



HYPO NOE

Translation from the German original text.

Only the German version of the articles of association is binding.

ARTICLES OF ASSOCIATION

of

HYPO NOE Landesbank für Niederösterreich und Wien AG

3100 St. Pölten

Company register number 99073 x

I. GENERAL PROVISIONS

Article 1

Company Name, Registered Office and Duration

- (1) The name of the Company is: "HYPO NOE Landesbank für Niederösterreich und Wien AG"
- (2) The Company has its registered office in St. Pölten, Austria.
- (3) The Company's duration is perpetual.

Article 2

Purpose of the Company

- (1) The purpose of the Company is to continue the business operations of the entire banking undertaking transferred as a contribution in kind pursuant to section 8 a of the Federal Act of 24 January 1979 concerning the Credit Sector (Credit Sector Act (*Kreditwesengesetz*), Federal Law Gazette (*Bundesgesetzblatt*, BGBl.) 63/1979, as amended by BGBl. 415/1988), which undertaking was operated under the company name "Niederösterreichische Landesbank-Hypothekenbank" and had its registered office in Vienna until its transfer. The transfer caused the devolution of title by way of universal succession which took effect upon the registration of the Company in the company register. Through the transfer, the licences and authorisations of the transferring bank have passed to the Company.
- (2) Being a regional bank (*Landesbank*), the Company is in particular responsible for supporting the Province of Lower Austria (*Land Niederösterreich*) in meeting its economic policy challenges in Lower Austria and Vienna, as well as for promoting money transactions and lending operations and thus the economic development of Lower Austria, by means of its banking services.
- (3) The business of the bank is to be conducted on a commercial basis, taking into account macroeconomic aspects, and with due regard to the interests of the Province as the guarantee organisation.
- (4) The Company, which is geared towards a permanent and sustainable existence, is pursuing, in the interest of its shareholder and in the public interest, the goal of maintaining an adequate capital base as well as other relevant social, scientific and cultural objectives and projects.
- (5) The Company is entitled to have a seal and stamp showing the coat-of-arms of Lower Austria surrounded by the text "HYPO NOE Landesbank für Niederösterreich und Wien AG".

Article 3

Object of the Undertaking

- (1) The object of the Company's undertaking is to carry out the following banking activities:
 - a) Section 1 (1) 1 Banking Act (*Bankwesengesetz*, BWG):
The acceptance of funds from other parties for the purpose of administration or as deposits (deposit business);
 - b) Section 1 (1) 2 BWG:

- The provision of non-cash payment transactions, clearing services and current-account services for other parties (current account business);
- c) Section 1 (1) 3 BWG:
The conclusion of money-lending agreements and the extension of monetary loans (lending business);
 - d) Section 1 (1) 4 BWG:
The purchase of cheques and bills of exchange, and in particular the discounting of bills of exchange (discounting business);
 - e) Section 1 (1) 5 BWG:
The safekeeping and administration of securities for others (custody business);
 - f) Section 1 (1) 6 BWG:
The issuance and administration of payment instruments such as credit cards and traveller's cheques;
 - g) Section 1 (1) 7 BWG:
Trading for one's own account or on behalf of others in:
 - (i) Foreign means of payment (foreign exchange and foreign currency business);
 - (ii) Money market instruments;
 - (iii) Financial futures contracts, including equivalent instruments settled in cash as well as call and put options on the instruments listed in section 1 (1) (7) lit. a and d to f BWG, including equivalent instruments settled in cash (futures and options business);
 - (iv) Interest-rate futures contracts, forward rate agreements (FRAs), interest-rate and currency swaps as well as equity swaps;
 - (v) Transferable securities (securities business);
 - (vi) Derivative instruments based on (ii) to (v);
 - h) Section 1 (1) 8 BWG:
The assumption of suretyships, guarantees and other forms of liability for other parties where the obligation assumed is monetary in nature (guarantee business);
 - i) Section 1 (1) 9 BWG:
The issuance of covered bonds as well as the investment of proceeds from such instruments in accordance with the applicable legal provisions (securities underwriting business);
 - j) Section 1 (1) 10 BWG:
The issuance of other fixed-income securities for the purpose of investing the proceeds in other banking transactions (miscellaneous securities underwriting business);
 - k) Section 1 (1) 11 BWG:
Participation in underwriting third-party issues of one or more of the instruments listed under section 1 (1) 7 lit. b to f BWG as well as related services (third-party securities underwriting business);
 - l) Section 1 (1) 15 BWG:
The business of financing through the acquisition and resale of equity shares (capital financing business);
 - m) Section 1 (1) 16 BWG:
The purchase of receivables from the delivery of goods or services, assumption of the risk of non-payment associated with such receivables – with the exception of credit insurance – and the related collection of such receivables (factoring business);
 - n) Section 1 (1) 17 BWG:
The conduct of money brokering transactions on the interbank market;
 - o) Section 1 (1) 18 BWG:
The brokering of transactions as specified in

- (i) section 1 (1) 1 BWG, except for transactions conducted by contract insurance undertakings;
 - (ii) section 1 (1) 3 BWG, except for the brokering of mortgage loans and personal loans by real estate agents, personal loan and mortgage loan brokers, and investment advisors;
 - (iii) section 1 (1) 7 lit. a BWG where this applies to foreign exchange transactions;
 - (iv) section 1 (1) 8 BWG
- (2) The object of the Company also comprises
- a) trade in coins, medals and bars made of precious metals,
 - b) renting out safe deposit boxes,
 - c) investing in undertakings of every kind,
 - d) acquisition and sale of undertakings, or formation of new undertakings, and their operation,
 - e) automated data processing and information technology services,
 - f) brokering of insurance transactions of every kind as well as of building savings and loan business and
 - g) all transactions conducive to directly or indirectly promote the bank's business objective.
- (3) The Company is authorized to operate branch offices.
- (4) The Company's activities cover domestic and international business.

Article 4

Liability

- (1) Pursuant to section 5 (2) of the Lower Austrian Regional Banks Act (*NÖ Landesbankgesetz*), Provincial Law Gazette (*Landesgesetzblatt*, LGBl.) 3900, the Province of Lower Austria as deficiency guarantor (*Ausfallsbürge* pursuant to section 1356 Austrian Civil Code (*Allgemeines Bürgerliches Gesetzbuch*, ABGB)) shall be liable without a time limit for all obligations incurred by the Company until 2 April 2003. All new obligations of the joint-stock company (*Aktiengesellschaft*) entered into from 3 April 2003 to 1 April 2007 shall continue to be covered by the liability of the Province of Lower Austria as deficiency guarantor provided that their maturity date does not fall after 30 September 2017. The Province of Lower Austria generally will not be liable for any obligations entered into after 1 April 2007.
- (2) During the term of the deficiency guarantee provided by the Province of Lower Austria, the Province shall have the right to perform at any time a financial audit and company audit as well as to inspect at any time all other records and documents of the Company as required for exercising its rights and discharging its obligations.
- (3) The supervisory commissioner (*Aufsichtskommissär*) appointed by the provincial government as well as the deputy supervisory commissioner shall, during the term of the deficiency guarantee provided by the Province of Lower Austria, have access to any and all required information of the Company in any manner they may see fit. During the term of the deficiency guarantee provided by the Province of Lower Austria, the supervisory commissioner and the deputy supervisory commissioner shall be invited to the meetings of the Supervisory Board and have the right to attend said meetings. At the meetings, the supervisory commissioners may request information from both the Management Board and the Supervisory Board.
- (4) If the Province of Lower Austria pays any amounts claimed under the deficiency guarantee, it shall not only have the right to be reimbursed for the debt paid (section 1358 ABGB) but shall also be

entitled to demand reimbursement from the Company for any and all expenses incurred in connection with the discharge of its liability, including costs incurred by it in a legal dispute with creditors.

Article 5

Notices

- (1) Unless otherwise provided by law or these Articles of Association, the notices of the Company shall be published in the *Amtsblatt* (official gazette) of "Wiener Zeitung".
- (2) In cases where such possibility is provided for by law, notices of a general nature shall be published by displaying them in the cashier's hall.

II. CAPITAL OF THE COMPANY

Article 6

Share Capital

- (1) The nominal capital of the Company amounts to EUR 51,980,500 (fifty-one million nine hundred and eighty thousand five hundred euros) and is divided into 7,150,000 registered no-par value shares. Each no-par value share participates in the share capital to the same extent.
- (2) The Management Board shall determine the form and wording of the share certificates. The same applies to other securities to be issued by the Company. To the extent permitted by law the securities issued by the Company may also be represented permanently by global certificates.

Article 7

Voting Right

Each no-par value share confers the right to one vote.

Article 8

Additional Tier 1 Capital:

The Management Board has been authorised to issue Additional Tier 1 capital pursuant to Articles 51-61 of Regulation (EU) No 575/2013 (the Capital Requirements Regulation, hereinafter CRR) as amended from time to time, and to determine the terms of such issuance with the approval of the Supervisory Board.

Article 9

Tier 2 Capital:

The Company shall have the right to take in Tier 2 capital pursuant to Articles 62-71 CRR as amended from time to time with the approval of the Supervisory Board.

Article 10

Covered Bonds

- (1) The Company is a credit institution according to Art 4 (1) 1 of Regulation (EU) No 575/2013 as well as the license pursuant to Section 1 (1) 9 BWG and therefore entitled to issue covered bonds in accordance with the applicable legal provisions as amended from time to time.

- (2) According to Section 9 Mortgage Bond Act (Pfandbriefgesetz; PfandBG) the aggregated amount of capital of all cover assets is at least equal to the aggregated amount of the liabilities resulting from the covered bonds (nominal principle). Furthermore, the Company will ensure the coverage of these liabilities based on their present value as well as an additional over collateralisation of a minimum of 2%. The over collateralisation has to be hold in cover assets and/or substitutional assets.

ORGANISATION OF THE COMPANY

Article 11

Executive Bodies of the Company

- (1) The executive bodies of the Company are:
- a) the Management Board,
 - b) the Supervisory Board,
 - c) the General Shareholders' Meeting.
- (2) Furthermore, the Company may appoint advisory boards.

Article 12

Personal Prerequisites for Board Members

- (1) The following are not eligible as member of the Management Board or member of the Supervisory Board
- a) Persons holding more than 10% of the voting capital of other credit institutions; exceptions are permissible if such appointment is necessary to safeguard the economic interests of the Company and/or the shareholders,
 - b) Persons who, pursuant to section 13 (1-6) of the Austrian Trade Regulation Act 1994 (*Gewerbeordnung 1994*) as amended from time to time, are excluded from taking up a trade,
 - c) Persons who are party to a continuing contractor relationship with the Company.
 - d) Persons who are related to a member of the Management Board or Supervisory Board in a direct line by blood or marriage to the first degree, and the spouses or life partners of a members of the Management Board or Supervisory Board.
 - e) Persons sitting already on one management board and two supervisory boards or on four supervisory boards. Several positions as managing board member or supervisory board member held
 - (i) within the same group consisting of
 - aa) the EU parent institution, the parent's subsidiaries and own subsidiaries or other undertakings belonging to the same group of credit institutions, to the extent that all of the aforesaid are included in the supervision on a consolidated basis or are subject to supplementary supervision pursuant to section 6 (1) Financial Conglomerates Act (*Finanzkonglomeratengesetz, FKG*), or
 - bb) affiliated undertakings pursuant to section 189a (8) Austrian Business Code (*Unternehmensgesetzbuch, UGB*), section 245a UGB or section 15 Austrian Joint-Stock Companies Act (*Aktiengesetz, AktG*);
 - (ii) at members of the same institutional protection scheme pursuant to Article 113(7)(b) of Regulation (EU) No 575/2013 or
 - (iii) at undertakings in which the credit institution has a qualifying holding as defined in point (36) of Article 4(1) of Regulation (EU) No 575/2013

count as only one position. On an exceptional basis, the Austrian Financial Market Authority (FMA) may approve that the intended number of board positions is exceeded by one supervisory board position.

- (2) The reasons for non-eligibility listed in (1) shall not be applied to Supervisory Board members delegated by the works council.
- (3) Furthermore, persons not meeting the requirements of section 5 (1)(6-11 and 13) BWG are not eligible as member of the Management Board.
- (4) Furthermore, the following are not eligible as member of the Supervisory Board:
 - (a) any person who is a statutory representative of a subsidiary of the Company within the meaning of section 189a (7) UGB; and
 - (b) any person who is a statutory representative of a different company, where a member of the Company's Management Board is a supervisory board member, unless one of the companies is group-affiliated with the other or holds a participation as defined in section 189a (2) UGB in the other.

Article 13

Non-disclosure Obligation

The members of the Management Board and of the Supervisory Board and all other persons attending the meetings of the Management Board and of the Supervisory Board are obligated to observe banking secrecy (section 38 BWG) and data secrecy (section 15 Data Protection Act (*Datenschutzgesetz*, DSG) 2000). They must not, without authority, use the information obtained by them in connection with confidential issues in the course of their activities or duties (trade secrets). These obligations shall continue beyond the individual's term of office as member of the respective executive body.

Article 14

Standard of Care and Diligence

- (1) The members of the Management Board and Supervisory Board shall manage the Company's affairs and perform their responsibilities with the care and diligence of a prudent and conscientious director.
- (2) No breach of duty shall be deemed to exist provided that a Management Board member or Supervisory Board member will not be guided by extraneous interests when taking a business decision and that such member will be able to assume, based on appropriate information, to act for the good of the Company. Not only purely economic arguments but also, and in particular, relevant social as well as scientific or cultural aspects must be considered.

Article 15

Principles of Governance

The rules of prudent and conscientious governance include, without limitation:

- a) observance of the relevant laws, the Articles of Association of the undertaking as well as the rules of procedure applying to the undertaking;
- b) application of up to date business-administration knowledge and experience with regard to good and responsible governance and monitoring;
- c) observance of the general fiduciary duties and duties of care and diligence;

- d) using the chances and development opportunities arising for the undertaking;
- e) minimising entrepreneurial risks within the scope of the applicable duty of care and diligence

Article 16

Management Board

- (1) The Management Board shall comprise at least two and not more than four members; it shall, under its responsibility, manage the Company and represent it in court and out of court. The Management Board members shall be appointed by the Supervisory Board for a term of not more than five years. Reappointment (also repeated reappointment) shall be admissible but shall require written confirmation by the chairperson of the Supervisory Board in order to be effective.
- (2) The Supervisory Board can appoint one Management Board member as chairperson of the Management Board and another Management Board member as deputy chairperson. Appointing a chairperson is mandatory if the Management Board has at least three members. The deputy chairperson shall act in place of the chairperson if the latter is prevented from acting.
- (3) The Management Board shall have a quorum if at least two members are present; it shall adopt resolutions by simple majority. Abstention shall be regarded as non-acceptance of a proposal. If the Management Board has more than two members, the chairperson of the Management Board shall have the right to give a casting vote in case of a parity of votes. If the chairperson is absent, the deputy chairperson or, if there is no deputy, the most senior member of the Company's Management Board in terms of service on the Management Board, shall take over that function; the chairperson's right to give a casting vote shall pass to the deputy chairperson or the member acting in place of the chairperson.
- (4) A resolution may be adopted in writing or electronically if this is directed by the chairperson - or in case of the chairperson being prevented from doing so by one of the persons acting in the chairperson's place - for reasons of expediency and if no member of the Management Board objects to this mode of voting. Under the same prerequisites, adopting a resolution outside a Management Board meeting is also permissible within the scope of some other occasion where the Management Board members come together as well as by using the bank's intranet or e-mails, or within the scope of a conference call or video conference or using comparable technical equipment. The adoption of the resolution shall be recorded in minutes as described in (8).
- (5) A member of the Management Board shall be excluded from voting in those cases
 - (a) involving directly or indirectly said member or a person related to said member by blood or marriage up to and including the third degree, or the current life partner of said member; or
 - (b) where there is substantial reason, of an economic or any other nature, to doubt said member's full impartiality; whether there is such reason shall be decided by the Management Board as a whole, with the member whose impartiality is doubted not being entitled to vote on the relevant resolution. If the Management Board has only two members, the resolution has to be adopted by the Supervisory Board.
- (6) The Supervisory Board must remove any Management Board member from the Management Board if the prerequisites for the appointment subsequently cease to be met. It may also revoke the appointment of a Management Board member for good cause including, without limitation, gross breach of duty. The revocation shall be in effect until a court's decision on its effectiveness

has become final and absolute. Claims under the board member's employment agreement shall not be affected thereby.

- (7) The Management Board shall determine rules of procedure including the allocation of responsibilities, for which the approval of the Supervisory Board is required. If the Management Board fails to reach agreement within a time limit to be set, if necessary, by the Supervisory Board, such determination shall be made by the Supervisory Board.
- (8) Minutes must be kept of the meetings of the Management Board and signed by the participants. Such minutes must, in particular, contain the day and venue, the participants attending the meeting, as well as the result of the voting and the material considerations.
- (9) The Management Board shall, at least once per year with regard to fundamental issues regarding the undertaking's future business policy and at regular intervals regarding the risk situation and risk management, report to the Supervisory Board as well as present the future developments of the financial position, financial performance and cash flows to the Supervisory Board based on a forecast (annual report). Furthermore, the Management Board shall, on a regular basis, but at least quarterly, report to the Supervisory Board regarding the development of the undertaking's business operations and its economic situation as compared to the forecast and taking into account the future development (quarterly report). On important occasions, an immediate report to the chairperson of the Supervisory Board is required; in addition, any circumstances of material importance for the profitability or liquidity of the Company have to be reported to the Supervisory Board immediately (special report). The annual report and the quarterly reports have to be submitted in writing, and explained orally if so requested by the Supervisory Board; the reports have to be delivered to every member of the Supervisory Board. Special reports have to be made in writing or orally.
- (10) Unless they have obtained the approval of the Supervisory Board, the Management Board members may neither operate an undertaking, nor accept positions on the supervisory boards of undertakings which are not group-affiliated with the Company or in which the Company does not hold a participation as defined in section 189a (2) UGB, nor do business for their own account or for the account of others in the line of business of the Company. Neither are they permitted to acquire shares or interests as a personally liable member in any other undertaking.
- (11) If a Management Board member infringes the ban set out in (10), the Company may claim damages. Instead, the Company may also demand that the Management Board member allow any business transacted for the member's own account to be deemed business transacted for the account of the Company and assign to the Company the compensation earned from business transacted for the account of others.

Article 17

Representation of the Company

- (1) Two members of the Management Board jointly or one member of the Management Board together with a holder of joint power of *Prokura* (*Gesamtprokurist*) are entitled to represent the Company.
- (2) Subject to the commercial law restrictions the Company may also be represented by two holders of joint power of *Prokura* jointly.

- (3) No individual power of *Prokura (Einzelprokura)* or individual power of attorney for the entire business (*Einzelhandelsvollmacht*) may be granted.

Article 18

Supervisory Board

- (1) The Supervisory Board shall consist of at least six and no more than nine elected members and of the employee representatives delegated by the works council pursuant to section 110 Austrian Labour Constitution Act (*Arbeitsverfassungsgesetz, ArbVG*) 1974 as amended from time to time. If a shareholder or the Supervisory Board requests to increase or decrease the number of members within the scope of the limits specified in the Articles of Association, this has to be voted on at the General Shareholders' Meeting before the election of the Supervisory Board members takes place. (Repeated) re-election is permissible.
- (2) Following the General Shareholders' Meeting at which it was elected the Supervisory Board shall elect one of its members as chairperson and one or two members as deputy chairpersons. In the event that no member of the Supervisory Board should receive an absolute majority, a second ballot shall take place between the two persons who received the largest number of votes. In the event of parity of votes in the second ballot, the decision will be taken by drawing lots. The chairperson of the Supervisory Board and the deputy chairpersons shall constitute the presidium.
- (3) The Supervisory Board shall meet at least on a quarterly basis.
- (4) The meetings shall be convened by the chairperson, if the chairperson is prevented from doing so, by a deputy chairperson. At least seven calendar days before the meeting takes place, the invitations and (as a rule) the meeting documents, in text form pursuant to section 13 (2) AktG and indicating place, time and agenda, are to be transmitted by way of the bank's intranet or to be sent by e-mail or registered letter (date of post mark) or to be handed over in person to the invited against acknowledgement of receipt. In urgent cases and when objectively justified, the meeting may be convened by electronic means, telephone, using the bank's internal intranet or via e-mail or comparable technical equipment 48 hours before the meeting.
- (5) Each member of the Supervisory Board, and the Management Board, has the right to request in writing from the person authorised to convene a meeting pursuant to (4) to convene a meeting indicating the reasons for such request. Such a meeting must take place within two weeks from the receipt of the request.
- (6) The members of the Supervisory Board, the state commissioner and the deputy state commissioner, the Management Board as well as the supervisory commissioner and the deputy supervisory commissioner have to be invited to the meetings in text form pursuant to the requirements of (4), stating the agenda. The auditor and group auditor have to attend, in any case, the meetings dealing with the adoption and preparation of the annual financial statements and the group financial statements and with the examination of the annual financial statements and the group financial statements.
- (7) If a member of the Supervisory Board is prevented from attending, they may in individual cases transfer their voting right to another member in writing or via qualified electronic signature. The member who is being represented in this way shall not be included when it is determined whether that meeting constitutes a quorum. The right to chair a meeting may not be transferred.

- (8) Each member of the Supervisory Board shall be entitled to table a motion.
- (9) For a valid resolution to be adopted, proper notice of the meeting must have been given as described in (4), and the chairperson of the Supervisory Board or one of the deputy chairpersons and at least two more members of the Supervisory Board from among the shareholder representatives must be present. Under the same prerequisites, adopting a resolution is also permissible within the scope of a video conference or using comparable technical equipment. The Supervisory Board may determine a higher attendance quorum in individual cases.
Resolutions shall be adopted by simple majority of the votes cast. Abstentions are only permissible and/or required if a SB member is excluded from voting due to bias or potential conflicting interests. In such case, abstentions shall count neither as a 'Yes' nor as a 'No' vote. In any other cases abstentions shall count as a 'No' vote. In the event of parity of votes the chairperson shall have the casting vote.
Votes on a resolution to be adopted at the Supervisory Board meeting may also be cast via telephone or electronic mail by individual members.
- (10) A resolution may be adopted in writing or electronically, thus using the bank's intranet or comparable technical equipment or a PDF bearing a scanned or electronic signature, if this is directed by the chairperson for reasons of expediency and if no member objects to this mode of voting. If the chairperson is prevented from doing so, the same procedure may be directed by one of the deputy chairpersons. This has to be reported at the next meeting. The provisions of (9) shall apply mutatis mutandis.
- (11) Minutes shall be kept of the debates and resolutions of the Supervisory Board, which have to reflect the conduct of the meeting and the main considerations underlying the resolutions and have to be signed by the chairperson or one of the deputy chairpersons after approval by the Supervisory Board. Upon request of any Supervisory Board member, their dissent from any resolution adopted shall be recorded in the minutes, and in this case, the chairperson (the deputy chairperson) may request that the respective member of the Supervisory Board shall formulate the divergent position themselves.

Article 19

Election and Removal of Members of the Supervisory Board

- (1) The members of the Supervisory Board shall be elected by the General Shareholders' Meeting.
- (2) If two or more Supervisory Board members are elected at a General Shareholders' Meeting, a separate ballot must be held for each member of the Supervisory Board to be appointed. Holding a joint ballot is only permissible if no shareholder objects.
- (3) The Supervisory Board has to submit a proposal for the election of Supervisory Board members or to join the proposal of a shareholder.
- (4) Each proposal for the election of a Supervisory Board member has to set forth the professional expertise of the proposed person, their professional or comparable functions and all the circumstances which could give rise to a suspicion of bias.
- (5) Unless the General Shareholders' Meeting resolves on a different term of office, the Supervisory Board members shall be elected for the time until the end of the Ordinary Shareholders' Meeting

giving discharge from liability for the fourth financial year after the election. The financial year in which the Supervisory Board member was elected shall not be included in this calculation. Re-election is permissible. In addition, membership of the Supervisory Board is terminated by death, revocation of the appointment, resignation as member by way of a written statement to be addressed to the chairperson of the Supervisory Board or if any personal requirement ceases to be met pursuant to Article 12 of the Articles of Association. Revocation of the appointment of a Supervisory Board member requires a resolution of the General Shareholders' Meeting.

- (6) In the event that an elected member of the Supervisory Board leaves the Board before the member's term of office has expired, the resulting vacant position shall be filled immediately, at the latest, however, at the next Ordinary Shareholders' Meeting. The election of the new member shall apply only for the remaining term of office of the member that left the Supervisory Board. If the office of the chairperson of the Supervisory Board or of one of the deputy chairpersons becomes vacant, a by-election shall be held at the next meeting of the Supervisory Board to fill the vacancy.
- (7) The provisions in sections 28a BWG, 87 (2a) AktG and the respective subordinated rules and regulations as amended from time to time have to be applied.

Article 20

Responsibilities and Rights of the Supervisory Board

- (1) The Supervisory Board shall monitor the activities of the Management Board.
- (2) The members of the Supervisory Board shall not be bound by any instructions. They have to carry out their function with the utmost impartiality.
- (3) A member of the Supervisory Board is excluded from deliberation and voting in those cases
 - a) involving directly or indirectly said member, their principal pursuant to Article 18 (7), or a person related to said member by blood or marriage up to and including the second degree, or the current life partner of said member; or
 - b) where there is substantial reason, of an economic or any other nature, to doubt said member's full impartiality; whether there is such reason shall be decided by the Supervisory Board, with the member whose impartiality is doubted not being entitled to vote on the relevant resolution.
- (4) The Supervisory Board may at any time demand a report from the Management Board on the business affairs of the Company, including its relations with a group undertaking. An individual member may likewise demand a report of this kind, but only a report to the Supervisory Board as such. Where in such case the Management Board refuses to submit a report, then the report may only be demanded if another member of the Supervisory Board supports the request. The chairperson of the Supervisory Board may demand a report from the Management Board without the support of another Supervisory Board member.
- (5) The Supervisory Board may inspect and review the Company's books and records as well as its assets; it may also charge individual members of the Supervisory Board therewith or, with respect to certain specific tasks, engage experts for this purpose, and in such context such parties shall be deemed bound to observe the non-disclosure obligations according to Article 13 of these Articles of Association. The auditor (group auditor) has to attend, in any case, the meetings dealing with the adoption and preparation of the annual financial statements and with the examination of the annual financial statements (group financial statements).

- (6) The Supervisory Board has to appoint an audit committee pursuant to section 63a (4) BWG, a remuneration committee pursuant to section 39c (1) BWG, a risk committee pursuant to section 39d (1) BWG as amended from time to time and a nomination committee pursuant to section 29 BWG and may appoint from among its members, one or more other committees, which prepare its debates and resolutions, monitor the execution of its resolutions or assume certain decision-making authority especially assigned to them by the Supervisory Board. Regarding the convening of meetings, quorum, adoption of resolutions (in particular according to Article 18 (11)) and the minutes, the provisions applicable to the Supervisory Board shall apply by analogy, although the presence of a chairperson or deputy chairperson and at least one more member (shareholder representative or employee representative) is required for adopting a valid resolution, in addition to the respective other legal requirements. The Supervisory Board may determine a higher attendance quorum in individual cases. Article 18 (7) is applicable for adopting resolutions.
- (7) Resolutions by the Supervisory Board are in particular required for:
- a) the appointment and dismissal of Management Board members,
 - b) the adoption of the audited financial statements (group financial statements),
 - c) the proposal for the appropriation of profit,
 - d) the approval of the directors' report (group directors' report),
 - e) the representation of the Company when carrying out legal transactions with members of the Management Board, including, in particular, the conclusion of the employment agreements and all matters related thereto,
 - f) the assertion of liability claims against members of the Management Board,
 - g) issuing rules of procedure for the Supervisory Board and its committees,
 - h) the annual budget to be submitted by the Management Board,
 - i) the appointment of committees pursuant to (6) and the committee members,
 - j) the proposal for the annual appointment of the auditor.
- (8) In addition to the matters specified elsewhere in the Articles of Association, the approval of the Supervisory Board is required for:
- a) raising supplementary and participation capital as well as subordinated capital,
 - b) granting loans and acquiring other asset items including taking on an exposure from liability obligations and similar commitments in or above an amount to be determined by the Supervisory Board,
 - c) transactions with management and related parties pursuant to section 28 BWG,
 - d) acquiring debt securities, shares and unit certificates of investment funds for own account, irrespective of whether they are listed on a recognised exchange, in or above an amount to be determined by the Supervisory Board,
 - e) investments in tangible and intangible assets in or above an amount to be determined by the Supervisory Board,
 - f) the encumbrance or sale of properties and their acquisition for own use or for investment in or above an amount to be determined by the Supervisory Board,
 - g) the investment in other companies and the acquisition of companies or formation of new companies, as well as the sale of those companies, in or above an amount to be determined by the Supervisory Board,
 - h) the granting and revocation of the power of *Prokura*,
 - i) commencement and discontinuation of lines of business,
 - j) the rules of procedure and allocation of responsibilities of the Management Board,
 - k) exceeding the budgeted total operating expenses by more than 20%,

- l) the funding plan (at least annually), which has to contain all forms of refinancing (also the issuing of bonds and the taking out of loans and credits).
- m) each large exposure pursuant to Articles 387-403 CCR;
- n) concluding agreements with members of the Supervisory Board under which these members undertake to provide, in addition to their work for the Supervisory Board, services to the Company or any of its subsidiaries (section 189a (7) UGB) for which they receive more than a merely negligible compensation. The same applies for agreements concluded with undertakings in which a Supervisory Board member has a significant economic interest.

An economic approach which is not purely word-based shall be the basis for applying and interpreting the approval obligations concerning the aforementioned matters as well as any transactions, legal acts and measures as additionally determined by the Supervisory Board.

- (9) The employee representatives delegated by the works council shall not participate in the Supervisory Board's deliberations or resolutions pursuant to (7) lit. e and in making a proposal for election to the Supervisory Board to the General Shareholders' Meeting pursuant to section 108 (1) AktG.
- (10) The Supervisory Board has been authorised to adopt resolutions on an amendment to the Articles of Association insofar as they only affect the wording of the Articles of Association.

Article 21

Function Fees and Attendance Fees of Members of the Supervisory Board

Remuneration of the Supervisory Board members is determined by the General Shareholders' Meeting. The Supervisory Board shall be authorised to take out liability insurance and legal protection insurance for its members.

Article 22

General Shareholders' Meeting

- (1) At the option of the party convening the meeting, the General Shareholders' Meeting shall take place at the Company's registered office or at a place in Austria disclosed in the notice. The invitation has to be published with due regard to the provision of the following paragraphs and has to state the agenda. The General Shareholders' Meeting has to be convened either by means of publication, a registered letter or electronic mail to the e-mail address made known to the Company. If all shareholders attend the General Shareholders' Meeting in person or by proxy, the Meeting may adopt resolutions without observing the provisions of subsection 2 of chapter 4 of the AktG unless a shareholder objects to the mode in which resolutions are adopted.
- (2) The persons registered in the share ledger as shareholders are authorised to attend the General Shareholders' Meeting.
- (3) The General Shareholders' Meeting shall be chaired by the chairperson of the Supervisory Board or by one of the deputy chairpersons. If none of them appears or is prepared to chair the Meeting, then the notary called in to certify the official documents shall arrange for the General Shareholders' Meeting to elect a chairperson.

- (4) If no majority is reached after the first ballot, then there shall be a runoff between the two candidates with the most votes. In the event of parity of votes, the decision will be taken by drawing lots.
- (5) The chairperson shall determine the sequence of agenda items and the type and mode of voting.
- (6) Unless otherwise required by law or the Articles of Association, the General Shareholders' Meeting shall adopt a resolution by simple majority of the votes cast, and in cases where a majority of the capital is required, by simple majority of the share capital represented when the resolution is adopted.

Article 23

Advisory Boards

- (1) In fulfilling its economic policy responsibilities as a regional bank, the Company can establish advisory boards to take into consideration overall interests of society or specific interests of individual regions and subject areas.
- (2) Those advisory boards shall be set up by the Management Board with the approval of the Supervisory Board.

IV. Annual Financial Statements and Distribution of Profit

Article 24

Fiscal Year

The fiscal year of the Company is the calendar year.

Article 25

Annual Financial Statements, Annual Report and Distribution of Profit

- (1) The Management Board shall, within the first five months of each fiscal year, submit the annual financial statements together with notes to the financial statements (group financial statements) and the directors' report (group directors' report) for the previous fiscal year after they have been audited by the auditor, together with a proposal for the distribution of profit to the Supervisory Board. For so long as the deficiency guarantee of the Province of Lower Austria is maintained in force, the annual financial statements and directors' report including the balance sheet and the income statement of the previous fiscal year, issued with the auditor's report, must be submitted to the Province of Lower Austria.
- (2) Within two months after submission, the Supervisory Board has to declare to the Management Board its opinion on the annual financial statements and, if any, the group financial statements prepared.
- (3) Annually, in the first eight months of the fiscal year, the General Shareholders' Meeting shall adopt a resolution on the distribution of the profit, approving the acts of the Management Board and the Supervisory Board, the election of an auditor, and, if required by law, on the adoption of the annual financial statements (Ordinary Shareholders' Meeting).

- (4) Net profit that results after servicing Additional Tier 1 capital and Tier 2 capital is distributed to ordinary shareholders, unless the General Shareholders' Meeting adopts a resolution on a different appropriation.
- (5) Unless otherwise resolved by the General Shareholders' Meeting, the dividends shall be due for payment ten days after the Meeting was held.
- (6) Dividends of shareholders which are not claimed within three years shall be forfeited and allocated to the Company's free reserves.

V. STATE OVERSIGHT

Article 26

State Commissioner

These Articles of Association shall not affect the responsibilities of the Federal Minister of Finance under the BWG, in particular, the Minister's right of supervision and right to appoint a state commissioner (deputy state commissioner).