



# Code of Conduct of OeKB CSD

Version 1.0 / 01.09.2017

**CENTRAL  
SECURITIES  
DEPOSITORY**

**OeKB**   
**CSD GmbH**

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# 1 Preamble

Dear colleagues,

OeKB CSD's success is based on its high reputation and the trust put in us by financial institutions and stakeholders. Therefore it is essential that our clients, partners, owners, political decision makers, colleagues, and other stakeholders, such as the critical public, always perceive our actions as reliable, law-abiding and diligent.

Even though OeKB CSD is not a company listed on the stock exchange, it has always oriented itself along the standards of solid and responsible management according to the Austrian Corporate Governance Codex. Such management is put into practice through frank discussions between Management Board, Managing Directors and Supervisory Board, and also within these bodies.

For each and any of us these principles are easy to comply with if there are clear, understandable and obligatory rules, which lay down standards for the conduct of the Management Board, the Managing Directors, Managers and everybody else working at OeKB CSD.

The following rules of conduct provide an overview of these standards based on which we act and operate in different markets in various countries and regions and under changing conditions.

The *Code of Conduct of OeKB CSD* is meant to support autonomous action and to present a guideline for you as employees at OeKB CSD. It is also intended to promote an open working atmosphere characterised by respect and responsibility. Any further details necessary are regulated in separate documents and are maintained by those responsible for the respective topics or other competent persons.

The *Code of Conduct of OeKB CSD* not only formulates our expectations towards ourselves, but also what we expect from others. Therefore, we forgo transactions that conflict with the *Code of Conduct of OeKB CSD* and appreciate our stakeholders' acting according to similar rules.

If you have questions about or inputs on how to act in accordance with the *Code of Conduct of OeKB CSD*, please contact your team leader, the Topic Owners, other persons in charge, or the works council.

Vienna, Austria, 01. 09. 2017

Georg Zinner

Peter Felsinger

## 2 Scope of Application and Binding Character

The *Code of Conduct of OeKB CSD* applies to all employees of OeKB CSD. They are personally responsible for its application. In the meaning of the *Code of Conduct of OeKB CSD*, this also includes the Managing Directors and personnel hired out to OeKB CSD (conjointly *employees*).

Managers are expected to lead by example. However, neither the managers' responsibility nor a delegation of tasks to other employees shall relieve an employee of her or his personal responsibility. Managers shall be responsible for any violations occurring in their areas of responsibility which could have been prevented had they performed their duties accordingly.

In case of a violation of the rules and requirements laid down in the *Code of Conduct of OeKB CSD*, every employee shall – irrespective of potential legal sanctions and subsequent legal consequences – be aware that they may have to face disciplinary consequences and/or consequences under civil service law.

## 3 Requirements of Conduct

### 3.1 Supervision

An effective system of supervision is the foundation for OeKB CSD to be perceived as reliable and responsible business partner.

Therefore, OeKB CSD ensures that rules for the implementation of supervisory mechanisms are laid down and verified. It is expected that the supervisory measures defined for the individual Divisions shall be met autonomously.

When signing a document that results in consequences outside of OeKB CSD, the signatory must be aware of the responsibility assumed and of the binding character. In particular, employees of OeKB CSD must take care to observe the specific competencies and representation rights assigned to them.

### 3.2 Whistle-blowing and Complaints

Whistle-blowing systems are meant to report legal breaches, especially according to Article 99g (1) Austrian Banking Act (Bankwesengesetz; BWG, Federal Law Gazette no. 532/1993); (for details please see the *Whistle-blowing System Guideline* and the *Employee Information on the Whistle-blowing System*). The whistle-blowing system of OeKB CSD also deals with errors that are identified (company-internal errors, such as non-compliance with the *Code of Conduct of OeKB CSD*). All employees of OeKB CSD may but are not obliged to file reports within the whistle-blowing system. Abuse of the whistle-blowing system in the form of mobbing or the reporting of false accusations shall be considered a non-compliance with the *Code of Conduct of OeKB CSD*.

### 3.3 External Complaint Mechanism

Pursuant to Article 39e of the Austrian Banking Act OeKB CSD has established a transparent and adequate procedure for the processing of complaints received from its clients and business partners. The aim is to identify, analyse and remedy any recurring legal or operational risks. The corresponding details are defined in the *Complaint Mechanism* of OeKB CSD.

The data protection requirements pursuant to the *Data Protection Act* (Datenschutzgesetz, DSG 2000, Federal Law Gazette no. 165/1999) must be complied with in this context.

## 4 Social Interactions

### 4.1 Corruption Prevention (Presents and Gifts)

In real-life business situations it is not always easy to draw the line between acceptable invitations and sponsoring and the grey area that leads to corruption. It is hard to nail down general criteria about when something is to be considered an advantage in the meaning of anti-corruption legislation, and therefore must be refused.

Small invitations and the exchange of presents/gifts may be a customary part of international business interactions or a cultural habit.

Not acceptable in any case are advantages causing conflicts of interest or appearing to create partiality, especially if this would jeopardise the neutral approach of OeKB CSD/an institution of the Group. It is sufficient in this context when the appearance or any expectation of a favour in return is generated.

Every present and every invitation an employee receives in the context of his or her work must be considered a reward for the function and not a personal gift.

Employees of OeKB CSD are not officeholders within the meaning of Article 74 para. 1 Z 4a Austrian Criminal Code (Strafgesetzbuch, StGB). However, based on its central position in the Austrian capital market and its role for the Austrian export industry, it seems appropriate that its employees comply with the more stringent provisions of criminal law on corruption, which is applicable to officeholders.

Additionally, OeKB CSD supports its clients in their efforts to pre-emptively fight corruption, especially by organising and endorsing related presentations and workshops.

OeKB CSD does not provide any form of contributions to political parties.

For detailed information and regulations in this context, please refer to the OeKB CSD guideline document: *Guideline on Conflicts of Interest and Corruption Prevention*.

## 4.2 Prevention of Money Laundering and Terrorist Funding

The criminal offence “money laundering” is defined in Article 165 of the Austrian Criminal Code (StGB). It comprises the keeping, investing, administrating, converting or using of assets or partial assets originating from a criminal act or offence as well as the obfuscating of their origin.

The criminal offence “terrorist funding” is defined in Article 278d of the Austrian Criminal Code (StGB) and comprises the provision of assets with the intention to use them for terrorist acts. In contrast to money laundering it must be pointed out that financial means for terrorist funding may as well originate from legal sources.

For the prevention of money laundering and terrorist funding the *Financial Market Money Laundering Act* (Finanzmarkt Geldwäschegesetz, FM-GwG, Federal Law Gazette I 118/2016) lays down specific obligations of due diligence and reporting for credit and financial institutions. The central element is the principle to *know your customer*, according to which the institutes of OeKB CSD must know their clients’ identity to carry out banking transactions.

In essence, all Managers are obliged to make sure that statutory provisions and internal regulations are complied with in their areas of responsibility. In any case of suspicion or if there is reason to assume that a transaction might be used for money laundering or terrorist funding, employees must report this to the Anti-Money Laundering Officer or to their team leader and must not process this transaction further or must stop it until the matter has been resolved. The team leader has to inform the Anti-Money Laundering Officer immediately.

Details on this subject are defined in the *Guideline on the Prevention of Money Laundering and Terrorist Funding*.

## 4.3 Prevention of Conflicts of Interest

Conflicts of interest are situations where the interests of employees run contrary to OeKB CSD’s interests and those of its clients or business partners. Conflicts of interest may arise from operational, organisational or ethical circumstances or be due to close personal relationships between employees and business partners or their representatives, as well as between employees or between the individual subsidiaries and OeKB itself.

Employees holding responsible positions, for instance, who are engaged in business matters involving customers and business partners of OeKB CSD (e.g. Managers, holders of power of attorney, agents, client relationship managers) are allowed to have private orders exercised by clients and business partners they are in charge of only if it is not to their personal *advantage*. The respective employees of OeKB CSD are permitted to have such business relations only under conditions customary elsewhere (customary in the market) following the *at arm’s length* principle. This rule does not apply to special offers of the works council at OeKB or company discounts.

Any existing and potential conflicts of interest, particularly due to personal relationships, must – in the employee’s own interest – be reported to the team leader. As far as allowed by law, the team leader will make necessary arrangements in the individual case to ensure that the conflicts of interest reported have no adverse effects on the employee and on business activities of OeKB CSD.

As regards personal relationships at the workplace, employees must not be in a supervising, subordinate or monitoring position vis-à-vis the person they are closely associated with.

The *Guideline on Conflicts of Interest and Corruption Prevention* provides detailed provisions and information on conflicts of interest.

## 5 Handling of Information and Risk Awareness

### 5.1 Data Protection and Data Security of Personal Data

Data protection is a fundamental right of companies and individuals. It chiefly comprises the protection of client-related data and of data of the company's own employees.

The employees at OeKB CSD handle data of all individuals and companies, whose data are protected, with care whenever they receive, process and store such data. Data shall not leave the company where they could get known to third parties, unless there is a statutory or commercial basis.

In the daily business the protection of business secrets and the maintenance of commercial confidentiality is ensured chiefly by the Export Guarantees Act (Ausfuhrförderungsgesetz, AusfFG, Federal Law Gazette 215/1981), the Austrian Banking Act and the Data Protection Act.

### 5.2 Insider rules

OeKB CSD's employees have access to inside information within the scope of banking operations (Market Abuse Regulation Article 7; MAR; Regulation (EU) No 596/2014). Any inside information must not be used with the intent to gain pecuniary benefit for oneself or a third party, be it by acquisition or disposal or recommendation of securities or by passing on information to third parties (MAR Article 8).

Any abuse in this respect will have consequences under criminal law and civil service law.

All employees must - in addition to the statutory provisions - also adhere to the OeKB CSD compliance rules as defined in the *Guideline on Compliance pursuant to the WAG, SCC and MAR* (Securities Supervision Act (Wertpapieraufsichtsgesetz; WAG, Federal Law Gazette I 60/2007).

### 5.3 Sustainable Activities and Risk Management

The commercial activities of OeKB CSD aim to assure sustainable interest rates on its equity capital that are stable in the long term and to create and maintain a healthy financial basis of equity capital. Therefore, the responsible handling of risks is an integral part of the management and company culture and, as a result, of every decision-making process.

The responsible handling of risks is also reflected in ecological and social matters. As EMAS certified companies the OeKB CI Group has committed itself to take into consideration the consumption of resources, climate protection and social development with regard to its core business and its operation and to consistently pursue annual improvement goals.

As an important quality indicator for corporate and risk policy, commercial as well as operational risks are handled conservatively, without neglecting the required profitability. This manifests itself in the risk policy principles defined by the OeKB CSD Management Board in the Risk Policy and Risk Strategy, which are binding for all employees.

To ensure a sustainable commercial success, a transparent management and the compliance with due diligence obligations, OeKB CSD relies on a comprehensive management system. In addition to an adequate organisational structure, OeKB CSD has a comprehensive system of internal guidelines, which the OeKB CSD Management Board uses to control risks.

The top tier are the policies and guidelines agreed by the OeKB CSD Management Board. Besides this Code of Conduct of OeKB CSD, this includes the following guidelines in particular: Business Policy and Strategy, Risk Policy and Risk Strategy, Fit & Proper Policy, Guideline on the Prevention of Money Laundering and Terrorist Funding and the principles of the Remuneration Policy. Where appropriate, these policies and guidelines shall be formulated in concrete detail in the form of derived guidelines, which shall be in the responsibility of downstream risk-controlling organisational units. Depending on the scope of application of CI Group Guidelines the Management Boards of the subsidiary companies of the CI Group shall be responsible for their implementation inside their area of responsibility. The bottom tier is formed by work process instructions, work directives as well as method and process documentation, which are derived from the guidelines and policies as outlined above. The responsibility for these usually lies at the department level.





