

Code of Conduct OeKB KI Group

OeKB AG

OeKB CSD GmbH

Oesterreichische Entwicklungsbank AG

Österreichischer Exportfonds GmbH

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**OESTERREICHISCHE
KONTROLLBANK
GROUP**

OeKB[◻]
OeKB GROUP

Contents

1	Foreword	4
2	Scope and binding force	5
3	Requirements relating to conduct	5
3.1	Controls	5
3.2	Whistleblowers and complaints	5
3.3	External complaints mechanism	6
4	Dealing with each other	7
4.1	Preventing corruption (gifts and gratuities)	7
4.1.1	Offering, granting or promising benefits	7
4.1.1.1	Dealing with public officials	8
4.1.1.2	Dealing with business contacts	9
4.1.2	Demanding, accepting, or accepting a promise of, benefits	9
4.1.3	Facilitation payments	10
4.2	Preventing money laundering and terrorist financing	10
4.3	Preventing conflicts of interests	11
5	Dealing with information and awareness of risks	11
5.1	Data protection and security of personal data	11
5.2	Insider trading rules	12
5.3	Sustainability and risk management	12

1 Foreword

Dear colleagues,

The success of the OeKB KI Group is based on its excellent reputation and the confidence that stakeholders place in its institutions. It is therefore important that all parties who place an order with or enter into a customer relationship with us, as well as our owner banks, political decision-makers and colleagues and other stakeholders, including a critical public, perceive us at all times as a reliable, law-abiding and prudent organisation.

Although the institutions of the OeKB KI Group are not listed companies, they are guided by standards of good, responsible corporate governance laid down in the Austrian Corporate Governance Code. This corporate governance is put into practice through open discussions between and within the Board of Executive Directors, the Management and the Supervisory Board.

Such governance requirements are easy for us all to abide by if clear, comprehensible and binding rules are in place that set standards for the conduct of the Board of Executive Directors, Management, line managers and all employees of the OeKB KI Group.

The following Code of Conduct (CoC) provides an overview of these standards, which form the basis for our operations, under changing conditions, on various markets in different countries and regions.

It is intended to support independent action, serve as a guide and promote an open, respectful and responsible working environment. Any details required are set out in separate documents and are the responsibility of the managers of the area in question or other relevant persons.

This Code of Conduct not only describes the demands we make of ourselves, but also what we expect from others. We therefore refrain from any transactions that contravene this Code of Conduct and welcome it if our stakeholders' actions are guided by similar rules.

If you have any questions or suggestions relating to the implementation of the Code of Conduct, please contact your head of department, the officers of the subject matters in question, other relevant persons or, if appropriate, the Works Council.

Vienna, 01/07/2017

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2 Scope and binding force

This Code of Conduct applies to all employees of the OeKB KI Group, who are personally responsible for compliance with it within their sphere of influence. Members of the Board of Executive Directors and the Management, as well as temporary employees made available to the OeKB KI Group, are also covered by this Code of Conduct (referred to hereinafter jointly as *employees*).

Line managers have a particularly important role in terms of leading by example. However, neither the responsibility assumed by line managers nor the delegation of duties to others detracts from the personal responsibility of each individual employee. Line managers will be responsible for contraventions within their area of responsibility that could have been prevented by the proper performance of their duties.

If the rules and regulations laid down in this Code of Conduct are contravened, each employee responsible can expect to face disciplinary consequences and/or consequences under employment law, irrespective of any statutory sanctions and further-reaching legal consequences that may ensue.

3 Requirements relating to conduct

3.1 Controls

Effective controls are essential if the OeKB KI Group is to be perceived as a reliable and responsible business contact.

The OeKB KI Group therefore defines and reviews regulations to ensure that controls are complied with. Employees are expected to comply under their own responsibility with the control measures defined for the individual areas of the organisation.

When documents are signed that have an external impact, the signatory must be aware of the responsibility and commitment that he/she is taking on. In particular, the competences and powers of representation assigned to the individual employees of the OeKB KI Group must be meticulously observed.

3.2 Whistleblowers and complaints

The whistleblower schemes are intended to be used to report breaches of the law in accordance with, in particular, Section 99g(1) of the *Austrian Banking Act* (BWG) (for further details on this and on individual features of the whistleblower schemes, please see the relevant employee information provided by members of the OeKB KI Group, which takes precedence in the event of divergence). The whistleblower scheme of OeKB AG also covers observed failings (internal transgressions, such as non-compliance with the Code of Conduct). All employees of the OeKB KI Group are able to make reports under the relevant whistleblower schemes, but are not under any obligation to do so. Any abuse of the whistleblower scheme in the form of mobbing or intentional false reports will be treated as a breach of the Code of Conduct.

Problems between employees must be dealt with through direct dialogue within the employees' own organisational unit and do not fall under the whistleblower scheme. Putting pressure on persons who report transgressions will not be tolerated.

The principle of proportionality must be taken into account at all times when reports made by employees under the whistleblower scheme are recorded and handled. There must be no unjustified interference with a person's

fundamental rights. Measures taken as a consequence of a report made under the whistleblower scheme that interfere in an unjustified manner with the fundamental rights or dignity of employees or infringe personal rights that enjoy absolute protection (Sections 16 and 879 of the Austrian Civil Code (ABGB)) are prohibited. All measures taken, in particular the processing and transfer of data reported under the whistleblower scheme, must comply with the relevant provisions of the *Austrian Federal Data Protection Act* (Federal Law Gazette I 1999/165, as amended – DSG 2000).

The whistleblower scheme must protect the interests of the informants, the persons named, the OeKB KI Group and the individual companies and weigh these up against each other in each individual case. All reports made under the whistleblower scheme, and in particular the identity of the informants, must be treated confidentially¹ within the framework of the applicable laws, in order to guarantee the protection of informants. All informants must therefore be aware that it may be necessary to disclose the facts they report, in particular, in exceptional cases, the identity of the persons concerned and the informants, as part of any investigations launched on the basis of their report, especially within the framework of criminal investigations and proceedings. This applies in particular in the event of intentional false reports.

Within the framework of the whistleblower scheme the main contacts available to employees are their immediate superiors, the Works Council (at OeKB AG only), the officers of the subject matters in question and the legal office¹, who can deal with the subject of the report and possibly settle the matter in consultation with the persons concerned. If this proves impossible, the report will be passed on confidentially¹ to the relevant Internal Audit department via the Board of Executive Directors or Management, either directly or through the legal office. Internal Audit will then decide whether to perform an ad-hoc audit.

Informants do not receive any information on the handling of the report or the results of this process. Documents and information are handled confidentially in accordance with the statutory framework and the provisions of the Code of Conduct.

In addition to the whistleblower scheme, it is also possible to make reports to other parties, such as the Austrian Financial Market Authority or the public prosecutor's office.

3.3 External complaints mechanism

Pursuant to Section 39e BWG and, at OeKB, also in accordance with GRI G4 (Global Reporting Initiative) sustainability reporting guidelines, the OeKB KI Group has set up an appropriate, transparent procedure for handling complaints made by its customers and all persons with whom it has a business relationship (complaints mechanism). The aim of this procedure is to allow the organisation to identify, analyse and eliminate recurring and potential legal and operational risks. Here the OeKB KI Group follows the guidelines of the Joint Committee of the ESMA and EBA for complaints handling in the securities and banking sectors, respectively.

Customers of the OeKB KI Group are asked to address their complaints in the first instance directly to the relevant Customer Service department. If the complaint cannot be settled directly by this department or the relevant head of department, it can be passed on to the central complaints office using the web form, in person, by telephone or in writing.

The central complaints management team will deal with and settle customer complaints as quickly as possible. The current status of the complaints handling process will be communicated at any time on request.

The Customer Service department is obliged to report the complaints it receives and the measures it takes to the central complaints office. In order to ensure that any recurring complaints and potential legal and operational risks are

¹ The legal office, together with OeKB, OeEB and the Austrian Export Fund, has published an information sheet, which is available to all employees of the institutions within the framework of the whistleblower scheme. It also deals with the limits that apply in the area of confidentiality.

identified, the central complaints management team will analyse the complaints received and make suggestions for improvement where appropriate.

At OeEB the procedure described in the Board of Executive Directors regulation “External Complaints Mechanism” applies.

The legal data protection requirements in accordance with the *Data Protection Act* (DSG 2000) must be observed.

4 Dealing with each other²

4.1 Preventing corruption (gifts and gratuities)

In business practice, it is not always easy to determine the point at which invitations and sponsorship go beyond the bounds of acceptability and enter a grey area that could potentially lead to corruption. It is difficult, on the basis of general criteria, to make firm statements about situations in which a “benefit”, in the sense of corruption law, should not be accepted.

Sometimes minor invitations and the exchange of (hospitality) gifts may form part of international business practice or be required on the basis of cultural norms.

Benefits that are not acceptable under any circumstances are those that lead to a conflict of interests or create the impression of an intention to give a party preferential treatment, in particular if this appears to jeopardise the neutral position of the OeKB KI Group/an institution of the Group. In such a case merely creating an impression or expectation that performance is required in return is sufficient for a benefit to be deemed unacceptable.

Any gift or invitation received by employees within the context of their activities must be regarded as a gratuity for the function they are performing and not as a personal gift.

Employees of the OeKB KI Group are not public officials within the meaning of Section 74(1)(4a) of the Austrian Criminal Code (StGB). However, due to the key position that the OeKB KI Group occupies on the Austrian capital market and the role it plays in the Austrian export sector, as well as in development policy, it seems appropriate that all of its employees should be guided by the provisions of corruption law applicable to public officials.

In addition, the OeKB KI Group supports the efforts undertaken by its customers to combat corruption through preventive measures, in particular by organising and supporting events and workshops.

The OeKB KI Group does not make donations of any kind to political parties.

4.1.1 Offering, granting or promising benefits

In the case of gratuities, a distinction must be made depending on whether the recipient of the gratuity is a public official or any other business contact. Generally speaking, benefits that could influence the recipient’s decisions are prohibited – irrespective of their value – and must not be granted, offered or promised.

² In the case of OeKB CSD the guidelines “Conflicts of interest and anti-corruption” apply in parallel.

4.1.1.1 Dealing with public officials

The following are public officials within the meaning of Section 74(1)(4a) StGB:

- i. Persons who perform legislative, administrative or judicial duties as a member of a body or an employee of the Austrian government, an Austrian state government, an association of local authorities, a local authority, another public-law entity (with the exception of a church or religious community), another state or an international organisation;
- ii. Persons who are otherwise authorised to perform official duties on behalf of the bodies referred to under i. in execution of the law; and
- iii. Persons who work as a member of a body or an employee of a company in which one or more regional authorities directly or indirectly hold at least 50% of the share or equity capital or which runs such a regional authority independently or together with other regional authorities or actually controls it by means of financial or other economic or organisational measures, and, in any case, persons who work as a member of a body or an employee of any company whose conduct is subject to audits by the Austrian Court of Audit, institutions similar to the Court of Audit in the Austrian states or a comparable international or foreign supervisory body.

Gifts

- It is prohibited to offer, promise or grant a benefit to public officials if this is done with a view to achieving the performance or omission of an official duty or to influence one of the activities of the person concerned (“sweetening”).
- Gifts in the form of cash or vouchers must not be granted under any circumstances, irrespective of their value. Tips of the customary value in the location in question are excluded.
- Small courtesies that are customary in a particular place or country (e.g. calendars, pens, flowers, etc.) are, however, permitted, provided they do not exceed a value of € 100 (per public official per year).

Invitations to business meals

- Invitations to business meals issued to public officials may not under any circumstances create the impression that an attempt is being made to influence the person concerned and must be appropriate and in keeping with customary local practice (e.g. OeKB KI Group guest kitchen).

Invitations to events

- Invitations to events issued to public officials, including appropriate hospitality, are permitted, provided both the OeKB KI Group and the invited guests have an objective, legitimate interest in participating in the event concerned (e.g. training sessions, seminars, specialist lectures, etc.).
- Invitations to events issued to public officials where neither the OeKB KI Group nor the invited guests have an objective, legitimate interest in the event are not permitted (e.g. invitations to sporting events, stage performances, concerts, etc.).

4.1.1.2 Dealing with business contacts

The following rules apply in dealings with all business contacts who are not public officials:

Gifts

- Gifts in the form of cash or vouchers must not be granted under any circumstances, irrespective of their value. Tips of the customary value in the location in question are excluded.
- Small courtesies (e.g. calendars, pens, flowers, etc.) and gifts are, however, permitted, provided they do not exceed a value of € 100 (per business contact per year).

Invitations to business meals

- Invitations to business meals issued to business contacts may not under any circumstances create the impression that an attempt is being made to influence the person concerned and must be appropriate and in keeping with customary local practice (e.g. guest kitchen).

Invitations to events

- Invitations to events issued to business contacts, including appropriate hospitality, are permitted, provided both the OeKB KI Group and the invited guests have an objective, legitimate interest in participating in the event concerned (e.g. training sessions, seminars, specialist lectures, etc.).
- Invitations to events issued to business contacts where neither the OeKB KI Group nor the invited guests have an objective, legitimate interest in the event are not permitted (e.g. invitations to sporting events, stage performances, concerts, etc.). In principle, invitations to events that form part of a sponsorship activity of the OeKB KI Group/an institution will be issued by drawing lots.

4.1.2 Demanding, accepting, or accepting a promise of, benefits

Employees of the OeKB KI Group may not accept or demand any benefits that could influence decisions, irrespective of their value. For example:

- Demanding a benefit is prohibited under all circumstances.
- Accepting monetary gifts or vouchers is always prohibited, irrespective of their value.
- Gifts may not exceed a value of € 100 (per business contact/public official per year).
- In the same way as public officials, employees of the OeKB KI Group are prohibited from accepting, or accepting the promise of, a benefit (for themselves or a third party) if they do so with the intention of allowing their activities as an employee of the OeKB KI Group to be influenced. This covers all benefits offered, promised or granted to employees of the OeKB KI Group with a view to ensuring they are favourably disposed in general towards a certain party, i.e. to secure their goodwill as a precaution in the official handling of certain interests. The motive behind the gratuity is decisive.
- In the same way as public officials, employees of the OeKB KI Group are prohibited from accepting, or accepting the promise of, any unreasonable *benefits* from their business contacts, even if these are offered to obtain the performance or omission of a legal act that the employee in any case has a duty to perform or omit.

By way of example, the following may be accepted:

- Pens, a cup of coffee, small Christmas-related courtesies and other small promotional gifts and courtesies whose value does not exceed € 100 (per business contact/public official per year).
- Invitations to events in which the OeKB KI Group has a largely business-related interest.
- Appropriate benefits granted within the context of representation obligations, such as the payment of admission and participation charges, the reimbursement of accommodation and meal costs, etc. Here a strict standard must be applied and approval must be obtained from the individual's line manager or the anti-corruption officer.
- Benefits granted for charitable purposes, over the use of which no influence is exercised.

If it is impossible for employees to reject a gratuity whose value exceeds € 100 or if it is unclear whether the gratuity or invitation is permitted, the anti-corruption officer of the institution concerned must be informed without delay (also retrospectively). He/she will decide how to proceed and, if appropriate, will draw up regulations to cover similar future cases. Line managers must be informed without delay in all cases if such a gratuity is accepted.

Non-cash benefits that exceed a value of € 100 (per business contact/public official per year) must be surrendered to the Organisation, Construction, Environmental Issues and Security (OBUS) department. In this case the anti-corruption officers must be informed. If possible, such non-cash benefits will be donated to charity.

Contraventions of these provisions by employees of the OeKB KI Group will be subject to sanctions under employment law, irrespective of whether they are a punishable offence.

4.1.3 Facilitation payments

Facilitation payments are understood to mean small monetary sums paid to public officials to obtain or speed up the performance of services to which a legal entitlement exists, e.g. passport control, customs clearance, etc.

The OeKB KI Group rejects facilitation payments. Neither employees of nor other persons working for the OeKB KI Group make facilitation payments.

Exceptions are only permitted in the event of an imminent danger and in emergency situations (risk to the life or health of employees and their fellow travellers). Any such case must be reported to the anti-corruption officer without delay, or as soon as the danger or emergency situation has passed at the latest.

4.2 Preventing money laundering and terrorist financing

The offence of "money laundering" is defined in Section 165 StGB. It covers the holding, investment, management, conversion or realisation of the value of assets or components of assets that are the proceeds of a crime or offence, as well as the concealment of their origin.

The offence of terrorist financing is defined in Section 278d StGB and covers the provision of assets with the intention of using them for terrorist purposes. One distinction that can be highlighted by comparison with money laundering is that the funds used for terrorist financing may also originate from legal sources.

To prevent money laundering and terrorist financing, the *Austrian Financial Market and Money Laundering Act* (FM-GwG) lays down certain duties of care and disclosure obligations for credit and financial institutions. At the heart of these is the 'Know your customer' principle, on the basis of which the institutions of the OeKB KI Group are required to determine the identity of customers for banking transactions.

In principle, line managers are responsible for compliance with the statutory provisions and internal regulations in their particular area. If it is suspected or there is a legitimate reason to assume that a transaction may be intended for purposes of money laundering or terrorist financing, the employees concerned must report it to the money laundering officers or the head of department and refrain from any further processing of the transaction or suspend the transaction until the facts have been clarified. The head of department must inform the money laundering officers immediately.

Group guidelines have been drawn up for the institutions of the OeKB KI Group in which strategies and procedures are defined with the aim of preventing money laundering and terrorist financing. These are binding on and implemented by the institutions.

4.3 Preventing conflicts of interests

Conflicts of interests are situations in which interests of employees are detrimental to the interests of the OeKB KI Group and its customers or business contacts. Conflicts of interests may arise on the basis of operational, organisational or ethical grounds or due to close personal relationships between employees and business contacts or persons representing them, as well as between employees or also between the individual Group companies and OeKB itself.

Employees who are doing business with persons in responsible positions (e.g. line managers, holders of commercial power of attorney and customer care employees) at other companies that are in a customer or business relationship with the OeKB KI Group may only process private orders from these persons if these do not give rise to any personal *benefits* for them. The relevant employees of the OeKB KI Group are only permitted to engage in such business relationships on arm's length terms. Actions of OeKB's Works Council or corporate discounts do not fall under these regulations.

Existing and potential conflicts of interests, in particular those based on private relationships, must be reported to the head of department in the interests of the employees concerned. Within the bounds of what is legally possible, the head of department will take the precautions necessary in an individual case to ensure the conflicts of interests reported do not have an adverse impact on the employee and the business activities of the OeKB KI Group.

With regard to personal relationships in the workplace, the employees concerned must not be in a supervisory, subordinate or controlling role with respect to each other.

5 Dealing with information and awareness of risks

5.1 Data protection and security of personal data

Data protection is a fundamental right of companies and individuals. It covers, in particular, the protection of customer data and the data of our own employees.

The employees of the OeKB KI Group must handle the data of all persons and companies whose data is protected with care when this data is received, processed and stored. Data should not be passed on to third parties from within the company unless there is a legal and commercial basis for doing so.

In day-to-day business the protection of business secrets and confidentiality is ensured in particular by the provisions of the *Austrian Export Promotion Act (AusFG)*, *Banking Act (BWG)* and *Data Protection Act (DSG 2000)*.

5.2 Insider trading rules

The employees of the OeKB KI Group have access to inside information as part of their banking activities (Market Abuse Regulation Art. 7 [MAR]). Inside information may not be used to obtain a pecuniary benefit for the employee or a third party, whether by means of buying and selling or recommending securities or by means of communicating the information to third parties (MAR Art. 8).

Any such abuse will have consequences under criminal and employment law.

In addition to the statutory provisions, all employees must also comply with the compliance regulations of the relevant institution of the OeKB KI Group.

5.3 Sustainability and risk management

The commercial actions of the OeKB KI Group are guided by the ambitions of achieving a return on equity that is sustainable and stable over the long term and of creating and maintaining a healthy equity base. Dealing responsibly with risks is therefore an integral part of the organisation's corporate governance and culture, and consequently of every decision-making process.

This responsible approach to risks is also evident from the way the organisation deals with ecological and social issues. As an EMAS-certified company, the OeKB KI Group has undertaken to take the consumption of resources, climate protection and social development into account in its core business and operations and to consistently pursue improvement targets each year.

An important quality-related characteristic of its commercial and risk policy is the conservative approach taken to commercial and operational risks, without neglecting the necessary profitability. This manifests itself in, amongst other things, the *Risk-policy Principles* that OeKB's Executive Board has defined on a binding basis for all employees of the KI Group in the risk policy and strategy.

To ensure the sustainable success of the business, transparent corporate governance and compliance with duties of care at individual-company and KI-Group level, OeKB's Executive Board relies on a comprehensive management system. Besides ensuring it has an adequate organisation in place, the OeKB KI Group has drawn up a comprehensive system of internal guidelines, which OeKB's Executive Board uses to control group risks, as well as risks at the level of OeKB AG.

The highest level is made up of the policies and guidelines determined by OeKB's Executive Board. In addition, besides the Code of Conduct itself, the following guidelines, which are binding for the KI Group, apply in particular: *commercial policy and strategy, risk policy and strategy, fit & proper policy, group guidelines on the prevention of money laundering and terrorist financing and remuneration-policy principles*. If appropriate, these policies and guidelines are described in more detailed, concrete form in derived guidelines, for which downstream risk-monitoring organisational units are responsible. In accordance with the scope of KI Group guidelines, the management teams of the KI Group companies are responsible for implementing the guidelines within their respective areas of responsibility. The lowest level is made up of work instructions, operating procedures and method and process documents, which are derived from the guidelines and policies indicated and for which responsibility is generally borne at departmental level.

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