

Information about Oberbank AG and its Services

Oberbank AG was set up in 1869. It has a full banking licence (§ 1 Abs. 1 Zi 1-11, Zi 15-18 and Zi 20 Bankwesengesetz [BWG: Austrian banking act]) granted to it by the competent regulatory authority, namely the österreichische Finanzmarktaufsicht (FMA: Austrian Financial Market Authority), Otto-Wagner-Platz 5, A-1090 Vienna.

Oberbank AG
Untere Donaulände 28
A-4020 Linz
Phone: +43-732-7802 - Ext.

Oberbank AG offers its customers a broad range of transactions in securities and other financial instruments, in particular in connection with the purchase and sale of securities and the custody thereof.

Oberbank AG is a member of deposits guarantee company Einlagensicherung der Banken & Bankiers Gesellschaft m.b.H. Further information is available at www.oberbank.at/impressum.

If a prospectus has been published in accordance with the Kapitalmarktgesetz (KMG: Austrian capital markets act) for a security issued and publicly offered by Oberbank AG, it will be available free of charge on the issuer's website www.oberbank.at under the menu item "Investor Relations" / "Anleiheemissionen".

A customer can communicate with Oberbank AG in German or English during its hours of business in person or by phone, letter, fax or e-mail. A customer can place orders in German either in person or in writing, and if a relevant agreement has been concluded, they can also be transmitted using online banking or placed by phone.

If asked to do so, Oberbank AG will give the customer information regarding the status of an order. The customer will receive a statement or confirmation of the order by not later than the first day of business following the execution of the order or, if the bank is receiving confirmation of the order from a third party, by not later than the first day of business following receipt of all the data.

In the event of a difference of opinion between the customer and Oberbank AG, our Ombudsstelle (mediation unit) will mediate: Ombudsstelle, Oberbank AG, Untere Donaulände 28, A-4020 Linz.

Information Regarding the Categorization of Clients in Accordance with the Austrian Securities Supervision Act of 2007 (WAG 2007)

Credit institutions are required to categorize their clients as retail clients, professional clients or eligible counterparties.

Professional clients are clients who possess sufficient experience, knowledge and expertise to make their own investment decisions and properly assess the associated risks.

According to the **act**, all credit institutions, securities firms, insurance companies, funds, fund management companies, pension funds, the federal government and regional governments and large undertakings that meet at least two of the following requirements are professional clients:

- balance sheet total of at least €20 million;
- net turnover of at least €40 million;
- own funds of at least €2 million.

In addition, any client meeting at least two of the following requirements can **request** to be categorized as a professional client:

- transactions, in significant size, at an average frequency of 10 per quarter over the previous four quarters;
- financial instruments and bank balances in excess of €500,000;
- the client has worked in the financial sector for at least one year in a professional position that requires knowledge of the transactions and services envisaged.

Professional clients are provided with a lower level of protection than retail clients. For instance, they receive less information, the fitness test is only limited and no qualitative test (assessment of the client's knowledge and experience) is carried out.

A professional client must keep the credit institution informed about any change that could affect their categorization.

Professional clients can request categorization as an **eligible counterparty**. The conduct of business rules contained in WAG 2007 are then not applied to the eligible counterparty in respect of transactions that involve the execution of transactions for clients, trading for the eligible counterparty's own account and the acceptance and transmission of orders. Eligible counterparties must be treated as professional clients when providing investment advice and asset management services.

Any client that is neither a professional client nor an eligible counterparty is a **retail client**. A retail client receives the highest possible level of protection.

However, professional clients and eligible counterparties can also ask at any time to be treated as retail clients (or professional clients) and thus receive a higher level of protection.

Re-categorization in respect of individual financial instruments or securities services is not possible.

Execution Policies for Trades in Financial Instruments

A. Preliminary Remarks

1. Scope of Application

These policies apply to the execution of orders placed by a customer with the bank in order to purchase or sell securities or other financial instruments (e.g. options). Here, execution involves the bank concluding on the basis of the customer's order and for the account of the customer an appropriate executing transaction (commission transaction) with another party in a market suitable for the purpose. Should the bank conclude a contract of sale for financial instruments directly with a customer (fixed price transaction), point 6 of these policies will apply. These policies will also apply if the bank purchases or sells financial instruments for the customer's account in the fulfilment of its obligations under an asset management agreement concluded with the customer.

2. Goal of Order Execution

Orders can generally be executed using a variety of execution channels and at various places of execution, including for instance on stock exchanges or in other trading centres, whether in Austria or abroad, within the scope of floor trading or by way of electronic trading. In the sections of this document that follow, we will be describing the execution channels and possible places of execution for the principal types of financial instrument that, as a rule, can be expected to ensure the best possible execution, in the customer's best interest, and will therefore be used by the bank when executing the customers' orders.

When choosing concrete places of execution, the bank assumes that the customer will, above all, want to achieve the best possible price, taking into account all the costs associated with the executing transaction. Since the prices of securities are, as a rule, subject to fluctuations, making it impossible to rule out movements in prices after an order has been placed that would be disadvantageous to the customer, we mainly consider places of execution where complete execution is likely to be possible and prompt execution is possible. Subject to the aforementioned principles, the bank will also make allowance for any other relevant criteria (e.g. mood of the market, settlement reliability).

3. Prioritization of Orders

The customer can give instructions to the bank stating where orders are to be executed. The bank will execute discretionary orders and orders of a similar kind that make it impossible to specify any one place of execution at its own discretion and protecting the customer's interests. Such instructions will override these execution policies.

Note: If so instructed, the bank will not execute an order in accordance with these best execution policies.

4. Passing on of Orders

In certain cases, the bank will not execute the customer's order itself. Instead, it will pass it on to another financial service provider for execution, albeit subject to these policies.

5. Alternative Execution in Individual Cases

If exceptional market conditions or a disturbance in the market make an alternative form of execution necessary, the bank will execute the order in the customer's best interest (§ 384 UGB: Austrian enterprises code).

6. Fixed Price Transactions

These execution policies apply only to a limited extent if the bank and the customer conclude a contract of sale for financial instruments with one another at a fixed or determinable price (fixed price transaction). In such cases, execution in the aforesaid sense will be dispensed with.

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B. Execution Policies for Various Kinds of Financial Instrument

We will promptly transmit customers' orders to the stock exchanges where a security is traded. Customers' orders received by us outside stock exchange trading hours or on public holidays will be placed on the stock exchange as soon as it resumes trading.

7. Interest Bearing Securities

The bank offers customers the possibility of purchasing interest bearing securities directly from the bank or selling them back to the bank. The bank can be asked for details of its current range, including in particular prices. Purchases and sales will take place at fixed prices agreed with the bank (fixed price transaction).

Note: The bank's share of the profit from a fixed price transaction will be included in the fixed price. There will be no other costs (e.g. broker's commission or similar).

If a fixed price transaction between the bank and the customer fails to come about, the bank will execute the customer's order on a commission basis, as follows:

If execution on a stock exchange seems possible given the size of the order, we will execute an order for interest bearing securities on a stock exchange on which a trade and complete execution is likely to be possible and prompt execution is possible. If the order is of such a size that execution on a stock exchange cannot be taken for granted, we will execute the order within the scope of interbank trade with another bank or financial service provider.

8. Shares

As a rule, the bank will execute orders to purchase or sell shares on a commission basis, as follows:

a) If the shares are only traded on one stock exchange (single listing), we will place the order on that stock exchange.

b) If the shares are traded on more than one stock exchange (multiple listing), we will place the order on the shares' home stock exchange. In Germany, the exceptions to these rules are shares listed in the DAX, SDAX, MDAX and TECDEX, which will always be traded using XETRA rather than on their home exchanges. Orders for Austrian shares will be executed fully electronically (XETRA). When executing an order abroad, the bank will make use of suitable other banks or financial service providers (brokers) that have access to the particular place of execution. These brokers will then pass the order on to a stock exchange as ordered. If the type or size of a particular order makes a different method of execution seem necessary, the bank will execute the order in the customer's best interest.

9. New Security Issuances in Austria and Abroad

If the Oberbank is not a member of the consortium, subscription orders will be passed on to the bank within the consortium where the Oberbank sees the best chance of an allocation.

The allocation of customers' orders will take place on the basis of the lead manager's allocation formula or applying a percentage of the securities received. If the Oberbank does not receive an allocation, the customer's subscription orders will lapse.

Regardless of the allocation procedure that is used, the bank will see to it that allocations are fair in the interest of all customers and, if possible, take place in tradable minimum volumes.

10. Subscription Rights

Orders for Austrian subscription rights will be executed fully electronically (XETRA). When executing an order abroad, the bank will make use of suitable other banks or financial service providers (brokers) that have access to the particular place of execution. These brokers will then pass the order on to a stock exchange as ordered.

We will endeavour to sell subscription rights for which the Oberbank has not received any customer orders on the last day of trading while at the same time safeguarding the customer's interests. If no subscription right trade comes about, subscription rights will expire without any value.

To keep settlement costs low, the bank reserves the right, in the customer's best interest, to combine orders and submit them for trading in batches.

11. Certificates, Structured Bonds, Warrants

As a rule, the bank will execute orders for the purchase or sale of certificates, structured bonds and warrants on a commission basis on the security's home stock exchange.

If orders are for certificates, structured bonds or warrants issued by the bank itself or by any of its subsidiaries or associates, the bank will, as a rule, execute these orders by way of fixed price transactions. If no fixed price transaction comes about, the bank will also execute such orders on an Austrian or foreign stock exchange.

12. Financial Derivatives

These also include futures and forwards, which are either traded on standardized terms on a stock exchange (futures) or agreed individually and bilaterally over the counter between the customer and the bank (forwards). Depending on the financial instrument, special terms and conditions or special contracts will apply (special terms and conditions for futures and forwards, skeleton agreement for financial futures and forwards). We will execute orders for financial derivatives traded on a stock exchange on the stock exchange on which the relevant contract is traded.

If the financial derivatives are not traded on a stock exchange (e.g. currency forwards, options, swaps and combinations of these products), there will be bilateral contracts between the parties concerned.

13. Investment Fund Shares

The issuance of shares in investment funds at their issue price and their return at their redemption price in accordance with the Investmentfondsgesetz (Austrian investment fund act) are not subject to the statutory provisions regarding the best possible execution of customers' orders.

The bank will always execute purchase and sale orders for shares in investment funds in accordance with the Investmentfondsgesetz. When executing orders in respect of investment funds specifically floated for trading on a stock exchange (exchange traded funds), the bank will execute an order on the home stock exchange on which the fund is listed.

14. Spot Exchange Transactions in Connection with Securities Transactions

If the customer does not expressly request a fixed price exchange transaction, the order will be executed at the Oberbank's fixing rate. This Oberbank fixing rate will be determined once daily between 12.30 and 1pm, taking into account the orders that have accumulated and conditions in the market.

C. Closing Remarks

If an order is not executed immediately or on its first day of validity, the bank will undertake the order's legal administration and pass on information regarding any capital increase, capital decrease or similar measure leading to the order's termination. The bank will not accept responsibility for providing any additional follow-up support such as monitoring whether or not an order has been executed. However, if asked to do so, it will inform the customer of the status of the order.

Our order execution policies and this information about the execution of orders for securities will be regularly reviewed (at least once a year) and revised if necessary. Customers will be informed promptly of any material changes to our order execution policies using a suitable medium. The current, valid version of our information regarding the execution of orders for securities is available on the Oberbank's Internet site at www.oberbank.at.

D. Stock Exchange Locations that are Currently Covered

Australia, Austria, Belgium, Bulgaria, Canada, Croatia, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hong Kong, Hungary, Ireland, Israel, Italy, Japan, Latvia, Lithuania, Luxembourg, the Netherlands, Norway, Poland, Portugal, Romania, Russia, Serbia, Singapore, Slovakia, Slovenia, South Africa, Spain, Sweden, Switzerland, Turkey, the United Kingdom and the USA.

Information regarding Conflicts of Interest

Directive 2004 / 39 / EC on markets in financial instruments in conjunction with the associated Commission Directive 2006 / 73 and Commission Regulation (EC) No 1287 / 2006 led to a revision of the Wertpapieraufsichtsgesetz (WAG 2007: Austrian securities supervision act).

Under § 35 WAG 2007, a bank must establish effective guidelines suited to its size and organizational structure and the type, scope and complexity of its business activities regarding the handling of conflicts of interest and must routinely apply these guidelines to prevent conflicts of interest from harming customers' interests.

Conflicts of interest may in particular arise because of the coincidence of a number of customer orders, the coincidence of customer orders with the banks proprietary transactions or other of the bank's own interests, including transactions with the bank's subsidiaries and associates and group members within the meaning of § 228 UGB (Austrian enterprises code), or because of the coincidence of customer orders with transactions by members of the bank's own staff or transactions between customers.

The guidelines on handling conflicts of interest serve the prevention of any conflicts of interest. They are summarized in this document.

In addition, the Standard Compliance Code of the Austrian credit industry, the guidelines on transactions by the bank's own staff, the Emittenten-Compliance-Verordnung (Austrian issuer compliance regulations) 2007, the Austrian Financial Market Authority's Interessenkonflikte und Informationen für Kunden-Verordnung (conflicts of interest and information for customers regulations) and numerous internal regulations also serve the prevention of conflicts of interest and are an integral part of our guidelines on handling conflicts of interest.

The Oberbank has taken a wide variety of organizational measures to prevent conflicts of interest. The essential measures include:

- the creation of confidentiality domains;
- the separation of responsibilities;
- an obligation on the part of Oberbank employees to adhere to the guidelines regarding transactions by the Oberbank's own staff;
- regular basic and advanced staff training;
- the obligation to report posts held by members of management in other listed companies;
- the naming of stakes of over 4 per cent held by Oberbank AG and its group members in other listed issuers;
- the use of a transparent allocation formula when carrying out new issuances;
- the disclosure and announcement of securities-related information in accordance with § 48 f Börsegesetz (Austrian stock exchange act);
- the prioritization of customers' interests over the bank's proprietary trading activities;
- adherence to the principle of priority, which means that all orders will be executed or passed on in the order in which they are received;
- the internal participation of our Compliance Officer and the requirement of his/her approval in the event of possible conflicts of interest;
- the confidential handling of confidential information with the participation of our Compliance Officer and the prevention of proscribed behaviour as specified in the Standard Compliance Code.

Our autonomous Compliance Unit Office is responsible for monitoring and ensuring adherence to the aforesaid provisions and keeps a conflicts register that is regularly maintained. The Compliance Unit is also responsible for taking action to deal with any conflicts of interest. The Compliance Unit keeps a record of reports and carries out follow-up checks in the event of conflicts of interest.

If the policies we have described do not suffice to prevent customers' interests from being harmed, the Oberbank will disclose the underlying conflict of interest in advance to allow decisions to be made on an informed basis.

In the connection, we point out that we will preferentially offer customers our own products and products of companies in which we hold investments insofar as such products are suitable for the customer. In accordance with the legislative provisions, the Oberbank will provide customized advice appropriate to the investor and the investor's portfolio and also inform the customer about suitable products of other suppliers.

The purpose of the guidelines regarding the handling of conflicts of interest is to safeguard the customer's interests within the scope of an ongoing business relationship so as to ensure the provision of advice that is appropriate to the investor and the investor's portfolio in accordance with WAG 2007.

Detailed information is available at any time from the Compliance Unit Office (Compliance-Stelle Sekretariat) at: Untere Donaulände 28, A-4020 Linz.

Information regarding the Granting and Acceptance of Inducements in connection with Financial Instruments Business

Under § 39 Wertpapieraufsichtsgesetz (WAG 2007: Austrian securities supervision act), banks are only allowed to accept inducements from third parties or grant inducements to third parties in connection with the rendering of securities services or ancillary securities services under certain conditions. Customer payments to a bank and allocations made to customers are exceptions.

The definition of the term inducements is broad. It includes all charges, commission, other monetary payments and services offered in non-monetary form. Internal allocations within banks of sales commission arising from product margins and bonus programmes are not deemed to be inducements.

Permissibility of Inducements

§ 39 (3) WAG 2007 lays down the cases in which it is permissible to grant or accept inducements. Allocations that do not meet these requirements are not permissible.

Thereunder, the granting or acceptance of inducements is permissible if

- the existence, type and amount of the inducement or, if the amount cannot be determined, the way in which this amount is to be calculated are disclosed to the customer in a comprehensive, appropriate and comprehensible manner before the securities service or ancillary securities service in question is rendered,
- the payment or granting of the inducement is general, which means that it is suited to improving the quality of the service provided to the customer with respect to at least certain customer and / or product groups and
- the bank is not hampered in the fulfillment of its duty to act in the customer's best interests.

Investment Fund Business

When carrying on business in investment funds, the Oberbank offers its customers both "in-house" funds, namely funds of 3 Banken-Investment-Gesellschaft m.b.H, and the "outside" funds of a variety of fund companies. The Oberbank holds a stake in 3 Banken-Investment-Gesellschaft m.b.H.

PURCHASE AND SALE OF INVESTMENT FUND SHARES

When a customer buys an investment fund share, there will as a rule be a so-called issue surcharge. The fund company will lay down the rate. The difference between the issue surcharge paid by the customer and the portion of the issue surcharge retained by the fund company will accrue to the bank as sales commission.

INVESTMENT FUND PORTFOLIO

The bank will receive remuneration (portfolio commission) from the relevant fund company in respect of its portfolios in the particular investment fund. Within a fund, the fund company will charge a management fee for managing the fund that will be charged to the fund's assets. A part of this management fee will be passed on to the bank as portfolio commission. Detailed information can be requested at any time.

Structured Products and Certificates

Some certificates are offered with an issue surcharge (see the section on investment funds), and there are also certificates without an issue surcharge and the secondary market, where the usual charges for purchases and sales of shares or bonds will be charged according to their structure.

A so-called up-front market has developed in this segment. In the case of third-party suppliers, margin will be credited as sales commission. In the case of Oberbank products, the costs of structuring a product will be paid out of this margin.

Property Shares

From certain volumes, we receive commission when a capital increase takes place. Here, no conflict of interest can be inferred because the principal participants in a capital increase are existing shareholders. Any recommendation on the part of the bank to the effect that the customer should participate in a capital increase will result solely from the asset mix currently implied by the customer's chosen investment strategy.

Improving Service Quality

None of the above sales and portfolio commissions will have detrimental effects for the customer. In particular, they will not give rise to any conflicts of interest:

- All commission received in respect of fund of fund portfolios will be credited to the fund in full.
- The bank offers the customer extensive information and advisory services. It does not charge any separate up-front fee for doing so, so earnings from securities business are needed to pay for this added value.
- Sales and portfolio commissions help finance the creation of a sales network (e.g. fund companies do not address the investing public directly) and the strengthening of support services.

In particular, the costs of the following are covered:

- requisite investments: staff costs, training costs, system costs, market expertise and product development;
 - preparing meetings with customers;
 - providing needs orientated, customized advice in accordance with WAG 2007 regardless of the outcome;
 - preparing and distributing documents and answering enquiries;
 - explaining the risks associated with individual products.
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- The customer can at any time and free of charge take advantage of quality advisory services without any obligation to buy a product, so the "indirect inducement" financed by products is clearly highly advantageous to the customer.
 - Portfolio commission reduces the client's purchasing costs. In addition, portfolio commission acts as an anti-churning fee, removing the incentive to continuously switch investments.
 - To sum up, these are inducements that serve the development and maintenance of efficient, high-quality infrastructures for the purchase and sale of financial instruments.

Agency Business

If customers are served by agents and the Oberbank's services are limited to a pure settlement function, the agent in question will receive the aforesaid sales commission or a part thereof from the Oberbank.

All possible and actual inducements have been listed in this document. Naturally, we will, if asked to do so, provide the customer with further details.