

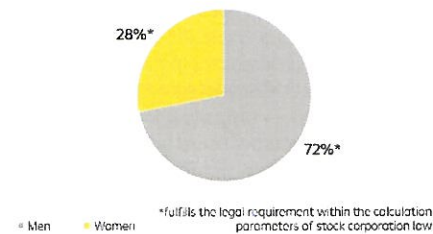
Supervisory Board, 28 per cent (2021: 28 per cent); Management Board, 0 per cent (2021: 0 per cent); Tier 2 management, 35 per cent (2021: 28 per cent) and Tier 3 management, 26 per cent (2021: 20 per cent). Female employees make up 46 per cent (2021: 46 per cent) of the total workforce. RBI AG therefore meets the legal requirement for the share of women on its Supervisory Board within the calculation parameters of stock corporation law.

**Proportion of women on the Supervisory Board and Management Board and in second tier of management at RBI AG**

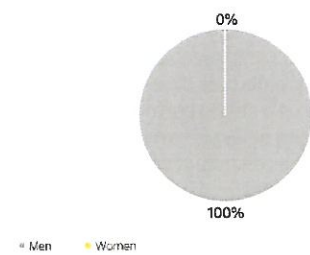


The following figures include RBI AG and 12 network banks in CEE and Raiffeisen Bausparkasse Gesellschaft m.b.H., Raiffeisen Kapitalanlage-Gesellschaft m.b.H., Raiffeisen-Leasing Gesellschaft m.b.H, as well as Valida Holding AG and Kathrein Privatbank Aktiengesellschaft. The proportion of women in the Supervisory Board, Management Board and the second tier of management totaled 34 per cent at year-end 2022 (2021: 33 per cent). The target ratio for 2024 is 35 per cent. In the RBI Group, female employees make up 64 per cent (2021: 65 per cent) of the total workforce. Women held 18 per cent of Management Board positions (2021: 16 per cent) and 38 per cent of Tier 2 management positions (2021: 37 per cent). The proportion of women in Supervisory Board positions was 27 per cent (2021: 26 per cent).

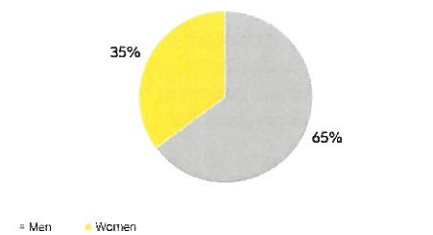
Proportion of men/women on RBI's Supervisory Board



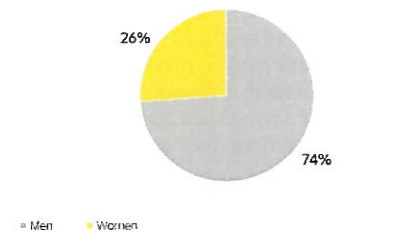
Proportion of men/women on RBI's Management Board



Proportion of men/women in management positions until second tier of management at RBI



Proportion of men/women in management positions until third tier of management at RBI



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; however, it must be acknowledged that certain reasons cannot be addressed by organizational measures. The first set of measures focuses on work culture and aims to achieve a healthy work-life balance as well as a gender-sensitive design of the New World of Work. This includes conducting the work and family audit at RBI AG since 2020, and the promotion of active parental leave management. The work and family audit is a customized certification process for companies that is designed to provide support for the defining, evaluating and planning of family-friendly measures. In addition, this set of measures includes support for women in leadership positions and female talent through networking, coaching and mentoring programs. Examples include RBI's collaboration with women's networks such as the female factor and Fondsfrauen and its sponsoring of memberships in these networks for female RBI employees to give them the opportunity to participate in career training and mentoring programs. The objective is to create a work environment that provides equal career opportunities for men and women and to motivate and support female talent in applying for management roles.

The second set of measures aims to select and develop female talent in order to develop a pipeline of female succession candidates for leadership positions. The Management Board areas have set targets for a gender-balanced succession pipeline and have developed individual strategies for reaching them. These strategies include measures for recruiting new talent and developing internal talent. Best practice examples include the Women Empowerment Circle in the COO/CIO Management Board area and the Women in Risk initiative in the CRO Management Board area, which are employee-driven initiatives supported by

the Management Board members associated with them. The Women Empowerment Circle has pursued the objective of institutionalizing networking among women since 2017 and is driven by Group IT Delivery employees. The initiative hosts target group-specific events and promotes the sharing of ideas, knowledge and experience with subsidiaries. Other programs include the Women Empowerment Journey launched in 2021 – a virtual clubhouse or regular panel discussions and participation in the Vienna Daughter's Day.

The Women in Risk initiative is a voluntary network of women in leadership positions in the risk sector. Its mission is to support each other and all women working in the risk sector by providing lectures, workshops and discussions.

Inclusion and unconscious bias have also been incorporated into existing training courses as new topics. For example, unconscious bias was added to the basic leadership training course to support the new managers at head office. In addition, special emphasis was placed on integrating diversity into various other events, such as welcome events for new employees or learning modules for high-potential 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 process. It includes establishing an internal office for the Group-wide recruitment of managers in order to achieve multiple aims, including the execution of the diversity and inclusion strategy. The office ensures that selection procedures are clear and transparent, which increases the number of qualified applicants. The measures apply to the entire selection process: including job advertisements (gender-appropriate wording), predefined and clear selection criteria, anonymized testing and focusing on the female talent pool. Structured interviews are conducted for each vacancy. Hiring decisions are based on predefined criteria catalogs. In addition, relevant stakeholders are made aware of candidate lists that are insufficiently diverse. A recruitment agency is brought in if needed. Each recruitment agency is carefully evaluated, including with regard to its diversity and inclusion strategy and its ability to reach a broad, diverse pool of applicants for a vacant position. In addition to the selection process, the measures also focus on raising awareness among managers to take responsibility to increase the percentage of women in management positions. Every management team of a Management Board area has defined its own targets and strategies for increasing the percentage of women in the first and second tier of management below board level. This bundle of measures provides medium- and long-term impetus to bring about cultural change and promote diversity at the company.

## Transparency

RBI always strives to create transparency for its customers, employees and shareholders. It puts a top priority on an open communication network and transparent communication channels.

The Austrian Corporate Governance Code provides an important foundation for transparency. The Code's requirements are wide-ranging and mentioned at various points elsewhere in this report. To comply with provisions of the Code, RBI's Corporate Governance Report states where the Code and the report itself are published. Additional transparency requirements include explanations for rule deviations (comply or explain). Other transparency requirements that the company has met in full include the composition of committees, measures taken to support women, the diversity strategy, the review of the report by the Supervisory Board, the ability of shareholders to ask questions about the report at the General Meeting and, finally, verification of compliance with C Rules by an external auditor.

One of the most important tools for external communication is the RBI website. It plays an important role for RBI with regard to open communication with shareholders and their representatives, customers, analysts, employees, and the interested public. Therefore, the website offers regularly updated information and services, including the following: financial and regulatory reports, presentations and webcasts, ad-hoc and investor relations releases, information on the share and shareholder structure, financial calendar, ratings, consensus estimates and covering analysts, information for debt investors, the Corporate Governance and Remuneration Report, the Corporate Governance Code, information on the Annual General Meeting, the Sustainability Report, ratings from sustainability rating agencies and index providers, press releases, and other news from various divisions, 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, as well as an ordering service for financial reports and investor relations news by e-mail and much more.

To expand internal communication channels, 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.

## 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 exercise or hold certain functions, roles and interests at other companies (such as supervisory board mandates, personal investments, etc.) are obligated to make sure that no actions or decisions are made that put the RBI Group at a disadvantage and that the interests of the involved companies are fairly balanced whenever there are any points of intersection with the RBI Group.

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. The Supervisory Board also regularly addressed conflicts of interest in 2022 and received training on this subject.

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 EBA's guidelines on internal governance, the joint European Securities and Markets Authority/EBA guidelines on the assessment of 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.

## Information and cyber security

Information and cyber security is a core issue for RBI AG and is given top priority. Customers' and business partners' data is treated with utmost care. Due consideration is always given to changing factors that impact information security: the threat landscape, technology, the regulatory environment, the corporate strategy, etc.

The Group Chief Information Security Officer is responsible for defining, refining and implementing RBI's information security strategy. RBI's processes are certified to ISO 27001, the international de facto standard for information security management. The certificate covers core banking processes, mission-critical support processes, banking products, necessary IT infrastructure, locations and employees as well as security management for the RBI Group and security processes for subsidiaries. Security is a top priority for RBI. RBI has taken strategic steps to strengthen cyber security in order to maximize customer data protection and be positioned to identify possible threat scenarios for the bank's IT environment early on and address them as effectively as possible. There were no security incidents involving data loss at RBI in the 2022 financial year, understanding the definition of a security incident as a breach of controls that impairs the confidentiality, integrity and/or availability of business services.

RBI protects its business and customer data with technical measures to prevent unauthorized access, hacking attempts, malware infections, DDoS attacks (distributed denial of services – an organized attack that overloads the IT infrastructure), ATM fraud, data leaks, phishing attempts, disclosure of sensitive information and many other threats. Measures are taken to ensure a reasonable level of risk regarding confidentiality, integrity, availability and resilience of all systems. Rapid technological change requires constant changes and improvements to security measures, both technically and organizationally. Last financial year, RBI responded to technological advances and changes in its employees' location situation (in-office, remote, etc.) and began to roll out a zero-trust architecture. This reduces exposure to cyber attacks as well as opportunities for malware to spread within the company. The first step has been to implement secure employee access to corporate resources in multiple countries. The full roll-out is planned for 2023. In addition, RBI continuously improves its information and cyber security governance in order to keep up with the fast-moving technological and regulatory environment and stay prepared for threats. That includes training all employees regularly at least once a year to raise their awareness of information and cyber security concerns.



Observant employees who are aware of these issues play an extremely important role in protecting the company from security threats. Protection also includes educational campaigns, targeted training and regular communication through internal media. That enables RBI to protect its own data and its business partners' data from potential threats. Cyber and IT security risks are covered by Group-wide fidelity/crime insurance. It covers direct losses from cyber attacks such as bank withdrawals. Other forms of insurance held by RBI (professional liability, cash-in-transit, etc.) include coverage for cyber and IT risks wherever this is possible and reasonable. Further details under: [www.rbinternational.com](http://www.rbinternational.com) → Who we are → Compliance → Security → Technical and Organizational Measures

## 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 2022 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 Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Vienna (KPMG) was appointed by the Management Board to audit the consolidated non-financial report and reported its findings to the Supervisory Board at its February 2023 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 31 March 2022 selected Deloitte Audit Wirtschaftsprüfungs-GmbH, Vienna (Deloitte) as external Group auditor and bank auditor for the 2023 financial year. Deloitte 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 Gschwentner



Lukasz Januszewski



Peter Lennkh

Hannes Mösenbacher

Andrii Stepanenko

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# 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.