

Annex 28 to the GTC of OeKB CSD SD

Guideline

Processing of

Corporate Actions

Guideline for the Processing of Corporate Actions of
Securities Held in Safekeeping and Managed by OeKB
CSD as Issuer CSD or Investor CSD

06 August 2018

**CENTRAL
SECURITIES
DEPOSITORY**

OeKB
CSD GmbH

Inhalt

1	General	4
2	Announcement of corporate actions to OeKB CSD	5
	2.1 Corporate actions of securities held in safekeeping and managed by OeKB CSD as Issuer CSD	5
	2.2 Corporate actions of securities held in safekeeping and managed by a custodian of OeKB CSD where OeKB CSD is acting as Investor CSD	5
3	Technical measures related to securities	5
4	Redemption upon maturity	5
5	Information on corporate actions	6
6	Giving of instructions on income payments out of corporate actions	6
	6.1 Instructions to OeKB CSD to participate in corporate actions (optional corporate actions)	6
	6.2 Instructions not to redeem assets due which are held with OeKB CSD itself (mandatory corporate actions)	7
	6.3 Instructions not to redeem securities which OeKB CSD keeps and administers as Investor CSD with a custodian (mandatory corporate actions)	7
7	Credit and debit bookings on securities accounts and cash accounts related to corporate actions affecting every holder of the securities (Mandatory corporate actions)	7
	7.1 Processing of securities bookings	8
	7.2 Processing of cash bookings	9
	7.2.1 Processing of corporate actions with payments in EUR	9
	7.2.2 Processing of corporate actions with payments in non-EUR	11
8	Fees	12
9	Claims and transformations	12

1 General

The present document describes the procedure used by OeKB CSD in its function as Issuer CSD or Investor CSD in the context of corporate actions both in EUR and non-EUR with T2S.

Corporate actions, which lead to securities or cash bookings comprise amongst others the following events:

- BIDS – Repurchase Offer
- BONU – Bonus Issue
- BPUT – Put Redemption
- CHAN – Change
- CONV – Conversion
- DRIP – Dividend Reinvestment
- DVOP – Dividend Option
- DVSE – Stock Dividend
- EXOF – Exchange
- EXRI – Call on Intermediate Securities
- EXWA (Voluntary) – Warrant Exercise Voluntary
- LIQU – Liquidation Dividend/Liquidation Payment
- MRGR – Merger
- OTHR – Other Event
- PARI – Pari Passue
- PRIO – Priority Issue
- RHDI – Intermediate Securities Distribution
- SOFF – Spin-Off
- SPLF – Forward Split
- SPLR – Reverse Split
- TEND – Tender Offer

2 Announcement of corporate actions to OeKB CSD

2.1 Corporate actions of securities held in safekeeping and managed by OeKB CSD as Issuer CSD

The issuer or as the case may be the paying agent announced by him on the security certificate has according to OeKB CSD's GTC to communicate respective corporate action related information as follows:

- (1) E-Mail to Service Center Asset Servicing of OeKB CSD, E-Mail: assetservicing@oekb-csd.at
- (2) Fax to Service Center Asset Servicing of OeKB CSD, Fax: +43 1 53127-5010
- (3) Publication in Official Gazette of "Wiener Zeitung"

2.2 Corporate actions of securities held in safekeeping and managed by a custodian of OeKB CSD where OeKB CSD is acting as Investor CSD

Corporate action related information for securities held in safekeeping and managed by a custodian of OeKB CSD where OeKB CSD is acting as Investor CSD is submitted to OeKB CSD by its custodian.

3 Technical measures related to securities

In regard to securities which OeKB CSD keeps and administers itself as Issuer CSD, OeKB CSD carries out technical measures relating to corporate actions (e.g. credit and debit of subscription rights, credit of bonus shares), if it has received the necessary means to do so.

In regard to securities which OeKB CSD keeps and administers as Investor CSD by a custodian, OeKB CSD is entitled against the custodian to all measures associated with corporate actions which the corresponding custodian provides as its services.

For the purpose of blocking securities while processing corporate actions, OeKB CSD will open a securities account ending with 89 if necessary.

4 Redemption upon maturity

In case of mandatory corporate actions with cash payments:

In case of securities held with OeKB CSD itself, with the exception of Austrian registered shares, OeKB CSD redeems assets falling due unless the securities account holder gave instruction not to redeem. In case due assets cannot be redeemed or cannot be redeemed in full on the maturity date, OeKB CSD will again attempt redemption if deemed successful.

Please also refer to the Guideline "Income Collection for Securities due".

In case of securities kept by OeKB CSD with a custodian, OeKB CSD has the right to claim vis-à-vis the custodian redemption of due assets and to a credit of the amounts and securities procured.

5 Information on corporate actions

Preliminary information on corporate actions based on holdings can be obtained via SWIFT MT564 (Corporate Action Notification) and/or through the Asset Servicing Client (partially, depending on the progress of the migration to the new IT-platform for the processing of corporate actions).

Payment confirmations can be obtained via SWIFT MT566 (Corporate Action Confirmation) as well as via fax (partially, depending on the progress of the migration to the new IT-platform for the processing of corporate actions) and e-mail (pdf).

The SWIFT messages contain a continuous Corporate Action Reference (Qualifier CORP). The single SWIFT messages for an event are linked by the sender reference.

A description and explanation of the SWIFT structure including examples can be found in the document „OeKB CSD Custody SWIFT Manual for Corporate Action“, downloadable from our website.

6 Giving of instructions on income payments out of corporate actions

6.1 Instructions to OeKB CSD to participate in corporate actions (optional corporate actions)

In case of corporate actions in which participation is optional for the holders of the securities (optional corporate actions), the securities account holder may instruct OeKB CSD, enclosing all required documents, to participate in the corporate action to the extent of the participating holdings administered and in accordance with the information forwarded as specified in 6.1.1 of the GTC. The means required for that purpose have to be provided to OeKB CSD by the holder of the securities account in due time. Such instructions will be issued to OeKB CSD according to the procedure as described in Annex 23 (Issuing of Instructions via Fax Form or MT 565) and cannot be cancelled after OeKB CSD instructed the subscription agent or the custodian (with the exception where a right of withdrawal is granted). This applies e.g. also to instructions which were issued to OeKB CSD by error.

6.2 Instructions not to redeem assets due which are held with OeKB CSD itself (mandatory corporate actions)

Instructions not to redeem a certain amount of securities of a particular category which OeKB CSD keeps and administers itself as Issuer CSD, may be issued by securities account holders to OeKB CSD in the Asset Servicing Client in case the respective event is available there (depending on the progress of the migration to the new IT-platform for the processing of corporate actions) or pursuant to Annex 23 (placing of instructions via fax in case the respective event is not available the Asset Servicing Client). Corporate actions income not collected by OeKB CSD in accordance with the instruction will in the following be considered in the same way by OeKB CSD as collected for the same category, and therefore be deemed collected by OeKB CSD.

Respective instructions can be submitted until one Target day before payment date, 6:00 p.m.

6.3 Instructions not to redeem securities which OeKB CSD keeps and administers as Investor CSD with a custodian (mandatory corporate actions)

If considered administrable by OeKB CSD and if respective agreements have been made with custodians of OeKB CSD, it will be possible for a securities account holder not to have income payments out of corporate actions made.

Instructions not to redeem a certain amount of securities of a particular category which OeKB CSD keeps and administers as Investor CSD with a custodian, may be issued by securities account holders to OeKB CSD pursuant to Annex 23 (only via fax). Corporate actions income not collected by OeKB CSD in accordance with the instruction will in the following be considered in the same way by OeKB CSD as collected for the same category, and therefore be deemed collected by OeKB CSD.

Respective instructions are only accepted upon request.

7 Credit and debit bookings on securities accounts and cash accounts related to corporate actions affecting every holder of the securities (Mandatory corporate actions)

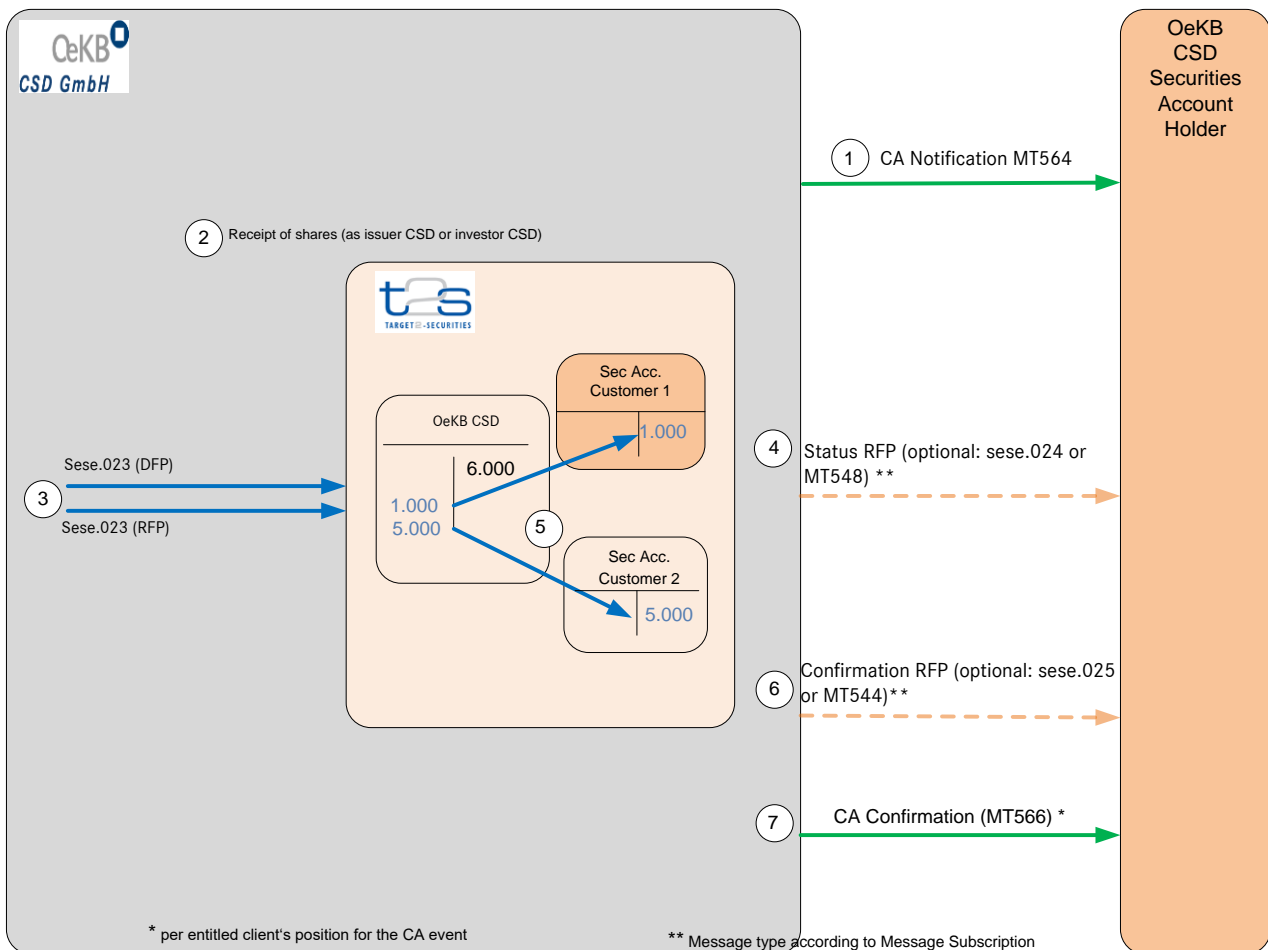
In regard to securities which OeKB CSD keeps and administers itself as Issuer CSD, OeKB CSD will credit and debit securities accounts and cash accounts as a consequence of corporate actions corresponding to the credit balances on the securities accounts at the end of day on the record date or, if applicable, at the start of day on the ex-date.

In regard to securities which OeKB CSD keeps and administers as Investor CSD with a custodian, OeKB CSD will credit and debit securities accounts and cash accounts as a consequence of corporate actions corresponding to the credit balances on the securities accounts at the end of day on the record date or, if applicable, at the start of day on the ex-date to the extent that it received credits and debits on its accounts held with its custodian. The credits and debits on securities and cash accounts will be booked on the same day as the credits and debits on the securities and cash account which OeKB CSD holds with the custodian, if these bookings have been confirmed to OeKB CSD prior to the deadline as stipulated in 7.1 (securities) and 7.2.1 and 7.2.2 (cash). Otherwise, the securities account and cash account will be credited or debited on the following business day.

7.1 Processing of securities bookings

OeKB CSD processes debits and credits linked to corporate actions on the securities accounts as settlement instructions (DFP/RFP and DVP/RVP) in the T2S system.

The following example of “bonus shares” lead to a securities delivery and consequently is processed via DFP/RFP.



Example bonus shares

- Corporate Action Notification to OeKB CSD securities account holder (MT564) (1)
- Under the condition of the receipt of shares at OeKB CSD or its custodian (2), placing of instruction by OeKB CSD
 - DFP (“Deliver Free of Payment”); Debit of OeKB CSD’s securities account in favour of the securities account of the securities account holder
 - RFP (“Receive Free of Payment”); Credit in favour of the securities account of the securities account holder and debit of OeKB CSD’s securities account (3)
- Status information for the placed instruction (4)
- After processing (5) information to securities account holder:

- RFP-Confirmation-message (MT544) (6)
- Corporate Action Confirmation (MT566) (7)

Bookings are processed on payment date provided that the relevant securities haven been made available on payment date until 2:30 p.m. at the latest.

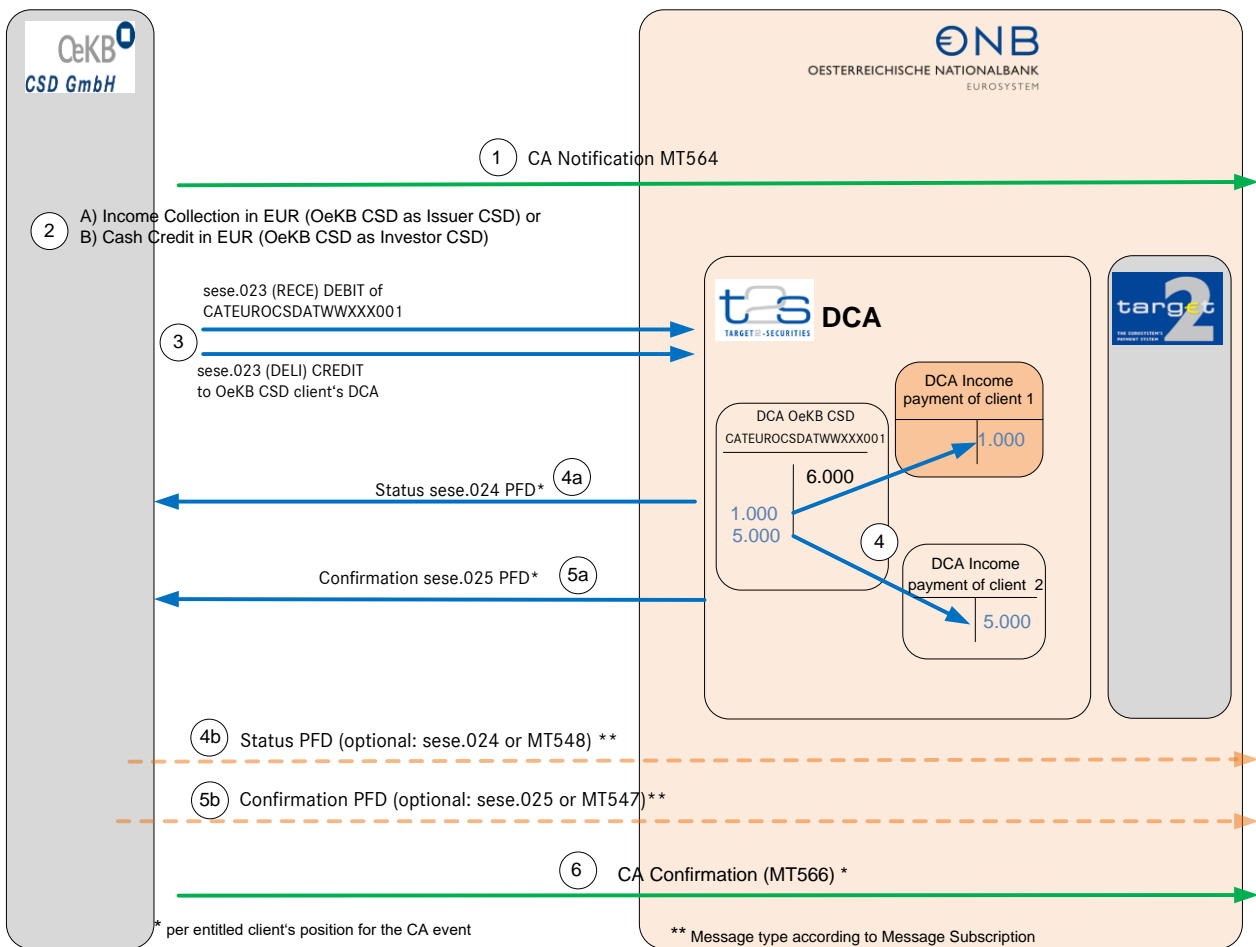
7.2 Processing of cash bookings

The forwarding of amounts received in the course of mandatory corporate actions is made to the securities account holders in proportion to the credit balances booked on the securities accounts at the end of business on the respective record date or, as relevant, at the beginning of business on the respective ex-date.

These amounts will be forwarded to the securities account holders pro rata to the credits, even if the amount received in the process of redemption does not correspond to the amount due.

7.2.1 Processing of corporate actions with payments in EUR

Payments out of corporate actions in EUR take place on the Dedicated Cash Account (DCA) of the respective securities account holder with OeKB CSD. The following example shows a liquidation payment (no securities bookings):



Example Liquidation Payment (no securities booking)

- Corporate Action Notification to OeKB CSD securities account holder (MT564) (1)
 - Under the condition of a successful corporate actions income collection in case of OeKB CSD as Issuer CSD or the credit in case of OeKB CSD as Investor CSD: (2)
 - via PFD DBIT („Payment free of Delivery – Cash Delivery“) with the debit of OeKB CSD’s DCA in favour of the OeKB CSD securities account holder’s DCA (4)
 - via PFD CRDT („Payment free of Delivery – Cash Receipt“) with the credit of the payment on the OeKB CSD securities account holder’s DCA and (4)
- After processing of PFD:
 - PFD-Confirmation-message (MT547)
 - Corporate Action Confirmation (MT566)

Moment of credits on the DCAs of security account holders with a Euro-Central Bank is the payment date, provided that the amount due out of the corporate action

- in regard to securities, which are kept by OeKB CSD as Issuer CSD, the amount of proceeds on the cash account notified by OeKB CSD and
- in regard to securities, which OeKB CSD keeps as Investor CSD, the amount of proceeds on the cash account of OeKB CSD at the depository

is made available on payment date until 2:30 p.m. at the latest.

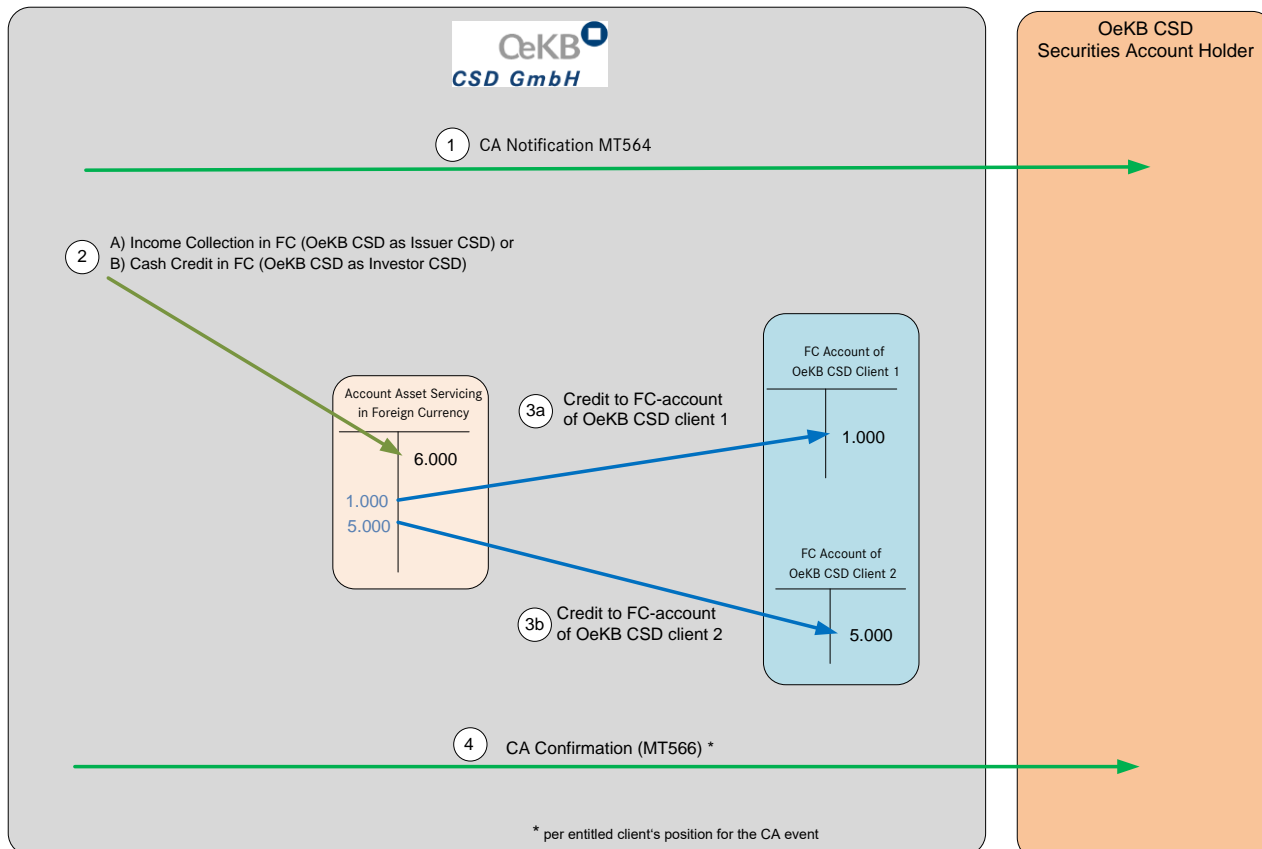
7.2.2 Processing of corporate actions with payments in non-EUR

Income payments out of optional corporate actions (VOLU) in non-EUR take place in EUR on the DCA of the respective OeKB CSD securities account holder.

Payments out of mandatory corporate actions (MAND) or mandatory corporate actions with options (CHOS) in one of the following currencies take place on the foreign currency cash account of the OeKB CSD securities account holder with OeKB CSD: ARS, AUD, BGN, CAD, CHF, CZK, GBP, HKD, HRK, HUF, JPY, NOK, NZD, PLN, RON, RUB, SEK, TRY, USD, ZAR.

All other currencies are converted into EUR (if possible) and the income payment is processed on the DCA of the respective OeKB CSD securities account holder (see 7.2.1).

In case the owner of a securities account with OeKB CSD has no respective account in foreign currency and expects a corporate action payment in non-EUR, OeKB CSD will automatically open such an account. In such a case the mode of sending the account statement for the new account in foreign currency will be taken over from the existing EUR-account.



Example Liquidation Payment (no securities booking) in non-EUR (no conversion)

- Moment of credits of income payments out of corporate actions in non-EUR which are paid in original currency on the accounts of security account holders with OeKB CSD is the payment date, provided that the amount due
 - in regard to securities, which are kept by OeKB CSD as Issuer CSD, the amount of proceeds on the cash account notified by OeKB CSD and
 - in regard to securities, which OeKB CSD keeps as Investor CSD, the amount of proceeds on the cash account of OeKB CSD at the depository

is made available on payment date until 2:30 p.m. at the latest.

- Moment of credits of income payments out of corporate actions in non-EUR which are converted into EUR on the DCAs of security account holders with a Euro-Central Bank is the 2. business day after the payment date, provided that the amount due
 - in regard to securities, which are kept by OeKB CSD as Issuer CSD, the amount of proceeds on the cash account notified by OeKB CSD and
 - in regard to securities, which OeKB CSD keeps as Investor CSD, the amount of proceeds on the cash account of OeKB CSD at the depository

is made available on payment date until 11:00 a.m. at the latest.

8 Fees

Own fees of OeKB CSD are debited in EUR on the cash account which the securities account holder holds with OeKB CSD.

Third party fees are debited in EUR on the DCA of the respective securities account holder irrespectively of the time of announcement by the issuer/paying agent/custodian.

9 Claims and transformations

A comprehensive description about claims and transformations can be taken from the Annex 25 (“Using T2S for Transaction Management”), available for download at OeKB CSD’s website.

