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## Disclosure pursuant to Art. 65a BWG

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### **1. Information on compliance with Arts. 5 para. 1 nos. 6 to 9a of the Austrian Banking Act (Bankwesengesetz; BWG) and Art. 28a para. 5 nos.1 to 5 BWG (Fit & Proper)**

According to the EBA Guidelines on the assessment of the suitability of members of the management body and key personnel, credit institutions must adopt a fit & proper policy that lays down a strategy for the selection and the process for assessing the suitability of the members of the Management Board, the Supervisory Board and key personnel. The Austrian Financial Market Authority (FMA) has published a corresponding circular letter on this subject.

OeKB CSD GmbH (OeKB CSD) has implemented a Fit & Proper Policy, which is subject to regular review.

The fit & proper policy defines a process for the assessment of the suitability of the bodies and key personnel as well as the responsibilities and criteria for the assessment as to suitability and personal reliability. For the operative compilation, preparation and archiving of the documents as well as the general support of the Management Board and the Remuneration Committee a Fit & Proper Office has been established.

All existing and newly appointed Managing Directors and members of the Supervisory Board as well as the key personnel were subjected to a fit & proper evaluation.

### **2. Information on compliance with Art. 29 BWG (Nomination Committee)**

OeKB CSD is not obliged to establish a Nomination Committee. The tasks pursuant to Art. 29 BWG are performed by the full Supervisory Board. The Supervisory Board has assigned individual tasks to the Remuneration Committee established by the Supervisory Board. The Remuneration Committee carries out the Fit & Proper evaluation of the Managing Directors and the Supervisory Board.

### **3. Information on compliance with Arts. 39b and c BWG and the Annex to Art. 39b BWG (remuneration policy)**

Based on the business strategy and in keeping with the company's risk policy, OeKB CSD's Management Board defines the remuneration policy of OeKB CSD. This also meets the requirements of the BWG, the corresponding circular letter of the Financial Market Authority and the EBA Guidelines. This remuneration policy is reviewed on an annual basis. Within OeKB CSD's Supervisory Board a Remuneration Committee has been established, to which the remuneration policy is submitted for approval, and which monitors its compliance and reports to the Supervisory Board in this respect.

The way the variable remuneration policy is designed ensures that the incentive structure corresponds to the long-term interests of OeKB CSD. A variable remuneration shall only be used if certain minimum requirements

for the calculation of a bonus pool (such as a positive operating result or a certain minimum duration of the survival period) are met. Variable remuneration represents an appropriate proportion of the total remuneration and is based both on individual responsibility and performance and on the company's and the Group's annual and multi-annual success parameters.

The amount of the total bonus volume for distribution among employees and Management Board, is calculated from a mix of KPIs. For the calculation the operating result, the risk adjusted profit, the risk-bearing capacity and the liquidity are factored in.

The individual variable salary for the Management Board is limited to 85 % of their fixed annual salary. From the second level (group leaders), the variable share amounts to 50 % max. of the fixed salary. If the variable remuneration exceeds a share of 50 % of the fixed remuneration or TEUR 50 (gross), the payout shall be deferred in order to comply with the regulatory requirements for sustainability and risk orientation, with 40 % (in case of particularly high amounts 60 %) of the variable remuneration being paid out over a period of five years. Until the time of the actual payout the beneficiary only has a non-binding entitlement to the deferred amount. The share of the entitlement to the withheld bonus due per annum shall be re-evaluated each year.

The deferred instalments shall only be paid out if the given minimum requirements for a variable remuneration are met. In the event of an unfavourable (or negative) financial or earnings situation the Management Board and the Supervisory Board (Remuneration Committee) reserve the right to cut the variable remunerations and the deferred bonus payments, which in accordance with the statutory provisions may also mean a complete omission.

Thus, for the upper management and generally at OeKB CSD the fixed salary constitutes the major share of the total remuneration, which means that a flexible remuneration policy is possible regarding the variable share and, if necessary, payment of the variable part may be waived altogether. The described ratio of fixed and variable remuneration ensures that for the sake of solid and effective risk management nobody is encouraged to accept risks that go beyond the intended risk appetite and/or the tolerated level.

Any guaranteed variable remuneration is not compatible with the performance-based remuneration principle of OeKB CSD and is therefore not applicable.

#### **4. Further information**

More information, in particular information pursuant to Art. 64 para. 1 nos. 18 and 19 BWG, if applicable, as well as the composition of the said committees of the Supervisory Board is published in the Annual Financial Statements.

OeKB CSD GmbH

Vienna, November 2023