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**Expert opinion  
on the audit of the Offer Document for the voluntary  
offer according to §§ 4 ff Austrian Takeover Act of  
BAWAG Group AG  
for the repurchase of shares**

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<b>List of abbreviations</b>	
<b>Abbreviation</b>	<b>Definition</b>
Para.	Paragraph
adj.	adjusted
AG	Stock Corporation
Bidder	BAWAG GROUP AG
SEA	Stock Exchange Act
CERBERUS	Refers to those funds and accounts managed by Cerberus Capital Management, L.P. and its subsidiaries.
EBIT	Earnings Before Interest and Tax
EUR	Euro
FN	Number of the companies register
Parties acting in concert	Has the meaning defined in the Offer Document
GmbH	Private limited company
GOLDENTREE	Refers to those funds and accounts managed by GOLDENTREE Asset Management, L.P. or whose holdings in Target Company are subject to an asset management mandate.
IFRS	International Financial Reporting Standards
ISIN	International Securities Identification Number
KMG	Capital Market Act
KSW	Professional body of tax advisors and certified public accountants
Mio	millions
GTA	Grant Thornton Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft
ATA	Austrian Takeover Act
UGB	Austrian Corporate Code
No.	Number
Target Company	BAWAG GROUP AG

# Expert opinion on the audit of the Offer Document for the voluntary offer according to §§ 4 ff Austrian Takeover Act of BAWAG Group AG for the repurchase of shares

## 1 Mandate

### 1.1 Description of the underlying transaction

The BAWAG Group AG, Wiedner Gürtel 11, 1100 Vienna, FN 269842b (hereinafter also referred to as the "Bidder" or "Target Company") announced on 18. October 2019 its intention to make a voluntary offer to its shareholders to buy back shares pursuant to §§ 4ff Austrian Takeover Act (ATA). The offer was notified to the Austrian Takeover Commission on 21. October 2019.

This voluntary offer (hereinafter also referred to as the "Offer") relates to the repurchase of up to 10.857.763 of shares (hereinafter also referred to as the "Offer Shares") corresponding to 10,86% of the share capital and voting rights. The offer price (cash purchase price) amounts to EUR 36,84 per share.

### 1.2 Parties to the contract

Grant Thornton Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Handelskai 92, 1200 Wien (hereinafter also referred to as "GTA" or "Expert") was appointed by BAWAG Group AG on 10. October 2019 as the independent expert of the Bidder, which is also the Target Company, pursuant to § 9 and 13 ATA.

### 1.3 Scope of the services as an independent expert

The "General Conditions of Contract for Public Accounting Professions 2018" of KSW, which are enclosed as Appendix 3 to this report, shall apply to this engagement.

Pursuant to § 9 para. 1 in conjunction with § 7 ATA, the examination of the Offer Document must cover whether the Offer Document is correct and complete within the meaning of § 7 ATA, as well as whether the content of the Offer Document is compatible with the provisions of the ATA. In particular, the legality of the information on the consideration offered had to be examined.

The expert within the meaning of §§ 13 f ATA must assess the voluntary offer and submit a written report on it pursuant to § 14 para. 2 ATA.

The offer in question comprises exclusively the repurchase of shares. The executive bodies of the Target Company are therefore not obliged to publish a statement on the Offer pursuant to § 14 para. 1 ATA (Statement of the Takeover Commission GZ 1999/2/4-7). The corporate bodies of the Target Company have therefore not submitted any comments on the Offer.

Our assessment is essentially based on information and documents provided or made available to us by the Bidder, by the parties acting in concert with the Bidder and by the advisors consulted.

We were provided with confirmations (declarations of completeness) regarding the completeness and correctness of the information, evidence and declarations provided by the Bidder.

## 1.4 Independence

We are independent of the Bidder and the legal entities acting in concert with it within the meaning of the relevant provisions of the Takeover Act, within the meaning of §§ 271, 271a and 271b of the Austrian Corporate Code (UGB) as well as our professional regulations.

## 1.5 Insurance coverage

The insurance coverage required under § 9 (2) lit a ATA, i.e. liability insurance with an insurance company authorised to conduct business in Austria, which covers the risk arising from consultancy and auditing activities for takeover bids of at least EUR 7,3 million for a one-year insurance period, exists (Appendix 2).

## 2 Target Company

### 2.1 Legal basis

BAWAG Group AG is a listed stock corporation under Austrian law with its corporate seat in Vienna and its business address at Wiedner Gürtel 11, 1100 Vienna, Austria, which is registered with the company register (Firmenbuch) of the Vienna Commercial Court (Handelsgericht Wien) under FN 269842b.

The Target Company's share capital amounts to EUR 100.000.000.00 and is divided into 100.000.000 no-par value bearer shares.

The Target Company has various subsidiaries in Austria and abroad, in particular the following credit institutions:

investments in credit institutions	direct and indirect share
<i>BAWAG P.S.K. Bank für Arbeit und Wirtschaft und Österreichische Postsparkasse Aktiengesellschaft</i>	100%
<i>BAWAG P.S.K. Wohnbaubank Aktiengesellschaft</i>	100%
<i>easybank AG</i>	100%
<i>start.bausparkasse AG</i>	100%
<i>IMMO-Bank Aktiengesellschaft</i>	100%
<i>SÜDWESTBANK AG (Germany)</i>	100%
<i>start.bausparkasse AG (Germany)</i>	100%

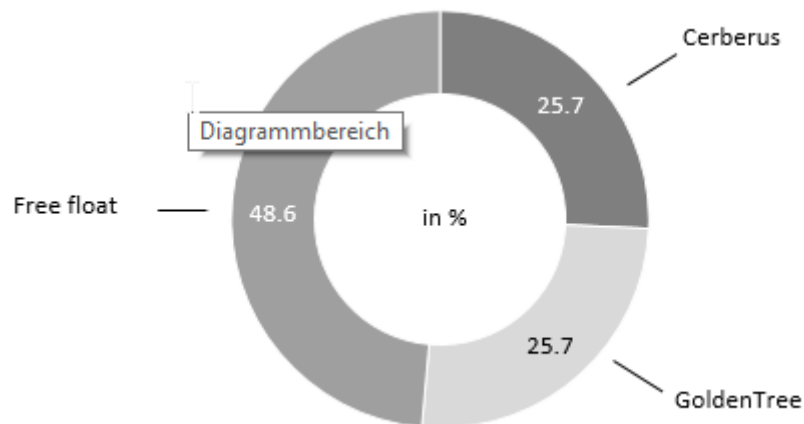
### 2.2 Shareholder and management structure

The **share capital** of the Target Company amounts to EUR 100.000.000 (Euro one hundred million). The share capital is divided into 100.000.000 (one hundred million) no-par value shares which are admitted to trading on the Official Market (*Amtlicher Handel*) of the Vienna Stock Exchange (*Wiener Börse*) since 25. October 2017 and are listed in the segment *prime market*.

The Management Board is authorized, with the consent of the Supervisory Board, to increase the share capital - also in several tranches - by up to EUR 50.000.000,00 by issuing up to 50.000.000 new bearer shares against cash and/or non-cash contributions until 15. September 2022 (authorized capital).

With regard to the amount of share capital of the Target Company, the resolution of the Annual General Meeting on 30. April 2019, according to which a reduction of the share capital by cancellation of own shares to be acquired was resolved in accordance with § 192 (3) in conjunction with § 65 (1) 6 Stock Corporation Act (see also section 5.2.) must be taken into account. The submitted offer serves to implement this resolution of the Annual General Meeting.

Based on the knowledge of the Target Company according to published major holdings notifications pursuant to §§ 130 f SEA, the shareholder structure of the Target Company is as follows:



At the time of publication of this Offer, the Target Company holds 1.205.107 own shares (approximately 1,205% of the share capital) which have not been acquired on the basis of § 65 para 1 no 6 in connection with Section 192 Stock Corporation Act. Therefore, these own shares may not be used for the capital reduction which was resolved only on 30. April 2019.

At the time of publication of the Offer, the **Management Board of the Target Company** consists of the following members:

- Anas Abuzaakouk (Chairman)
- Mag. Enver Sirucic
- Dipl.-Bw (FH) Stefan Barth
- David O'Leary, BSc
- Sat Shah
- Andrew Wise

The **Supervisory Board of the Target Company** consists of the following members:

- Dr. Pieter Korteweg (Chairman)
- Christopher Brody (1st Deputy Chairman)
- Mag. Egbert Fleischer (2nd Deputy Chairman)
- Frederick Haddad
- Kim Fennebresque
- Adam Rosmarin
- Ingrid Streibel-Zarfl (delegated by the works council)
- Beatrix Pröll (delegated by the works council)
- Verena Spitz (delegated by the works council)



## 2.3 Economic development

The price of Target Company shares has developed as follows since the initial listing on the Vienna Stock Exchange on 25. October 2017:

<b>Share price development at Vienna Stock Exchange</b>		<b>2019 *)</b>	<b>2018</b>	<b>2017</b>
Share price high	in EUR	45,22	48,50	47,50
Share price low	in EUR	31,78	34,08	40,96
Closing price	in EUR	36,84	35,84	44,46

\*) Closing price per 31.12., except for 2019 (17.10.2019; last available closing price before announcement of public offer intention)

In recent financial years the Target Company showed the following economic development:

<b>Economic development BAWAG Group AG (IFRS consolidated)</b>		<b>2019 HY *)</b>	<b>2018</b>	<b>2017 **)</b>
Net interest income	in Mio EUR	435,1	840,5	793,1
Net fee and commission income	in Mio EUR	142,6	282,8	216,9
Operating income	in Mio EUR	611,3	1 170,7	1 120,4
Net profit	in Mio EUR	218,6	436,5	449,1
Total assets	in Mio EUR	44 463	44 698	46 056
Risk -weighted assets	in Mio EUR	20 727	20 465	21 494
Liabilities	in Mio EUR	40 477	40 693	42 479
Earnings per share (IAS 33)	in EUR	2,10	4,32	4,49
Dividend per share	in EUR		2,18	0,58
Book value per share	in EUR	37,33	37,51	35,76

Source: Audited Group Financial Statements for 2017 and 2018 and published documents by the Target Company

\*) half-year reporting as of 30.6.

\*\*) without adjustments first adoption of IFRS9

## 3 Prerequisite for submitting an offer

The Bidder announced on 18. October 2019 that it intends to make a voluntary public offer to repurchase up to 10.857.763 after the European Central Bank, as the competent authority, has granted the required permission with legal effect by decision of 18. October 2019. The announcement referred to above is an announcement according to § 5 para. 3 no. 1 ATA. Pursuant to § 10 para. 1 ATA, the Bidder must notify an Offer to the Austrian Takeover Commission within ten days of the announcement.

## 4 Audit procedures as an independent expert

### 4.1 Examination of the correctness of the offer document

In examining the Offer Document, we have in particular taken into account the following provisions of the Takeover Act, always in compliance with § 3 (General Principles for Public Takeover Offers) and § 4 (General Obligations of the Bidder):

- § 7 (Offer Document)
- § 8 (Conditions, reservations of withdrawal)
- § 10 (Notification of the offer)
- § 16 (Transactions in Target Company equity securities)
- § 17 (Legal consequences of competing offers)
- § 19 (Period for acceptance of the offer)
- § 20 (Allocation rules for partial offers)

On the basis of the audit procedures we have performed, we can determine the following:

### 4.2 Examination of the completeness of the Offer Document

§ 7 no. 1 ATA: The Offer Document contains the entire legally required content of the Offer.

§ 7 no. 2 ATA: The Offer Document contains the information on the legal form, company name, registered office and management of the Bidder as verified by us through entries in the register of companies. In addition, the Offer Document contains information on direct and indirect interests in the Bidder within the meaning of §§ 130f SEA 2018.

§ 7 no. 3 ATA: The Offer aims at the repurchase of up to 10.857.763 of the shares (ISIN AT0000BAWAG2) admitted for official trading in the prime market segment of the Vienna Stock Exchange with a notional pro rata amount of Target Company's share capital of EUR 10.857.763,00 corresponding to 10,86 % of the share capital.

§ 7 no. 4 ATA: The offer price is EUR 36,84 per Target Company share repurchased. For the basis of the calculation and the underlying calculation methods of the Offer Price, see Section 5. of this report.

A subsequent improvement under the conditions of § 15 para. 1 ATA is permissible.

The Bidder has entered into an agreement with Raiffeisen Centrobank AG, Tegetthoffstraße 1, 1010 Wien („RCB“) regarding its function as acceptance and paying agent as well as regarding the bank settlement of the voluntary Offer. We have reviewed the contractual agreement with RCB. On the basis of this agreement, the proper processing of payments to the shareholders accepting the Offer is guaranteed.

§ 7 no. 5 in conjunction with § 20 ATA: The subject matter of the Offer is a total of 10.857.763 shares of the Target Company.

The Offer specifies the allocation mechanism in the event that more than the target 10.857.763 are tendered for acceptance. In this case, the allotment will take place pro rata and complies with the provisions of § 20 ATA. The Offer Document contains an exemplary calculation for this procedure. The acceptance and paying agent may, at its discretion, round up or down to whole numbers, but the total number of 10.857.763 shares may not be exceeded.

§ 7 no. 6 ATA: The Bidder has provided us with evidence of its holdings of own shares. The Bidder or any party acting in concert with the Bidder have no obligations with respect to the future repurchase of its shares.

§ 7 no. 7 ATA in conjunction with § 8 ATA: The Offer is subject to the condition precedent that between the publication of the Offer Document and the end of the Acceptance Period the closing price of any of the two indices (STOXX Europe 600 Banks Index, SX7P, ISIN EU0009658806; Austrian Traded Index, ATX, ISIN AT0000999982) is not in excess of 20% lower than its respective closing price on the date of submission of Offer Document on two consecutive trading days, as displayed on the relevant Bloomberg screen. This condition is permissible under § 8 ATA because its occurrence is not (exclusively) dependent on the discretion of the Bidder. Acceptance of the Offer is also (partly) conditional to the extent that, in the event of oversubscription, only a portion of the shares tendered for acceptance could actually be accepted by the Bidder.

§ 7 no. 8 ATA: In its Offer, the Bidder has set out the further objectives it wishes to achieve with regard to the business policy of the Target Company and, in particular, the repurchase of its shares. After reviewing the documents made available to us and from the plans of the Bidder known to us in the course of our ongoing discussions, we found no indications that the presentation of the Bidder's business policy in the Offer Document was incorrect.

§ 7 no. 9 ATA: The acceptance period is 4 weeks. On the basis of approval by the ÜbK for the application for a shortening of the period until publication of the offer it runs from 25. October 2019 to 22. November 2019 and is within the legal bandwidth of 4 to 10 weeks. Any extension of the Acceptance Period is neither reserved nor excluded by the Bidder in the Offer, but the addressees of the Offer are expressly advised that there is no grace period for acceptance of the Offer after the end of the Acceptance Period.

The Offer expressly refers to the fact that the purchase price will be paid to the shareholders concurrently against transfer of ownership of the submitted shares, at the latest 10 trading days after the end of the Acceptance Period. According to the present time schedule, the 6. December 2019 is the payment day for the present Offer.

§ 7 no. 10 ATA: As the present offer concerns a cash offer, the information on § 7 KMG and §§ 46 ff SEA 2018 does not apply.

§ 7 no. 11 ATA: The availability of funds for the Bidder is given (see Section 7.).

§ 7 no. 12 ATA in conjunction with § 1 no. 6 and § 23 ATA: In addition to the Bidder, the Offer also lists those legal entities which are considered to be parties acting in concert pursuant to § 1 no. 6 ATA

§ 7 no. 13 ATA: The articles of association of the Target Company in the version available to us and published on the homepage of the Target Company do not contain any takeover obstacles which are breached pursuant to § 27a ATA.

§ 7 no. 14 ATA: The Offer states that the conditional purchase agreement concluded with the shareholders who accept the Offer is governed exclusively by Austrian law to the exclusion of the conflict of laws rules of private international law. The exclusive place of jurisdiction shall be Vienna, Innere Stadt, unless mandatory statutory provisions provide for another place of jurisdiction.

§ 10 para. 1 ATA: The Bidder must notify the Austrian Takeover Commission of the Offer within 10 trading days after the public announcement of its intention to make an Offer.

§ 17 ATA: In its Offer, the Bidder expressly refers to the rights of the shareholders who have already accepted the Offer in the event of the publication of a competing Offer.

If a competing offer is submitted during the Acceptance Period, those shareholders who have already accepted the offer may withdraw pursuant to § 17 ATA up to four trading days prior to the expiry of the Acceptance Period at the latest. The withdrawal must be made in writing to the shareholder's custodian bank.

### 4.3 Opinion on the time limit and deadlines of the offer document

§ 19 para. 1 ATA: The acceptance period is 4 weeks and is thus within the legally permissible range of 4 to 10 weeks. The announcement of the result of the Offer is intended to take place immediately after the Custodian Banks have sent the Declarations of Acceptance to RCB (see below).

The declaration of acceptance shall be deemed to have been submitted in due time if

- it arrives at the shareholder's custodian bank within the Acceptance Period;
- at the latest by the second trading day after expiry of the Acceptance Period, the rebooking of the deposited shares from ISIN AT0000BAWAG2 to the new ISIN AT0000A2B4H8 has been completed; and
- at the latest by the second trading day after expiry of the Acceptance Period, the shareholder's custodian bank has forwarded the acceptance of the Offer to the Accepting and Paying Agent, stating the number of client orders placed and the total number of shares of those declarations of acceptance received by the custodian bank during the Acceptance Period, and has transferred the corresponding total number of shares to the Accepting and Paying Agent.

§ 19 para. 3 ATA: The Offer expressly states that no additional Acceptance Period pursuant to § 19 para. 3 ATA is provided for.

### 4.4 Transactions in equity securities of the target company pursuant to § 16 (2) and (7) ATA

Any declaration made by the Bidder or a party acting in concert with the Bidder by the end of the Acceptance Period to acquire the offered securities at better conditions than those stated in this Offer shall be deemed an improvement of the Offer to all holders of the offered securities, irrespective of whether or not they have already accepted the Offer. The same applies pursuant to § 16 (7) ATA in the event that the Bidder or a party acting in concert acquires shares for a higher consideration within nine months of the end of the Acceptance Period.

### 4.5 Tradability of shares after acceptance

Until the transfer of ownership, the shares for which the acceptance of the Offer has been registered with the acceptance and paying agent will be provided with a new ISIN AT0000A2B4H8 and will remain in the shareholder's securities account with the designation "BAWAG GROUP AG - shares tendered for sale". The shares booked on this ISIN are not tradable on the stock exchange.

## 5 Review of the consideration

### 5.1 Legal regulations for the calculation of the purchase price

The offer is a voluntary offer pursuant to §§ 4ff Takeover Act. Thus, the lower price limits of § 26 (1) Takeover Act do not apply to the offer price.

The volume weighted average prices (VWAP) developed as follows:

<i>Calculation until 17.10.2019</i>		<b>3 months</b>	<b>6 months</b>	<b>12 months</b>	<b>18 months</b>
<b>VWAP</b>	in EUR	<b>35,07</b>	<b>36,93</b>	<b>37,63</b>	<b>38,57</b>
offer price	in EUR	36,84	36,84	36,84	36,84
deviation	in EUR	1,77	-0,09	-0,79	-1,73
(negative) premium	in %	5,05%	-0,23%	-2,11%	-4,49%

Source: Data Vienna Stock Exchange, calculation GTA

The offer price of EUR 36,84 is thus higher than the volume weighted average prices per Target Company share for the last 3 months and lower than the volume weighted average prices per Target Company share for the 6, 12 and 18 months prior to the announcement of the intention to make the offer.

### 5.2 Company law limitations for the consideration

At the 2nd Annual General Meeting of the Target Company on 30. April 2019, a resolution was passed on the simplified capital reduction (vereinfachte Kapitalherabsetzung) by way of cancelation of own shares (Einzahlung eigener Aktien) in accordance with section 192 (3) in conjunction with section 65 (1) 6 of AktG, which forms the legal basis for this offer

In the resolution, the Annual General Meeting set the upper limit at 30% above the volume weighted average share price of the last 20 trading days prior to the day on which the intention to make the offer was announced and the lower limit at EUR 1,00. The limits resulting from the resolution of the Annual General Meeting are shown in the following table:

<i>Permissible price range AGM-resolution 30.4.2019</i>		<b>Lower limit</b>	<b>Upper limit</b>
Duration of calculation period (days)			20
End of averaging period *)			17.10.2019
Volume weighted average price for the indicated period			35,850
<b>Price to be paid per share repurchased (in EUR)</b>		<b>1,00</b>	<b>46,60</b>
offer price	(in EUR)	36,84	36,84
deviation	(in EUR)	35,84	-9,76
(negative) premium	(in %)	3584,00%	-20,94%

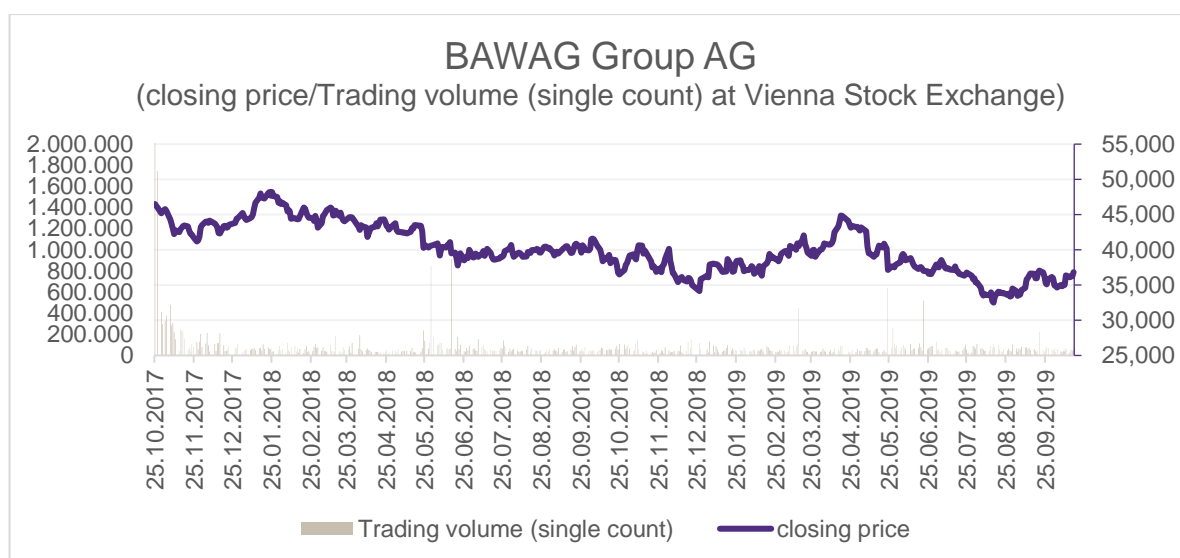
\*) Date before announcement of public offer intention

The offer price of EUR 36,84 is thus within the permissible price range according to the resolution of the Annual General Meeting on 30. April 2019.

### 5.3 Analysis of the development of the share price

The prices for Target Company shares on the Vienna Stock Exchange have moved within a price range of EUR 48,50 (on 23. January 2018) and EUR 31,78 (on 15. August 2019) since the initial listing at EUR 47,40 at the end of October 2017. On 18. April 2019, an interim high of EUR 45,22 was reached for 2019.

The following chart shows the Target Company share price performance and the respective trading volumes on the Vienna Stock Exchange in the period from 25. October 2017 to 17. October 2019. The trading volumes (number of shares traded) are presented as a single count based on data from the Vienna Stock Exchange:



The following table shows an analysis of the trading volume for Target Company shares on the Vienna Stock Exchange. Although prices are formed on all trading days of the Vienna Stock Exchange, the share in 2018 and 2019 has relatively low trading volumes on the Vienna Stock Exchange, especially when measured against the free float. Trading volumes on the Vienna Stock Exchange in 2017 were dominated by trading activity as a result of the initial listing:

<b>Development of trading activities at Vienna Stock Exchange</b>	<b>2019 *)</b>	<b>2018</b>	<b>2017</b>
Trading volume (single count) **)	13.238.09	16.251.22	14.442.76
Number of trading days with price formation **)	5	1	5
Average trading volume per trading day **)	203	247	43
Average daily trading volume of free float **)	65.212	65.794	335.878
	0,13%	0,14%	0,69%

\*) Date before announcement of public offer intention

\*\*) Trading activities in shares of BAWAG Group AG at Vienna Stock Exchange

The average trading volumes per trading day meant that a relatively long period of time was to be expected for the repurchase of the offered shares via the Vienna Stock Exchange.

## 5.4 Offer price in relation to equity per share

The consolidated shareholder' equity disclosed in the Group financial statements of the Target Company as of 31. December 2018 amounts to EUR 3,705 million. The share capital of the company is divided into 100.000.000 shares, with 1.205.107 own share being held both as of 31. December 2018 and currently. The proportionate equity per share as of the balance sheet date of 31. December 2018 was therefore EUR 37,51 per share, allocated to the shares outstanding.

The following table shows the situation as of 31. December 2018 and 30. June 2019, taking into account, among other things, that the dividend payment for 2018 was made at the beginning of May 2019:

<i>Share of equity attributable to shareholders per share</i>	<b>30.06.2019 *)</b>	<b>31.12.2018</b>
Consolidated shareholders' equity (in Mio)	3 689	3 707
Non-controlling interests (in Mio)	1	1
Common equity (in Mio)	3 688	3 706
Shares outstanding at the end of the period (in Mio)	99	99
<b>Equity attributable to shareholders per share (in EUR)</b>	<b>37,33</b>	<b>37,51</b>
offer price (in EUR)	36,84	36,84
deviation (in EUR)	-0,49	-0,67
(negative) premium (in %)	-1,31%	-1,79%

Source: Audited Group Financial Statements 2018 and published half-year reporting by the Target Company  
 \*) unaudited half-year reporting as of 30.6.

The Offer Price of EUR 36,84 is therefore EUR 0,49 or 1,31 % below the proportionate equity per share of the Target Company as of 30. June 2019. It should be noted that both the offer price and the proportionate equity per share of the Target Company as of 30. June 2019 include the pro rata calculated dividend claim for 2019.

## 5.5 Multiples of comparable listed companies

As part of the valuation considerations for the Target Company, the multiplier method based on comparable listed companies may be used, among other methods.

<i>Economic development BAWAG Group AG (IFRS consolidated)</i>		<b>2019 HY *)</b>	<b>2018</b>	<b>2017 **)</b>
<i>Net interest income</i>	in Mio EUR	435,1	840,5	793,1
<i>Net fee and commission income</i>	in Mio EUR	142,6	282,8	216,9
<i>Operating income</i>	in Mio EUR	611,3	1 170,7	1 120,4
<i>Operating expenses</i>	in Mio EUR	-262,3	-517,9	-528,5
<i>Profit before tax</i>	in Mio EUR	287,1	572,7	500,4
<i>Net profit</i>	in Mio EUR	218,6	436,5	449,1
<i>Total assets</i>	in Mio EUR	44 463	44 698	46 056
<i>Risk -weighted assets</i>	in Mio EUR	20 727	20 465	21 494
<i>Liabilities</i>	in Mio EUR	40 477	40 693	42 479
<i>Return on tangible common equity</i>		13,8%	14,2%	15,4%
<i>Net interest margin</i>		2,3%	2,2%	2,2%
<i>Cost-income ratio</i>		42,9%	44,2%	47,2%
<i>Risk costs / interest bearing assets</i>		0,1%	0,1%	0,2%
<i>Common Equity Tier 1 capital ratio (fully loaded)</i>		15,1%	14,5%	13,5%
<i>Liquidity coverage ratio (LCR)</i>		148,0%	179,0%	150,0%
<i>NPL ratio</i>		1,8%	1,7%	1,8%
<i>Earnings per share (IAS 33)</i>	in EUR	2,10	4,32	4,49
<i>Dividend per share</i>	in EUR		2,18	0,58

Source: Audited Group Financial Statements for 2017 and 2018 and published documents by the Target Company

\*) half-year reporting as of 30.6.

\*\*) without adjustments first adoption of IFRS9

When selecting the comparable listed companies (peer group), the Target Company identified the following six peer companies, which in principle have comparable business models in their respective markets and whose business activities or risk situation do not have a focus on CEE, Italy or Greece:

- DNB ASA: DNB is the largest Norwegian financial services group and one of the largest in Northern Europe in terms of market capitalisation. In addition to its branches in Norway, the bank also has an international presence. The bank's history dates back to 1822 and it has existed in its present form since 2003. The bank is headquartered in Oslo.
- ING Group: ING is the largest Dutch bank with approx. 53.000 employees. The bank is headquartered in Amsterdam and has a presence in Central and Western Europe.
- KBC Group NV: KBC Group NV has an integrated bank insurance model with around 42.000 employees. The company was founded in 1998 after the merger of two Belgian banks and a Belgian insurance company and is headquartered in Brussels.
- Nordea Bank Abp: Nordea Bank Abp, with around 29.000 employees, has its home markets in Northern Europe and is present in a total of 20 countries. The bank's history dates back to 1820 and it is headquartered in Helsinki.
- Skandinaviska Enskilda banken AB: Skandinaviska Enskilda Banken (SEB) is a Nordic financial services group with around 15.000 employees. Its home markets are Northern Europe and the Baltic States and the bank is also present in other markets. The bank was founded in 1856 and has its headquarters in Stockholm.



- Svenska Handelsbanken AB: Svenska Handelsbanken is one of the leading banks in Northern Europe. The core markets are in Northern Europe and the bank also has an international network. The bank was founded in 1871 and is headquartered in Stockholm.

<i>Peer Group</i>	<i>Cur</i>	<i>Share price</i>	<i>Market Cap in Mio</i>	<i>Number of shares in Mio</i>	<i>Revenues 2018 (in Mio)</i>	<i>Net income in % 2018</i>
DNB ASA	EUR	15,63	24 917	1 594	5 446	39,8%
ING Group	EUR	10,21	39 721	3 892	18 781	26,6%
KBC Group NV	EUR	57,64	23 985	416	8 596	30,0%
Nordea Bank Abp	EUR	6,38	25 744	4 035	10 293	29,6%
Skandinaviska Enskilda banken AB	EUR	7,94	17 179	2 164	4 704	2,9%
Svenska Handelsbanken AB	EUR	8,52	16 564	1 944	3 964	3,5%
BAWAG	EUR	34,90	3 490	100	1 194	39,1%

*\* Analysis GTA, Data Bloomberg 15.10.2019 (Net income = Income from continuing operations), Data in foreign currency translated at reference rate OeNB 15.10.2019*

To determine the multiples for estimating the value of the Target Company's shares, various multipliers were derived from information from company databases. Due to the special features of a bank, profitability multiples (e.g. EBITDA as a basis) are not effective in contrast to other companies. We have therefore compared the market capitalisations from 2015 to the present (ie published for last 12 months) with the consolidated annual profits resp book values of the consolidated equity of the peer group companies.

<i>Peer Group (Price/Earnings Multiples)</i>	<i>P/E act (earnings 2018)</i>	<i>P/E 2018</i>	<i>P/E 2017</i>	<i>P/E 2016</i>	<i>P/E 2015</i>	<i>P/E Median</i>
DNB ASA	11,50	10,10	12,79	8,43	8,67	10,10
ING Group	7,96	7,34	13,89	11,43	17,60	11,43
KBC Group NV	9,31	9,16	12,26	9,33	13,68	9,33
Nordea Bank Abp	8,45	9,62	10,82	11,65	12,14	10,82
Skandinaviska Enskilda banken AB	11,45	11,47	19,41	12,50	10,20	11,47
Svenska Handelsbanken AB	11,13	11,87	13,44	15,20	14,22	13,44
<i>Minimum</i>	7,96	7,34	10,82	8,43	8,67	9,33
<i>Maximum</i>	11,50	11,87	19,41	15,20	17,60	13,44
<i>Average</i>	9,97	9,93	13,77	11,42	12,75	11,10
<i>Median</i>	10,22	9,86	13,11	11,54	12,91	11,13

*\* Data Bloomberg 15.10.2019: Income adjusted (from continuing operations)*

<b>Peer Group (Price/Book Value Equity)</b>	<b>P/B act</b>	<b>P/B 2018</b>	<b>P/B 2017</b>	<b>P/B 2016</b>	<b>P/B 2015</b>	<b>P/B Median</b>
DNB ASA	1,16	1,02	1,19	1,10	1,13	1,13
ING Group	0,78	0,72	1,18	1,07	0,82	0,82
KBC Group NV	1,28	1,25	1,71	1,56	1,46	1,46
Nordea Bank Abp	0,77	0,88	1,26	1,37	1,29	1,26
Skandinaviska Enskilda banken AB	1,29	1,29	1,46	1,45	1,46	1,45
Svenska Handelsbanken AB	1,27	1,35	1,60	1,92	1,70	1,60
<i>Minimum</i>	0,77	0,72	1,18	1,07	0,82	0,82
<i>Maximum</i>	1,29	1,35	1,71	1,92	1,70	1,60
<i>Average</i>	1,09	1,09	1,40	1,41	1,31	1,29
<i>Median</i>	1,21	1,13	1,36	1,41	1,37	1,35

\* Data Bloomberg 15.10.2019

Derivation of the value indication for the shares of Target Company from the multipliers of the peer group:

<b>Value derivation BAWAG Group AG (EUR Mio resp EUR)</b>	<b>BAWAG</b>	<b>Equity Value (Median Multiple act)</b>	<b>Equity Value (Median 2018)</b>	<b>Number of shares</b>	<b>Value per share (Median Multiple act)</b>	<b>Value per share (Median 2018)</b>
<i>Multiple P/E</i>	<i>earnings</i>	10,22	9,86			
Actual 2018	436	4 463	4 305	98 794 893	45,17	43,57
Forecast 2019	495	5 058	4 879	98 794 893	51,20	49,38
<i>Multiple P/B</i>	<i>equity</i>	1,21	1,13			
Actual 2018	4 005	4 851	4 546	98 794 893	49,10	46,01
Forecast 2019*	3 868	4 685	4 390	98 794 893	47,42	44,44

\* including planned repurchase of shares

The offer price of EUR 36,84 is thus lower than the value per share, which was determined on the basis of market multiples of the peer companies listed above.

## 5.6 Analyst assessment

We have received the following analyst reports and estimates, which contain the following target price per share based on the earnings estimates given in the table for the years 2019 to 2021:

<i>Analyst assessment</i>	<i>as of</i>	<i>EPS *)</i> <i>2019E</i>	<i>EPS *)</i> <i>2020E</i>	<i>EPS *)</i> <i>2021E</i>	<i>Target price</i> <i>per share **)</i>
Erste Group Bank AG	12.09.2019	4,63	5,43	5,33	40,00
Raiffeisen Bank International AG	02.09.2019	4,51	4,51		42,00
Kepler Cheuvreux	31.08.2019	4,49	4,73	4,74	44,00
Raiffeisen Centrobank AG					44,00
Citigroup Global Markets	27.03.2019	4,64	5,11	5,00	48,50
Morgan Stanley & Co	30.07.2019	4,44	4,53	4,93	49,00
Credit Suisse AG	31.07.2019	5,27	5,96	6,71	50,00
Commerzbank AG	12.09.2019	4,46	4,66	4,72	51,00
Goldman Sachs International	01.08.2019	4,54	4,97	5,05	51,00
UBS AG	01.08.2019	4,94	5,35	5,42	51,00
Autonomous Research LLP	30.07.2019	4,83	5,04	5,11	51,24
<i>Minimum</i>		4,44	4,51	4,72	40,00
<i>Maximum</i>		5,27	5,96	6,71	51,24
<i>Average</i>		4,68	5,03	5,22	47,43
<i>Median</i>		4,59	5,01	5,05	49,00
offer price	(in EUR)				36,84
deviation	(in EUR)				-12,16
(negative) premium	(in %)				-24,82%

\*) *EPS xxxxE ... Earnings Per Share-estimation of the individual analyst*

These current analyst reports and estimates include price targets per share of the Target Company in a range from EUR 40,00 to 51,24. The average value per share is EUR 47,43, the median value per share is EUR 49,00.

The offer price of EUR 36,84 is thus EUR 12,16 or 24,82 % below the median value of the price targets of the analyst estimates listed above.



## 6 Compliance

### 6.1 Non-disclosure

The Bidder and the legal entities acting in concert with it, including the persons acting on their behalf, are obliged to non-disclosure in the phase prior to the announcement of the Offer. Appropriate precautions have been taken to maintain confidentiality.

### 6.2 Parallel transactions as a credit institution

Target Company holds majority stakes in credit institutions (see Section 2.1) which are exempted from the prohibition of parallel transactions for certain business areas and securities transactions under Section 16 (4) ATA. The application of these exemption rules to credit institutions presupposes, among other things, a strict separation of banking business as defined in Section 16 (4) 1 ATA from the investment management of credit institutions and their advisory activities in the investment banking business.

The persons entrusted with the trading in question are familiar with the requirements pursuant to § 16 (4) (1) to (4) ATA. The mechanisms in the settlement and recording of these transactions are suitable for ensuring compliance with these rules and the accuracy of the reports to the Austrian Takeover Commission to be made during the bidding procedure.

### 6.3 Equal treatment of shareholders

The Bidder confirms that the Offer Price is the same for all shareholders. The Bidder (and all entities acting in concert) will not make any legally binding statements until the end of the Acceptance Period regarding the purchase of shares on terms better than those contained in this Offer, unless the Bidder improves this Offer or the Austrian Takeover Commission grants an exemption for good cause pursuant to Section 16 (1) ATA.

If the Bidder (or any entity acting in concert) nevertheless declares to offer better terms than those contained in this Offer, such better terms will apply to all shareholders whether or not they have already accepted the Offer. This right of shareholders who accept the Offer is expressly stated in the Offer.

### 6.4 Obligation to pay arrears

The Bidder undertakes to make an additional payment to the extent of the improvement (i.e. the amount exceeding EUR 36,84 per share) to those shareholders who have accepted the Offer in question, in the event that the Bidder or a legal entity acting in concert with the Bidder remains in default until the end of the (possibly extended) Acceptance Period and within 9 months after expiry of the (possibly extended) Acceptance Period

- i. grants or agrees a higher price than the offer price for the acquisition of Target Company shares or
- ii. resold a controlling interest in Target Company at a price higher than the offer price. The Bidder is not seeking to acquire a controlling interest in Target Company through this Offer.

The Bidder shall immediately publish the occurrence of any obligation to make subsequent payments.

## 7 Availability of funds

### 7.1 Nature and volume of funds

Based on the Offer Price of EUR 36,84 per share, the Bidder will be required to finance a maximum total purchase price of approximately EUR 400.000.000,00 for the acquisition of the Shares by way of the Offer.

The Bidder uses its own liquid funds to finance the Offer and the related settlement costs. The Bidder has available liquid funds which are available in a separate account for the fulfilment of the obligations arising from the Offer and to cover the settlement costs deriving from the Offering Process.

If the Acceptance Period is not extended, the expected payment date shall be no later than the 10<sup>th</sup> Exchange day after the end of the Acceptance Period, i.e. the 6. December 2019, in according with the timetable set out in the Offer.

The Bidder has confirmed to us that these available funds will be used exclusively to service the obligations arising from the Offer up to the payment date of the Offer.

In total, the Bidder therefore has sufficient funds available to meet its purchase price obligation to the shareholders accepting the Offer, including the associated settlement costs, in a timely manner and in a sufficient amount.

### 7.2 Statement on the Availability of funds

In our opinion, the Bidder has at its disposal the necessary funds for the timely and complete financing of the expected purchase price including ancillary costs and for the fulfilment of all financial obligations.

## 8 Publication of the offer and statements by the Offeree Company

We have reviewed the publicly available statements of the Bidder prior to the acceptance period. We are not aware of any statements by the Bidder or by any legal entity acting in concert that could have an impact on the Offer in question.

The Bidder intends to publish a reference to the Offer in the "Amtsblatt zur Wiener Zeitung" as well as the entire Offer on the website of Target Company ([www.bawaggroup.com](http://www.bawaggroup.com)) and on the homepage of the Austrian Takeover Commission ([www.takeover.at](http://www.takeover.at)).

## 9 Opinion

As a result of our activities as an expert pursuant to § 9 (1) ÜbG and § 13 in conjunction with § 14 (2) ATA, we issue the following opinion on the voluntary public tender offer pursuant to §§ 4 et seq. ÜbG of BAWAG Group AG dated 21. October 2019 / 25. October 2019 directed at the repurchase of up to 10.857.763 of shares:

As experts of the Bidder and the Target Company, we confirm that the information required in accordance with the provisions of the Takeover Act is complete, complies with the statutory provisions and that the Offer Document contains the minimum contents described in § 7 ATA. We have described this in detail in Section 4.

The present offer concerns a voluntary offer pursuant to § 4 ATA. The legal requirements of § 26 para 1 ATA regarding a lower price limit therefore do not apply.

An evaluation of the offer price shows that it is above the historical stock exchange prices (average weighting after 3 months) and below the historical stock exchange prices (average weighting after 6, 12 and 18 months) and below the historical high of the BAWAG share as well as below the proportionate equity according to IFRS as of 31. December 2018.

However, the Offer Price is below the values resulting from the multiplier method for the value of a BAWAG share as well as below the median of the respective price targets of analysts, which we presented in detail in Sections 5.5. and 5.6. of this report. The Offer Price is also below the result of the value analysis carried out by the Target Company according to the "Dividend Discount Model".

In our opinion, the Bidder has at its disposal the necessary funds for the timely and complete fulfillment of the Offer. Overall, all arguments and information presented enable a comprehensible assessment of the voluntary public offer.

Vienna, 21. October 2019 / 25. October 2019

**Grant Thornton Austria GmbH**  
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

## Appendices to the Expert opinion on the audit of the Offer Document for the voluntary offer according to §§ 4 ff Austrian Takeover Act of BAWAG Group AG for the repurchase of shares



## Appendix 1 – Voluntary offer according to §§ 4 ff ATA of BAWAG GROUP AG for the repurchase of shares

**IMPORTANT NOTE:**

**SHAREHOLDERS OF BAWAG GROUP AG WHOSE SEAT, PLACE OF RESIDENCE OR HABITUAL ABODE IS OUTSIDE THE REPUBLIC OF AUSTRIA SHOULD NOTE THE INFORMATION SET FORTH IN SECTION 8. OF THIS OFFER DOCUMENT:**

**VOLUNTARY  
PARTIAL TENDER OFFER**

pursuant to Sections 4 et seqq of the Austrian Takeover Act (“**ATA**“)  
(the or this “**Offer**”)

of



**BAWAG Group AG**

Wiedner Gürtel 11

1100 Vienna

(FN 269842b)

(“**Bidder**” and “**Target Company**”)

to its shareholders

to **repurchase own shares** (ISIN AT0000BAWAG2)

### Summary of the Offer

The following summary contains selected information on this Offer and therefore shall be read only together with the entire offer document (the “**Offer Document**”).

<b>Bidder and Target Company</b>	BAWAG Group AG, a stock corporation under Austrian law with its corporate seat in Vienna and its business address at Wiedner Gürtel 11, 1100 Vienna, FN 269842b.	Section 2
<b>Offer / Object of Offer</b>	The Offer comprises the acquisition of up to 10,857,763 bearer shares of BAWAG Group AG (ISIN AT0000BAWAG2) admitted to trading on the Official Market ( <i>Amtlicher Handel</i> ) of the Vienna Stock Exchange ( <i>Wiener Börse</i> ), listed in the segment <i>prime market</i> and not owned by the Target Company or any party acting in concert with it. The Offer Shares correspond to approx. 10.86% of the Target Company’s share capital.	Section 3.1
<b>Offer Price</b>	EUR 36.84 per Share of the Target Company (ISIN AT0000BAWAG2).	Section 3.2
<b>Acceptance Period</b>	<p>Period from 25 October 2019 (including) until 22 November 2019 (including), 5.00 pm (Vienna local time), i.e. four weeks (the “<b>Acceptance Period</b>”).</p> <p>There will be no statutory extension period (<i>sell-out period</i>) pursuant to Section 19 para 3 ATA.</p>	Sections 4.1 & 4.2
<b>Acceptance</b>	<p>The acceptance of the Offer must be declared irrevocably in writing and addressed to the accepting shareholder’s respective Depository Bank. The Acceptance Declaration shall be deemed to be made in due time if it was received by the Depository Bank within the Acceptance Period and, by no later than the 2<sup>nd</sup> (second) trading day after expiry of the Acceptance Period at 5.00 pm (Vienna time), (i) the rebooking (the transfer from ISIN AT0000BAWAG2 to ISIN AT0000A2B4H8) has been made, and (ii) the Depository Bank has forwarded to the Tender and Payment Agent the notice of acceptance of the Offer, indicating the number of placed client orders and the total number of shares encompassed by the Acceptance Declarations received by the Depository Bank during the Acceptance Period and provided that the respective total number of Shares has been transferred to the Tender and Payment Agent.</p> <p>During the Acceptance Period, shares tendered into the Offer by a shareholder cannot be traded via the stock exchange.</p>	Section 4.4

	<p>The Bidder will bear reasonable and customary fees and costs levied by Depository Banks in connection with the settlement of this Offer in a maximum amount of EUR 8 (Euro eight) per securities account. Depository Banks are requested to contact the Tender and Payment Agent in this respect.</p>	
<b>Tender and Payment Agent</b>	Raiffeisen Centrobank AG	Section 4.3
<b>Allocation in case of Over-subscription</b>	<p>Acceptance Declarations will be considered on a <i>pro rata</i> basis if Acceptance Declarations are submitted for more shares than the Target Company as Bidder intends to acquire. Pursuant to Section 20 ATA, the Acceptance Declaration of each shareholder has to be considered in the proportion of the partial offer to the total number of Acceptance Declarations.</p> <p>If this allocation rule requires the Bidder to acquire a fractional number of shares, the number is, at the discretion of the Tender and Payment Agent, rounded up or down to the next integral number. However, the number of Offer Shares will under no circumstances be exceeded.</p>	Section 4.6
<b>Publication of the Offer</b>	<p>This Offer will be published on the website of the Bidder (<a href="http://www.bawaggroup.com">www.bawaggroup.com</a>) and on the website of the Austrian Takeover Commission (<a href="http://www.takeover.at">www.takeover.at</a>) on 25 October 2019. This Offer Document will (in the form of a brochure) be made available at the seat of the Target Company and at the Tender and Payment Agent together with the report of the expert pursuant to Sections 9 and 13 ATA. A respective notification will be published in the Official Gazette (<i>Amtsblatt zur Wiener Zeitung</i>) pursuant to Section 11 para 1a ATA on 25 October 2019.</p>	Section 4.11
<b>Condition Precedent</b>	<p>The Offer is subject to the following condition precedent:</p> <p>Between the publication of this Offer Document and the end of the Acceptance Period, the closing price of any of the two following indices is not in excess of 20% lower than its respective closing price on 21 October 2019 (as displayed on the relevant Bloomberg screen) on two consecutive trading days:</p> <ul style="list-style-type: none"> <li>• STOXX Europe 600 Banks Index (SX7P; ISIN EU0009658806)</li> <li>• Austrian Traded Index (ATX; ISIN AT0000999982).</li> </ul>	Section 3.8

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## 1. DEFINITIONS

<b>Acceptance Declaration</b>	The written acceptance of the Offer by shareholders of the Target Company vis-à-vis their respective Depository Bank pursuant to Section 4.4.
<b>Acceptance Period</b>	The Offer can be accepted in the period from 25 October 2019 (including) until 22 November 2019 (including), 5.00 pm (Vienna time), i.e. four weeks.
<b>ATA</b>	Austrian Takeover Act ( <i>Übernahmegesetz</i> , BGBl 1998/127 as amended).
<b>BAWAG Group</b>	The Bidder and its direct and indirect subsidiaries.
<b>Bidder</b>	BAWAG Group AG, Wiedner Gürtel 11, 1100 Vienna, FN 269842b.
<b>Cerberus</b>	Cerberus means funds and accounts under management by Cerberus Capital Management, L.P. and its affiliates.
<b>Depository Bank</b>	The Bank with which Shares of the Target Company are deposited in the name and on behalf of a shareholder.
<b>GoldenTree</b>	GoldenTree means several funds and accounts under management by, or whose holdings in the Target Company are subject to an investment management agreement with, GoldenTree Asset Management, L.P.
<b>Offer Price</b>	EUR 36.84 per bearer share of the Target Company (ISIN AT0000BAWAG2) cum dividend 2019.
<b>Offer Shares</b>	The Offer comprises the acquisition of up to 10,857,763 Shares of the Target Company which are admitted to trading on the Official Market ( <i>Amtlicher Handel</i> ) of the Vienna Stock Exchange ( <i>Wiener Börse</i> ), listed in the segment <i>prime market</i> and not owned by the Target Company or any party acting in concert with it.
<b>Shares</b>	One/several bearer share(s) of the Target Company (ISIN AT0000BAWAG2).
<b>Target Company</b>	Bidder.
<b>Tender and Payment Agent</b>	Is Raiffeisen Centrobank AG and has the meaning given to such term in Section 4.3.
<b>Tendered Shares</b>	Shares in respect of which the Offer was accepted pursuant to Section 4.4.
<b>VWAP</b>	The volume weighted average price at the Vienna Stock Exchange for the indicated period.

## 2. BIDDER AND TARGET COMPANY BAWAG GROUP AG

### 2.1. Company

BAWAG Group AG is a listed stock corporation under Austrian law with its corporate seat in Vienna and its business address at Wiedner Gürtel 11, 1100 Vienna. BAWAG Group AG is registered with the company register (*Firmenbuch*) of the Vienna Commercial Court (*Handelsgericht Wien*) under FN 269842b (“**Bidder**” and “**Target Company**”).

The Bidder has various subsidiaries in Austria and abroad held through its 100% subsidiary BAWAG P.S.K. Bank für Arbeit und Wirtschaft und Österreichische Postsparkasse Aktiengesellschaft. The Bidder and its direct and indirect subsidiaries form the BAWAG group (the “**BAWAG Group**”).

The BAWAG Group comprises, in particular, the following credit institutions:

- BAWAG P.S.K. Bank für Arbeit und Wirtschaft und Österreichische Postsparkasse Aktiengesellschaft
- BAWAG P.S.K. Wohnbaubank Aktiengesellschaft
- easybank AG
- start:bausparkasse AG
- IMMO-Bank Aktiengesellschaft
- SÜDWESTBANK AG (*Germany*)
- start:bausparkasse AG (*Germany*)

BAWAG Group has about 2.5 million customers and is focused on Austria, Germany and developed markets. BAWAG Group serves retail, small business and corporate customers offering comprehensive savings, payment, lending, leasing, investment, building society, factoring and insurance products and services through various online and offline channels. Delivering simple, transparent and best-in-class products and services that meet our customers’ needs is the consistent strategy across all business units (see Section 5.2 for further details on the strategy).

The purpose of this Offer is to acquire own shares and to execute the resolution passed in the general meeting dated 30 April 2019 under agenda item 7 pursuant to Section 65 para 1 no 6 in connection with Section 192 Stock Corporation Act (see Section 2.4 of this Offer). BAWAG Group AG assumes the role of both bidder and target company, with respect to this Offer to acquire own shares.

The **Management Board of the Target Company** consists of the following persons:

- Anas Abuzaakouk (Chairman)
- Mag. Enver Sirucic
- Dipl.-Bw (FH) Stefan Barth
- David O’Leary, BSc
- Sat Shah
- Andrew Wise

The **Supervisory Board of the Target Company** consists of the following persons:

- Dr. Pieter Korteweg (Chairman)
- Christopher Brody (1<sup>st</sup> Deputy Chairman)
- Mag. Egbert Fleischer (2<sup>nd</sup> Deputy Chairman)
- Frederick Haddad
- Kim Fennebresque
- Adam Rosmarin
- Ingrid Streibel-Zarfl (delegated by the works council)

This document is a non-binding English language convenience translation. The only binding document is the German language offer document published on 25 October 2019

- Beatrix Pröll (delegated by the works council)
- Verena Spitz (delegated by the works council)

The remuneration of the corporate bodies of the Target Company, in particular the earnings per share based long term incentive program, is described in the Consolidated Annual Report 2018 (pages 162 et seqq) which can be obtained at the website of the Target Company ([www.bawaggroup.com](http://www.bawaggroup.com)).

The **business objective** of the Target Company is

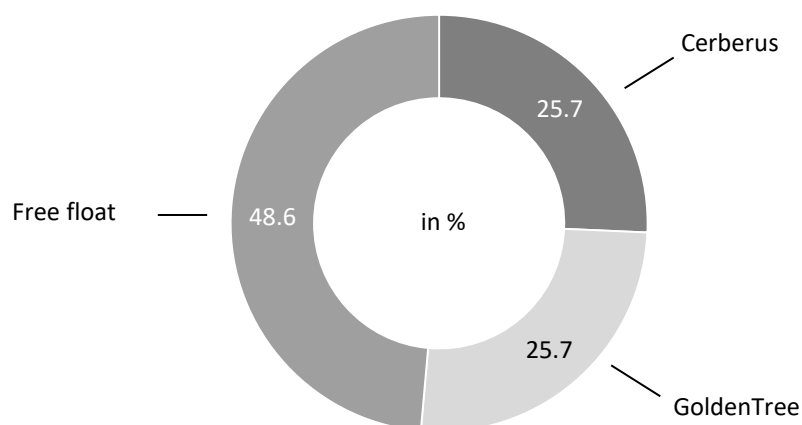
- a. the acquiring, holding, managing and disposing of participations in existing companies and businesses and / or companies and businesses to be established within Austria and abroad, including banks, indifferent in which corporate form;
- b. the exercise of the management and holding functions in respect of participations pursuant to lit a) as well as companies and businesses of BAWAG Group, including on the basis of corporate law, or on the basis of contractual agreements with companies and businesses of BAWAG Group, including the activity as and exercise of the functions of a financial holding;
- c. the provision of management services of any kind with respect to participations in companies and businesses of the BAWAG Group as well as contracts and other business relationships of the BAWAG Group with domestic and foreign contract partners.

## 2.2. Share Capital and Shareholder Structure

The **share capital** of the Target Company amounts to EUR 100,000,000 (Euro one hundred million). The share capital is divided into 100,000,000 (one hundred million) no-par value shares which are admitted to trading on the Official Market (*Amtlicher Handel*) of the Vienna Stock Exchange (*Wiener Börse*) and are listed in the segment *prime market*.

With respect to its share capital, the Target Company refers to the resolution of the general meeting dated 30 April 2019 pursuant to which a reduction of the share capital by way of cancellation of own shares (which are yet to be acquired) according to Section 192 para 3 in connection with Section 65 para 1 no 6 Stock Corporation Act was resolved (see Section 2.4). The purpose of this Offer is to execute this resolution of the general meeting.

Based on the knowledge of the Target Company according to published major holdings notifications pursuant to Sections 130 et seqq Stock Exchange Act, the **shareholder structure** of the Target Company is as follows:





Other than Cerberus and GoldenTree, the Target Company is not aware of further shareholders who hold at least 4% of the Target Company's share capital.

At the time of publication of this Offer, the Target Company holds 1,205,107 treasury shares (approximately 1.205% of the share capital) which have not been acquired on the basis of Section 65 para 1 no 6 in connection with Section 192 Stock Corporation Act. Therefore, these treasury shares may not be used for the capital reduction which was resolved only on 30 April 2019.

### **2.3. Acting in Concert**

Pursuant to Section 1 no 6 ATA, parties acting in concert are natural or legal persons who cooperate with a bidder based on an agreement to acquire or exercise control over a target company, especially by voting in concert. If a party holds a direct or indirect controlling interest (Section 22 para 2 and para 3 ATA) in one or more other parties, it is rebuttably presumed that all these parties are acting in concert.

Based on the above definition no shareholder of the Target Company is to be qualified as party acting in concert with respect to this Offer or as party otherwise acting in concert with the Target Company.

Since Section 1 no 6 ATA presumes that entities within the BAWAG Group act in concert, the Bidder has implemented organizational measures with respect to the credit institutions within the BAWAG Group to comply with the rules set forth in Section 16 para 4 ATA. This applies to the credit institutions of BAWAG Group listed in Section 2.1.

### **2.4. Legal Framework**

Under agenda item 7, the second annual general meeting of the Target Company dated 30 April 2019 has passed the following resolution on the simplified capital reduction (*vereinfachte Kapitalherabsetzung*) by way of cancelation of own shares (*Einziehung eigener Aktien*) pursuant to Section 192 para 3 in connection with Section 65 para 1 no 6 Stock Corporation Act:

*„The share capital of the Company in the amount of EUR 100,000,000 divided into 100,000,000 non-par value bearer shares shall be reduced by a total amount of up to EUR 20,000,000, i.e. up to 20,000,000 shares, to up to EUR 80,000,000, i.e. up to 80,000,000 shares, by way of a simplified capital reduction in accordance with Section 192 Para 3 no 2 AktG by cancelation of own shares which are still to be acquired by the Company.*

*The resolution is subject to the permission to be granted by the competent regulatory authority pursuant to Art 77, 78 CRR (EU Regulation 575/2013) and shall – depending on the circumstances – be implemented within six months from the day on which such permission becomes legally binding.*

*The purpose of this capital reduction is to return excess capital to shareholders.*

*The acquisition of the shares to be canceled pursuant to Section 65 Para 1 no 6 AktG may occur at the discretion of the Management Board, with the consent of the Supervisory Board, via the stock exchange, a public offer or in any other legally permissible and appropriate manner, in particular, also under exclusion of the shareholders' pro-rata rights to tender (reverse exclusion of subscription rights) and also by using equity derivatives.*

*The consideration to be paid per share when repurchasing shares must not be lower than EUR 1 (= calculated proportion of the share capital) and must not be more than 30 percent above the volume weighted average price of the last 20 trading days preceding the respective purchase; in the event of a public offer, the reference date for the end of this period shall be the day on which the intention to launch a public offer*

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*is announced (Section 5 Paras 2 and 3 Austrian Takeover Act ("ÜbG")). The Management Board is authorized to determine the repurchase conditions.*

*In accordance with Section 192 Para 3 no 2 AktG, the shares shall be canceled at the expense of the net profit, a free reserve or a reserve in accordance with Section 225 Para 5 2nd sentence Austrian Commercial Code ("UGB") or Section 229 Para 1a 4th sentence UGB. The pro-rata amount of the share capital attributable to the shares to be canceled shall be allocated to the restricted capital reserve (Section 192 Para 5 AktG) following the cancellation."*

With its decision of 18 October 2019, the European Central Bank has granted the required permission as competent regulatory authority pursuant to Article 77, 78 CRR (EU Regulation 575/2013).

To that end, the Management Board of the Target Company, with the consent of the Supervisory Board, executes the mandate of the general meeting to acquire own shares for the purpose to cancel such shares.

### **3. THE OFFER**

#### **3.1. Object of the Offer**

The Offer relates to the acquisition of up to 10,857,763 Shares of the Target Company, which are admitted to trading on the Official Market (*Amtlicher Handel*) of the Vienna Stock Exchange (*Wiener Börse*), listed in the segment *prime market*, and are not owned by the Target Company or any party acting in concert with it (the "**Offer Shares**"). The maximum number of Offer Shares which the Target Company intends to acquire by way of this Offer amounts to 10,857,763 Shares which corresponds to approximately 10.86% of the share capital.

#### **3.2. Offer Price**

Under the terms of this Offer, the Target Company offers the holders of Offer Shares a consideration in the amount of EUR 36.84 (Euro thirty-six point eighty-four) per Offer Share cum dividend 2019 (the "**Offer Price**").

#### **3.3. Determination of Offer Price**

This Offer is a voluntary takeover offer pursuant to Sections 4 et seqq ATA. Therefore, the minimum price rules pursuant to Section 26 ATA do not apply. Instead, the Offer Price may be determined by the Target Company in its role as Bidder at its sole discretion.

#### **3.4. Historical Reference Transactions**

The Target Company has repurchased a total of 183,350 own shares in a price range of EUR 36.26 to EUR 39.88 over the last twelve months before the publication of intention.

#### **3.5. Offer Price in relation to Historical Prices**

The volume weighted average price ("**VWAP**") of the last three (3), six (6), twelve (12) and eighteen (18) months before the publication of intention (*Angebotsabsicht*) and the amount and percentage by which the Offer Price exceeds or falls short of such share prices are illustrated as follows:

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	Months			
	3	6	12	18
<b>VWAP</b>	EUR 35.07	EUR 36.93	EUR 37.63	EUR 38.57
<b>Difference between Offer Price and VWAP in EUR</b>	EUR 1.77	EUR -0.09	EUR -0.79	EUR -1.73
<b>(negative) premium</b>	5.05%	-0.23%	-2.11%	-4,49%

Source: Wiener Börse AG, [www.wienerbourse.at](http://www.wienerbourse.at); own calculation of the Bidder. The Target Company has been listed on Vienna Stock Exchange since 25 October 2017.

On 17 October 2019, i.e. the last trading day prior to the **announcement of the intention** of the Target Company to make an Offer to its shareholders to acquire own shares, the share closed at a price of EUR 36.84 on the Vienna Stock Exchange (source: [www.wienerbourse.at](http://www.wienerbourse.at)). The Offer Price of EUR 36.84 per Offer Share corresponds to the closing share price.

On 18 October 2019, i.e. the last trading day prior to the **submission of this Offer Document** to the Austrian Takeover Commission, the share closed at a price of EUR 37.12 on the Vienna Stock Exchange (source: [www.wienerbourse.at](http://www.wienerbourse.at)). The Offer Price of EUR 36.84 per Offer Share falls short of the closing share price by 0.75%.

### 3.6. Key Financial Indicators and Current Business Development of the Target Company

Key financial indicators derived from the last two (2) audited consolidated annual financial statements and the (unaudited) half-year reporting as of 30 June 2019 of the Target Company are as follows:

<i>Economic development BAWAG (IFRS consolidated)</i>		2019 HY *)	2018	2017 **)
<i>Net interest income</i>	in Mio EUR	435,1	840,5	793,1
<i>Net fee and commission income</i>	in Mio EUR	142,6	282,8	216,9
<i>Operating income</i>	in Mio EUR	611,3	1 170,7	1 120,4
<i>Net profit</i>	in Mio EUR	218,6	436,5	449,1
<i>Total assets</i>	in Mio EUR	44 463,0	44 698,0	46 056,0
<i>Risk -weighted assets</i>	in Mio EUR	20 727,0	20 465,0	21 494,0
<i>Liabilities</i>	in Mio EUR	40 477,0	40 693,0	42 479,0
<i>Earnings per share (IAS 33)</i>	in EUR	2,10	4,32	4,49
<i>Dividend per share</i>	in EUR		2,18	0,58
<i>Book value per share</i>	in EUR	37,33	37,51	35,76

Source: Audited Group Financial Statements for 2017 and 2018 and published documents by the Target Company

\*) half-year reporting as of 30.6.

\*\*) without adjustments first adoption of IFRS9

Further information on the Target Company is available on the website of the Target Company ([www.bawaggroup.com](http://www.bawaggroup.com)). The information provided on such website does not constitute a part of this Offer Document.

### 3.7. Valuation of the Target Company

In order to assess the value of the Target Company's shares, the Management Board has prepared a value analysis. The value analysis was carried out on the basis of Target Company's multi-year planning for 2019 to 2023, which was acknowledged by the Target Company's Supervisory Board, by using the valuation method "Dividend Discount Model", being the method usually used for banks.

The multi-year planning prepared by Target Company is based on certain expectations regarding future developments, which are naturally associated with uncertainties. An additional external company valuation has not been conducted.

It should also be noted that the value analysis of the Target Company's Management Board, in conjunction with the sensitivity analysis, also comes to the conclusion that the offer price of EUR 36.84 is lower than the value of the Target Company's share.

### 3.8. Condition Precedent

The Offer is subject to the following condition precedent:

Between the publication of this Offer Document and the end of the Acceptance Period, the closing price of any of the two following indices is not in excess of 20% lower than its respective closing price on 21 October 2019 (as displayed on the relevant Bloomberg screen) on two consecutive trading days:

- STOXX Europe 600 Banks Index (SX7P; ISIN EU0009658806)
- Austrian Traded Index (ATX; ISIN AT0000999982).

The Offer will only become legally effective if the condition precedent has been fulfilled until the end of the Offer Period. The Bidder reserves the right to waive this condition precedent until the publication of the results in which case the condition precedent shall be deemed to be fulfilled.

Except for the condition precedent pursuant to this Section 3.8 and the condition subsequent pursuant to Section 4.5, the Offer is not subject to any further conditions.

## 4. OFFER PERIOD AND SETTLEMENT OF THE OFFER

### 4.1. Offer Period

The period for the acceptance of the Offer is four weeks. The Offer can be accepted in the period from 25 October 2019 (including) until 22 November 2019 (including), 5.00 pm (Vienna time) (the "**Acceptance Period**").

### 4.2. No statutory extension of Acceptance Period (no sell-out phase)

There will be no statutory extension of the Acceptance Period (*sell-out* phase) according to Section 19 para 3 ATA. Thus, the Offer can only be accepted within the Acceptance Period set forth in Section 4.1.

### 4.3. Tender and Payment Agent

The Target Company has mandated Raiffeisen Centrobank AG (the "**Tender and Payment Agent**") to settle the Offer, to receive the Declarations of Acceptance from Depository Banks and to pay the offer price.

#### 4.4. Acceptance of the Offer

The Target Company recommends that shareholders who intend to accept this Offer via an Acceptance Declaration vis-à-vis their Depository Bank should contact their Depository Bank no later than three (3) trading days prior to the end of the Acceptance Period. The Target Company in its role as Bidder does not have any influence on the deadline until which Depository Banks accept Acceptance Declarations.

Shareholders of the Target Company who intend to accept this Offer have to declare irrevocably in writing the acceptance of the Offer vis-à-vis their Depository Bank (the "**Acceptance Declaration**"). The Acceptance Declaration must be made with respect to a specific number of Offer Shares; this number must in any case be stated in the Acceptance Declaration. The Depository Bank shall immediately forward the Acceptance Declarations to the Tender and Payment Agent, indicating the number of placed client orders and the total number of Acceptance Declarations with respect to those Offer Shares which the Depository Bank received during the Offer Period. In addition, the Depository Bank shall block such Tendered Shares upon receipt of the respective notification.

In respect of the Tendered Shares, the Tender and Payment Agent has applied to Oesterreichische Kontrollbank AG (OeKB) for the ISIN AT0000A2B4H8 „BAWAG Group AG – shares deposited for sale“ (“BAWAG Group AG – zum Verkauf eingereichte Aktien”). Until ownership of the Tendered Shares is transferred (see Section 4.7), the shares indicated in the Acceptance Declaration (bearing a different ISIN) shall remain in the accepting shareholder's securities account; they shall be rebooked, however, and labelled "BAWAG Group AG – shares deposited for sale" and cannot be traded via the stock exchange.

The Acceptance Declaration shall be deemed to be made in due time if it was received by the Depository Bank within the Acceptance Period and, by no later than the second (2<sup>nd</sup>) trading day after expiry of the Acceptance Period at 5.00 pm (Vienna time), (i) the rebooking (i.e. the transfer from ISIN AT0000BAWAG2 to ISIN AT0000A2B4H8) has been made, and (ii) the Depository Bank has forwarded to the Tender and Payment Agent the notice of acceptance of the Offer, indicating the number of placed client orders and the total number of shares encompassed by the Acceptance Declarations received by the Depository Bank during the Acceptance Period and provided that the respective total number of Shares has been transferred to the Tender and Payment Agent.

#### 4.5. Legal Consequences of the Acceptance

Upon acceptance of this Offer, a purchase agreement with respect to the Tendered Shares is concluded between each accepting shareholder and the Bidder pursuant to the terms and conditions set forth in this Offer Document.

Such purchase agreement is legally binding and irrevocable (except for the event set forth in Section 4.10) subject to the condition precedent pursuant to Section 3.8 and the condition subsequent (*auflösende Bedingung*) in case of an over-subscription. If the Offer is over-subscribed, the allocation rules pursuant to Section 4.6 apply to the respective purchase agreement.

#### 4.6. Allocation of the Offered Shares in case of Over-Subscription of the Offer

Pursuant to Section 20 ATA Acceptance Declarations are considered on a *pro rata* basis if acceptance declarations with respect to more securities (*Beteiligungspapiere*) are submitted than a Bidder intends to acquire (i.e. if shareholders submit Acceptance Declarations with respect to more shares than the number of Offer Shares).

In such case, the Acceptance Declarations will only be considered *pro rata* to the number of Offered Shares. Shares which have been transferred to the Tender and Payment

Agent and will not be considered due to over-subscription of the Offer will be re-transferred to the respective Depository Bank.

For example: The Offer comprises the acquisition of 10,857,763 Shares. If the Offer is accepted with respect to 13,572,204 Shares (i.e. 25% more than the Target Company as Bidder intends to acquire), the allocation ratio is calculated of the proportion of the Offer Shares (i.e. 10,857,763) to the number of Tendered Shares (in this example: 13,752,204). In this case, 80% of the shares tendered by each shareholder will be considered (i.e. allocation ratio of 80%). Thus, if a shareholder has accepted the Offer with respect to 100 Shares, in this example, only 80 Shares will be considered. 20 Shares will remain in the securities account of the respective shareholder.

If this rule requires the Bidder to acquire a fractional number of Shares, the number is, at the discretion of the Tender and Payment Agent, rounded down or up to the next integral number. However, the number of Offer Shares will under no circumstances be exceeded.

#### **4.7. Payment of Offer Price and Transfer of Ownership („settlement“)**

The Offer Price will be paid to shareholders of the Target Company who have accepted the Offer during the Offer Period no later than on the tenth (10<sup>th</sup>) trading day after the end of the Offer Period, i.e. on 6 December 2019, against the concurrent transfer of ownership in the shares.

#### **4.8. Settlement Fees**

Other than described below, the Target Company will not assume any expenses, costs, such as costs of Depository Banks, other transaction costs, income taxes, stamp duties or any other similar levies and taxes in connection with the acceptance and settlement of this Offer in Austria or abroad. These shall be borne by each Shareholder of the Target Company.

The Bidder will bear reasonable and customary fees and costs levied by Depository Banks in connection with the settlement of this Offer in a maximum amount of EUR 8 (Euro eight) per securities account. Depository Banks are requested to contact the Tender and Payment Agent in this respect.

#### **4.9. Representations and Warranties**

Shareholders who have accepted the Offer, represent and warrant with respect to their Tendered Shares that as of the time of acceptance of this Offer and on the date of settlement (see Section 4.7)

- a. the accepting shareholder has full power and authority to accept this Offer and to perform its obligations hereunder;
- b. the accepting shareholder is the sole owner of the shares which the shareholder tenders and that such shares are not encumbered with any third party rights;
- c. upon settlement of this Offer, the Bidder will acquire unrestricted ownership in the Shares and the rights attached thereto.

#### **4.10. Withdrawal Rights in Case of Competing Offers**

If a competing offer was launched during the term of this Offer, pursuant to Section 17 ATA, shareholders would be entitled to withdraw their Acceptance Declarations no later than four (4) trading days prior to the expiry of the initial acceptance period. The declaration of withdrawal has to be made in writing vis-à-vis the respective Depository Bank or the Tender and Payment Agent.

#### 4.11. Announcement and Publication of the Result

This Offer will be published on the website of the Bidder ([www.bawaggroup.com](http://www.bawaggroup.com)) and on the website of the Austrian Takeover Commission ([www.takeover.at](http://www.takeover.at)) on 25 October 2019. This Offer Document will (in the form of a brochure) be made available at the seat of the Target Company and at the Tender and Payment Agent together with the report of the expert pursuant to Sections 9 and 13 ATA. A respective notification will be published in the Official Gazette (*Amtsblatt zur Wiener Zeitung*) pursuant to Section 11 para 1a ATA on 25 October 2019.

Upon completion of the Offer, the Bidder will publish the results of this Offer pursuant to Section 19 para 2 ATA on the abovementioned websites as well as in the Official Gazette (*Amtsblatt zur Wiener Zeitung*).

#### 4.12. Equal Treatment

The Bidder confirms that all shareholders will receive the same Offer Price and that the takeover law provisions with respect to equal treatment of shareholders will be complied with during the Offer.

During the period of this Offer, neither the Target Company as Bidder nor any party acting in concert with it will make any legal declarations directed to the acquisition of securities (*Beteiligungspapiere*) in the Target Company to conditions more favorable than those contained in this Offer unless the Bidder improves this Offer or the ATC grants an exemption pursuant to Section 16 para 1 ATA. If the Target Company as Bidder or any party acting in concert with it nonetheless declares that it will acquire securities (*Beteiligungspapiere*) at conditions more favorable than those contained in this Offer, then such more favorable conditions will also apply for all other shareholders of the Target Company even if they have already accepted the Offer.

If the Target Company as Bidder or a party acting in concert with it acquires Shares of the Target Company within a period of nine (9) months after the expiry of the Acceptance Period, and a higher consideration is paid or negotiated for such acquisition, Section 16 para 7 ATA obliges the Bidder to pay the difference to shareholders who have accepted the Offer.

The above does not apply if the Target Company or a party acting in concert with it provides a higher consideration for the Shares of the Target Company when exercising statutory subscription rights in a capital increase or in the course of a procedure pursuant to the Squeeze-Out Act (*GesellschafterAusschlussgesetz*).

The Target Company as Bidder will immediately publish the occurrence of an additional payment event (*Nachzahlungsfall*) in the form of Section 4.11. Within ten (10) trading days after a publication, the Bidder shall settle the additional payment (*Nachzahlung*) via the Tender and Payment Agent at its own costs.

### 5. FUTURE PARTICIPATION AND BUSINESS POLICY

#### 5.1. Reasons for the Offer

The basis for this Offer is the resolution of the general meeting dated 30 April 2019 pursuant to which the reduction of the share capital by way of cancellation of own shares was resolved upon. The Target Company pursues the goal of returning excess capital to its shareholders.

#### 5.2. Future Business Policy

The business policy/strategy of the BAWAG Group can be summarized in the following four pillars:

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- **Growing in core markets** – The aim is to grow the customer base and business in core markets, namely Austria, Germany and developed markets with a focus on the DACH region.
- **Making customers' lives easier** – Offering customers the best experience and convenience when banking through various digital and physical channels to build and maintain successful long-term customer relationships.
- **Driving efficiency and operational excellence**– Cost efficiency across all businesses and functions is critical to succeed in a more complex world with increased competition, higher regulatory requirements and new market entrants from outside the financial services industry.
- **Maintaining a safe and secure risk profile**– A strong capital position, stable deposits and a low risk profile are fundamental cornerstones for the execution of the strategy.

At the time of this Offer, the Bidder intends to continue its current business policy and does not plan any change to its business policy. The envisaged share buyback does not have any influence on the future business policy.

The own shares which have been repurchased will – as described under Section 5.1 – be used to execute the resolution of the general meeting dated 30 April 2019, agenda item 7 (see Section 2.4 above), and will thus be canceled.

### 5.3. Effects on Employment and Headquarters

The Offer will not have any effects on the workforce and the headquarters of the Target Company.

### 5.4. No Delisting Offer

The Target Company declares that this Offer does not constitute a delisting offer in the meaning of Section 27e ATA.

## 6. FINANCING OF THE OFFER

The Target Company as Bidder has sufficient funds to finance the Offer and has ensured that such funds will be available to duly fulfill this Offer which has also been confirmed by the expert pursuant to Sections 9 and 13 et seq ATA (see Section 9).

## 7. FURTHER INFORMATION

### 7.1. Transparency of the Bidder's Commitments to the Target Company's Representatives

The Target Company as bidder has not offered or granted any financial benefits to the members of the corporate bodies of the Target Company in case of a successful implementation of this Offer.

Management Board members of the Company will not tender shares into the Offer.

### 7.2. Tax implications

The Target Company will exclusively bear its own costs and fees in connection with the settlement of this Offer, in particular the costs of the Tender and Payment Agent. Income taxes or any other duties and taxes are not deemed as costs in connection with the settlement of this offer and will thus not be borne by the Target Company. Shareholders who intend to accept this offer are advised to seek advice from their tax advisors with respect to tax consequences of accepting the Offer.



### 7.3. Applicable Law and Jurisdiction

This Offer and its Settlement, in particular the purchase and transfer agreements concluded, as well as any non-contractual claims arising from or in connection with this Offer, are exclusively governed by Austrian law, under exclusion of the conflict of laws rules of the Austrian private international law. The courts located in the First District of Vienna (*Wien, Innere Stadt*) shall have exclusive jurisdiction unless mandatory statutory provisions provide for a different venue.

### 7.4. Advisors

Advisors to the Target Company are:

- a. DSC Doralt Seist Csoklich Rechtsanwälte GmbH, Währinger Straße 2-4, 1090 Vienna, Austria, is legal advisor of the Target Company.
- b. Raiffeisen Centrobank AG, Tegetthoffstraße 1, 1010 Vienna, acts as Tender and Payment Agent.
- c. Grant Thornton Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Rivergate Handelskai 92, Gate 2, 7A, 1200 Vienna, is the expert pursuant to Sections 9 and 13 et seq ATA.

### 7.5. Further Information

For further information in connection with the Settlement of this Offer please contact the Tender and Payment Agent during usual business hours.

Further information can be obtained from the website of the Target Company ([www.bawaggroup.com](http://www.bawaggroup.com)) and of the Austrian Takeover Commission ([www.takeover.at](http://www.takeover.at)). Any information on these websites is not part of this offer document.

### 7.6. Information on the Expert pursuant to Sections 9 and 13 seq ATA

The Target Company has appointed Grant Thornton Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft as expert pursuant to Section 9 and 13 seq ATA.

## 8. RESTRICTION OF PUBLICATION

Other than in compliance with applicable law, the publication, dispatch, distribution, dissemination or making available of this Offer Document or other documents connected with the offer outside of the Republic of Austria is not permitted. The Bidder does not assume any responsibility for any violation of the above-mentioned provision. In particular, the offer is not being made, directly or indirectly, in the United States, its territories or possessions or any area subject to its jurisdiction, nor may it be accepted in or from the United States. Furthermore, this offer is not being made, directly or indirectly, in Australia or Japan, nor may it be accepted in or from Australia or Japan.

This Offer Document does not constitute a solicitation or invitation to offer Shares in the Target Company in or from any jurisdiction where it is prohibited to make such invitation or solicitation or where it is prohibited to launch an offer by or to certain individuals. The offer will neither be approved by an authority outside the Republic of Austria nor has an application for such an approval been filed.

Shareholders of the Target Company who come into possession of the offer document outside the Republic of Austria and/or who wish to accept the offer outside the Republic of Austria are advised to inform themselves about the relevant applicable legal provisions and to comply with them. The Bidder does not assume any responsibility in connection with an acceptance of the Offer or its acceptance outside the Republic of Austria.

*Signature page follows*

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Vienna, this 21 October 2019 / 25 October 2019

**BAWAG Group AG**

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Anas Abuzaakouk  
CEO

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Enver Sirucic  
CFO

## **9. CONFIRMATION OF THE EXPERT**

According to our assessment pursuant to Section 9 ATA, we have come to the conclusion that the voluntary partial offer to the shareholders of BAWAG Group AG is complete and complies with all applicable laws, in particular the statements made with respect to the offered consideration comply with legal requirements. The Bidder has the necessary financial means to fulfill its obligations under this Offer. We refer to our report pursuant to Sections 9 and 13 et seq ATA, which will be published simultaneously with the Offer Document but do not constitute a part thereof.

Vienna, this 21 October 2019 / 25 October 2019

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Grant Thornton Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

## Appendix 2 – Confirmation of the insurance coverage

Zur Vorlage an die  
Übernahmekommission

Seilergasse 8, Tür 3  
1010 Wien

Asskurator für  
Financial Lines  
Niederlassung Österreich  
Frankgasse 6/12  
1090 Wien  
Telefon: +43.1.408 21 42-0  
Telefax: +43.1.408 21 42-42  
info@apm.at  
www.apm.at

**Versicherungsbestätigung gemäß Übernahmegesetz**

Hiermit wird gegenüber der Übernahmekommission gem. ÜbG bekannt gegeben, dass bei dem unter (i) angegebenen, in Österreich zum Betrieb des Versicherungsgeschäftes berechtigten **Versicherungsunternehmen** für den unter (ii) angegebenen **Sachverständiger** zu der in (iii) genannten **Polizzenummer** eine Haftpflichtversicherung mit der unter (iv) angegebenen **Versicherungssumme** pro einjähriger Versicherungsperiode, für die Tätigkeit als Sachverständiger gem. §§ 9 Abs. 2 bzw. 13 ÜbG aufrecht besteht, die das Risiko abdeckt, das aus der Tätigkeit als Sachverständiger näher bezeichneten **Übernahme** resultiert. Der Empfang der Versicherungsprämie wird bestätigt.

**(i) Versicherungsunternehmen :** Liberty Mutual Insurance Europe SE  
Direktion für Deutschland  
KölnTurm – 37. Etage  
Im Mediapark 8  
D-50870 Köln

**(ii) Sachverständiger :** Grant Thornton Austria GmbH  
Wirtschaftsprüfungs- und  
Steuerberatungsgesellschaft  
Handelkai 92, Gate 2, 7A  
A- 1200 Wien

**(iii) Polizzenummer :** 9141632054

**(iv) Versicherungssumme :** EUR 7.300.000,00, einmalig

**Übernahme :** BAWAG Group AG

**Versicherungsbeginn :** 26.09.19, 0 Uhr

Erstellt im Auftrag und mit Vollmacht des Versicherers

**AssPro managerline GmbH**

Frankgasse 6/12 – A – 1090 Wien

Telefon: 01/ 408 21 42-0 Telefax: 01/ 408 21 42-42

Eingetragen beim Handelsgericht Wien – FN – 250841i

Wien, am 14. Oktober 2019



AssPro managerline GmbH  
Hauptbüro Deutschland  
D-50326 Frechen  
Bismarckstraße 30  
Anlagenort: Köln HRB 05244

Geschäftsführer:  
Dr. rer. oec. Ingrid Seifried  
Andrea Urban

Handelsgericht Wien  
FN 250841  
JFB ATU 61267738  
GISA-22H  
31609101

Zum Policenempfang berechtigt:  
ETV Bank  
für Hotel und Veranstaltung AB  
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Versicherungsbestätigung für  
die Bank Versicherungsagentur

## Appendix 3 - General Conditions of Contract for Public Accounting Professions 2018

# General Conditions of Contract for the Public Accounting Professions (AAB 2018)

Recommended for use by the Board of the Chamber of Tax Advisers and Auditors, last recommended in its decision of April 18, 2018

## Preamble and General Items

(1) Contract within the meaning of these Conditions of Contract refers to each contract on services to be rendered by a person entitled to exercise profession in the field of public accounting exercising that profession (de facto activities as well as providing or performing legal transactions or acts, in each case pursuant to Sections 2 or 3 Austrian Public Accounting Professions Act (WTBG 2017). The parties to the contract shall hereinafter be referred to as the "contractor" on the one hand and the "client" on the other hand).

(2) The General Conditions of Contract for the professions in the field of public accounting are divided into two sections: The Conditions of Section I shall apply to contracts where the agreeing of contracts is part of the operations of the client's company (entrepreneur within the meaning of the Austrian Consumer Protection Act. They shall apply to consumer business under the Austrian Consumer Protection Act (Federal Act of March 8, 1979 / Federal Law Gazette No. 140 as amended) insofar as Section II does not provide otherwise for such business.

(3) In the event that an individual provision is void, the invalid provision shall be replaced by a valid provision that is as close as possible to the desired objective.

## SECTION I

### 1. Scope and Execution of Contract

(1) The scope of the contract is generally determined in a written agreement drawn up between the client and the contractor. In the absence of such a detailed written agreement, (2)-(4) shall apply in case of doubt:

(2) When contracted to perform tax consultation services, consultation shall consist of the following activities:

- a) preparing annual tax returns for income tax and corporate tax as well as value-added tax (VAT) on the basis of the financial statements and other documents and papers required for taxation purposes and to be submitted by the client or (if so agreed) prepared by the contractor. Unless explicitly agreed otherwise, documents and papers required for taxation purposes shall be produced by the client.
- b) examining the tax assessment notices for the tax returns mentioned under a).
- c) negotiating with the fiscal authorities in connection with the tax returns and notices mentioned under a) and b).
- d) participating in external tax audits and assessing the results of external tax audits with regard to the taxes mentioned under a).
- e) participating in appeal procedures with regard to the taxes mentioned under a).

If the contractor receives a flat fee for regular tax consultation, in the absence of written agreements to the contrary, the activities mentioned under d) and e) shall be invoiced separately.

(3) Provided the preparation of one or more annual tax return(s) is part of the contract accepted, this shall not include the examination of any particular accounting conditions nor the examination of whether all relevant concessions, particularly those with regard to value added tax, have been utilized, unless the person entitled to exercise the profession can prove that he/she has been commissioned accordingly.

(4) In each case, the obligation to render other services pursuant to Sections 2 and 3 WTBG 2017 requires for the contractor to be separately and verifiably commissioned.

(5) The aforementioned paragraphs (2) to (4) shall not apply to services requiring particular expertise provided by an expert.

(6) The contractor is not obliged to render any services, issue any warnings or provide any information beyond the scope of the contract.

(7) The contractor shall have the right to engage suitable staff and other performing agents (subcontractors) for the execution of the contract as well as to have a person entitled to exercise the profession substitute for him/her in executing the contract. Staff within the meaning of these Conditions of Contract refers to all persons who support the contractor in his/her operating activities on a regular or permanent basis, irrespective of the type of underlying legal transaction.

(8) In rendering his/her services, the contractor shall exclusively take into account Austrian law; foreign law shall only be taken into account if this has been explicitly agreed upon in writing.

(9) Should the legal situation change subsequent to delivering a final professional statement passed on by the client orally or in writing, the contractor shall not be obliged to inform the client of changes or of the consequences thereof. This shall also apply to the completed parts of a contract.

(10) The client shall be obliged to make sure that the data made available by him/her may be handled by the contractor in the course of rendering the services. In this context, the client shall particularly but not exclusively comply with the applicable provisions under data protection law and labor law.

(11) Unless explicitly agreed otherwise, if the contractor electronically submits an application to an authority, he/she acts only as a messenger and this does not constitute a declaration of intent or knowledge attributable to him/her or a person authorized to submit the application.

(12) The client undertakes not to employ persons that are or were staff of the contractor during the contractual relationship, during and within one year after termination of the contractual relationship, either in his/her company or in an associated company, failing which he/she shall be obliged to pay the contractor the amount of the annual salary of the member of staff taken over.

### 2. Client's Obligation to Provide Information and Submit Complete Set of Documents

(1) The client shall make sure that all documents required for the execution of the contract be placed without special request at the disposal of the contractor at the agreed date, and in good time if no such date has been agreed, and that he/she be informed of all events and circumstances which may be of significance for the execution of the contract. This shall also apply to documents, events and circumstances which become known only after the contractor has commenced his/her work.

(2) The contractor shall be justified in regarding information and documents presented to him/her by the client, in particular figures, as correct and complete and to base the contract on them. The contractor shall not be obliged to identify any errors unless agreed separately in writing. This shall particularly apply to the correctness and completeness of bills. However, he/she is obliged to inform the client of any errors identified by him/her. In case of financial criminal proceedings he/she shall protect the rights of the client.

(3) The client shall confirm in writing that all documents submitted, all information provided and explanations given in the context of audits, expert opinions and expert services are complete.

(4) If the client fails to disclose considerable risks in connection with the preparation of financial statements and other statements, the contractor shall not be obliged to render any compensation insofar as these risks materialize.

(5) Dates and time schedules stated by the contractor for the completion of the contractor's products or parts thereof are best estimates and, unless otherwise agreed in writing, shall not be binding. The same applies to any estimates of fees: they are prepared to best of the contractor's knowledge; however, they shall always be non-binding.

(6) The client shall always provide the contractor with his/her current contact details (particularly the delivery address). The contractor may rely on the validity of the contact details most recently provided by the client, particularly have deliveries made to the most recently provided address, until such time as new contact details are provided.

### 3. Safeguarding of Independence

(1) The client shall be obliged to take all measures to prevent that the independence of the staff of the contractor be jeopardized and shall himself/herself refrain from jeopardizing their independence in any way. In particular, this shall apply to offers of employment and to offers to accept contracts on their own account.

(2) The client acknowledges that his/her personal details required in this respect, as well as the type and scope of the services, including the performance period agreed between the contractor and the client for the services (both audit and non-audit services), shall be handled within a network (if any) to which the contractor belongs, and for this purpose transferred to the other members of the network including abroad for the purpose of examination of the existence of grounds of bias or grounds for exclusion and conflicts of interest. For this purpose the client expressly releases the contractor in accordance with the Data Protection Act and in accordance with Section 80 (4) No. 2 WTBG 2017 from his/her obligation to maintain secrecy. The client can revoke the release from the obligation to maintain secrecy at any time.

#### 4. Reporting Requirements

(1) (Reporting by the contractor) In the absence of an agreement to the contrary, a written report shall be drawn up in the case of audits and expert opinions.

(2) (Communication to the client) All contract-related information and opinions, including reports, (all declarations of knowledge) of the contractor, his/her staff, other performing agents or substitutes ("professional statements") shall only be binding provided they are set down in writing. Professional statements in electronic file formats which are made, transferred or confirmed by fax or e-mail or using similar types of electronic communication (that can be stored and reproduced but is not oral, i.e. e.g. text messages but not telephone) shall be deemed as set down in writing; this shall only apply to professional statements. The client bears the risk that professional statements may be issued by persons not entitled to do so as well as the transfer risk of such professional statements.

(3) (Communication to the client) The client hereby consents to the contractor communicating with the client (e.g. by e-mail) in an unencrypted manner. The client declares that he/she has been informed of the risks arising from the use of electronic communication (particularly access to, maintaining secrecy of, changing of messages in the course of transfer). The contractor, his/her staff, other performing agents or substitutes are not liable for any losses that arise as a result of the use of electronic means of communication.

(4) (Communication to the contractor) Receipt and forwarding of information to the contractor and his/her staff are not always guaranteed when the telephone is used, in particular in conjunction with automatic telephone answering systems, fax, e-mail and other types of electronic communication. As a result, instructions and important information shall only be deemed to have been received by the contractor provided they are also received physically (not by telephone, orally or electronically), unless explicit confirmation of receipt is provided in individual instances. Automatic confirmation that items have been transmitted and read shall not constitute such explicit confirmations of receipt. This shall apply in particular to the transmission of decisions and other information relating to deadlines. As a result, critical and important notifications must be sent to the contractor by mail or courier. Delivery of documents to staff outside the firm's offices shall not count as delivery.

(5) (General) In writing shall mean, insofar as not otherwise laid down in Item 4. (2), written form within the meaning of Section 886 Austrian Civil Code (ABGB) (confirmed by signature). An advanced electronic signature (Art. 26 eIDAS Regulation (EU) No. 910/2014) fulfills the requirement of written form within the meaning of Section 886 ABGB (confirmed by signature) insofar as this is at the discretion of the parties to the contract.

(6) (Promotional information) The contractor will send recurrent general tax law and general commercial law information to the client electronically (e.g. by e-mail). The client acknowledges that he/she has the right to object to receiving direct advertising at any time.

#### 5. Protection of Intellectual Property of the Contractor

(1) The client shall be obliged to ensure that reports, expert opinions, organizational plans, drafts, drawings, calculations and the like, issued by the contractor, be used only for the purpose specified in the contract (e.g. pursuant to Section 44 (3) Austrian Income Tax Act 1988). Furthermore, professional statements made orally or in writing by the contractor may be passed on to a third party for use only with the written consent of the contractor.

(2) The use of professional statements made orally or in writing by the contractor for promotional purposes shall not be permitted; a violation of this provision shall give the contractor the right to terminate without notice to the client all contracts not yet executed.

(3) The contractor shall retain the copyright on his/her work. Permission to use the work shall be subject to the written consent by the contractor.

#### 6. Correction of Errors

(1) The contractor shall have the right and shall be obliged to correct all errors and inaccuracies in his/her professional statement made orally or in writing which subsequently come to light and shall be obliged to inform the client thereof without delay. He/she shall also have the right to inform a third party acquainted with the original professional statement of the change.

(2) The client has the right to have all errors corrected free of charge if the contractor can be held responsible for them; this right will expire six months after completion of the services rendered by the contractor and/or – in cases where a written professional statement has not been delivered – six months after the contractor has completed the work that gives cause to complaint.

(3) If the contractor fails to correct errors which have come to light, the client shall have the right to demand a reduction in price. The extent to which additional claims for damages can be asserted is stipulated under Item 7.

#### 7. Liability

(1) All liability provisions shall apply to all disputes in connection with the contractual relationship, irrespective of the legal grounds. The contractor is liable for losses arising in connection with the contractual relationship (including its termination) only in case of willful intent and gross negligence. The applicability of Section 1298 2<sup>nd</sup> Sentence ABGB is excluded.

(2) In cases of gross negligence, the maximum liability for damages due from the contractor is tenfold the minimum insurance sum of the professional liability insurance according to Section 11 WTBG 2017 as amended.

(3) The limitation of liability pursuant to Item 7. (2) refers to the individual case of damages. The individual case of damages includes all consequences of a breach of duty regardless of whether damages arose in one or more consecutive years. In this context, multiple acts or failures to act that are based on the same or similar source of error as one consistent breach of duty if the matters concerned are legally and economically connected. Single damages remain individual cases of damage even if they are based on several breaches of duty. Furthermore, the contractor's liability for loss of profit as well as collateral, consequential, incidental or similar losses is excluded in case of willful damage.

(4) Any action for damages may only be brought within six months after those entitled to assert a claim have gained knowledge of the damage, but no later than three years after the occurrence of the (primary) loss following the incident upon which the claim is based, unless other statutory limitation periods are laid down in other legal provisions.

(5) Should Section 275 Austrian Commercial Code (UGB) be applicable (due to a criminal offense), the liability provisions contained therein shall apply even in cases where several persons have participated in the execution of the contract or where several activities requiring compensation have taken place and irrespective of whether other participants have acted with intent.

(6) In cases where a formal auditor's report is issued, the applicable limitation period shall commence no later than at the time the said auditor's report was issued.

(7) If activities are carried out by enlisting the services of a third party, e.g. a data-processing company, any warranty claims and claims for damages which arise against the third party according to law and contract shall be deemed as having been passed on to the client once the client has been informed of them. Item 4. (3) notwithstanding, in such a case the contractor shall only be liable for fault in choosing the third party.

(8) The contractor's liability to third parties is excluded in any case. If third parties come into contact with the contractor's work in any manner due to the client, the client shall expressly clarify this fact to them. Insofar as such exclusion of liability is not legally permissible or a liability to third parties has been assumed by the contractor in exceptional cases, these limitations of liability shall in any case also apply to third parties on a subsidiary basis. In any case, a third party cannot raise any claims that go beyond any claim raised by the client. The maximum sum of liability shall be valid only once for all parties injured, including the compensation claims of the client, even if several persons (the client and a third party or several third parties) have sustained losses; the claims of the parties injured shall be satisfied in the order in which the claims have been raised. The client will indemnify and hold harmless the contractor and his/her staff against any claims by third parties in connection with professional statements made orally or in writing by the contractor and passed on to these third parties.



(9) Item 7. shall also apply to any of the client's liability claims to third parties (performing agents and vicarious agents of the contractor) and to substitutes of the contractor relating to the contractual relationship.

#### 8. Secrecy, Data Protection

(1) According to Section 80 WTBG 2017 the contractor shall be obliged to maintain secrecy in all matters that become known to him/her in connection with his/her work for the client, unless the client releases him/her from this duty or he/she is bound by law to deliver a statement.

(2) Insofar as it is necessary to pursue the contractor's claims (particularly claims for fees) or to dispute claims against the contractor (particularly claims for damages raised by the client or third parties against the contractor), the contractor shall be released from his/her professional obligation to maintain secrecy.

(3) The contractor shall be permitted to hand on reports, expert opinions and other written statements pertaining to the results of his/her services to third parties only with the permission of the client, unless he/she is required to do so by law.

(4) The contractor is a data protection controller within the meaning of the General Data Protection Regulation ("GDPR") with regard to all personal data processed under the contract. The contractor is thus authorized to process personal data entrusted to him/her within the limits of the contract. The material made available to the contractor (paper and data carriers) shall generally be handed to the client or to third parties appointed by the client after the respective rendering of services has been completed, or be kept and destroyed by the contractor if so agreed. The contractor is authorized to keep copies thereof insofar as he/she needs them to appropriately document his/her services or insofar as it is required by law or customary in the profession.

(5) If the contractor supports the client in fulfilling his/her duties to the data subjects arising from the client's function as data protection controller, the contractor shall be entitled to charge the client for the actual efforts undertaken. The same shall apply to efforts undertaken for information with regard to the contractual relationship which is provided to third parties after having been released from the obligation to maintain secrecy to third parties by the client.

#### 9. Withdrawal and Cancellation („Termination“)

(1) The notice of termination of a contract shall be issued in writing (see also Item 4. (4) and (5)). The expiry of an existing power of attorney shall not result in a termination of the contract.

(2) Unless otherwise agreed in writing or stipulated by force of law, either contractual partner shall have the right to terminate the contract at any time with immediate effect. The fee shall be calculated according to Item 11.

(3) However, a continuing agreement (fixed-term or open-ended contract on – even if not exclusively – the rendering of repeated individual services, also with a flat fee) may, without good reason, only be terminated at the end of the calendar month by observing a period of notice of three months, unless otherwise agreed in writing.

(4) After notice of termination of a continuing agreement and unless otherwise stipulated in the following, only those individual tasks shall still be completed by the contractor (list of assignments to be completed) that can (generally) be completed fully within the period of notice insofar as the client is notified in writing within one month after commencement of the termination notice period within the meaning of Item 4. (2). The list of assignments to be completed shall be completed within the termination period if all documents required are provided without delay and if no good reason exists that impedes completion.

(5) Should it happen that in case of a continuing agreement more than two similar assignments which are usually completed only once a year (e.g. financial statements, annual tax returns, etc.) are to be completed, any such assignments exceeding this number shall be regarded as assignments to be completed only with the client's explicit consent. If applicable, the client shall be informed of this explicitly in the statement pursuant to Item 9. (4).

#### 10. Termination in Case of Default in Acceptance and Failure to Cooperate on the Part of the Client and Legal Impediments to Execution

(1) If the client defaults on acceptance of the services rendered by the contractor or fails to carry out a task incumbent on him/her either according to Item 2. or imposed on him/her in another way, the contractor shall have the right to terminate the contract without prior notice. The same shall apply if the client requests a way to execute (also partially) the contract that the contractor reasonably believes is not in compliance with the legal situation or professional principles. His/her fees shall be calculated according to Item 11. Default in acceptance or failure to cooperate on the part of the client shall also justify a claim for compensation made by the contractor for the extra time and labor hereby expended as well as for the damage caused, if the contractor does not invoke his/her right to terminate the contract.

(2) For contracts concerning bookkeeping, payroll accounting and administration and assessment of payroll-related taxes and contributions, a termination without prior notice by the contractor is permissible under Item 10. (1) if the client verifiably fails to cooperate twice as laid down in Item 2. (1).

#### 11. Entitlement to Fee

(1) If the contract fails to be executed (e.g. due to withdrawal or cancellation), the contractor shall be entitled to the negotiated compensation (fee), provided he/she was prepared to render the services and was prevented from so doing by circumstances caused by the client, whereby a merely contributory negligence by the contractor in this respect shall be excluded; in this case the contractor need not take into account the amount he/she obtained or failed to obtain through alternative use of his/her own professional services or those of his/her staff.

(2) If a continuing agreement is terminated, the negotiated compensation for the list of assignments to be completed shall be due upon completion or in case completion fails due to reasons attributable to the client (reference is made to Item 11. (1)). Any flat fees negotiated shall be calculated according to the services rendered up to this point.

(3) If the client fails to cooperate and the assignment cannot be carried out as a result, the contractor shall also have the right to set a reasonable grace period on the understanding that, if this grace period expires without results, the contract shall be deemed ineffective and the consequences indicated in Item 11. (1) shall apply.

(4) If the termination notice period under Item 9. (3) is not observed by the client as well as if the contract is terminated by the contractor in accordance with Item 10. (2), the contractor shall retain his/her right to receive the full fee for three months.

#### 12. Fee

(1) Unless the parties explicitly agreed that the services would be rendered free of charge, an appropriate remuneration in accordance with Sections 1004 and 1152 ABGB is due in any case. Amount and type of the entitlement to the fee are laid down in the agreement negotiated between the contractor and his/her client. Unless a different agreement has verifiably been reached, payments made by the client shall in all cases be credited against the oldest debt.

(2) The smallest service unit which may be charged is a quarter of an hour.

(3) Travel time to the extent required is also charged.

(4) Study of documents which, in terms of their nature and extent, may prove necessary for preparation of the contractor in his/her own office may also be charged as a special item.

(5) Should a remuneration already agreed upon prove inadequate as a result of the subsequent occurrence of special circumstances or due to special requirements of the client, the contractor shall notify the client thereof and additional negotiations for the agreement of a more suitable remuneration shall take place (also in case of inadequate flat fees).

(6) The contractor includes charges for supplementary costs and VAT in addition to the above, including but not limited to the following (7) to (9):

(7) Chargeable supplementary costs also include documented or flat-rate cash expenses, traveling expenses (first class for train journeys), per diems, mileage allowance, copying costs and similar supplementary costs.

(8) Should particular third party liabilities be involved, the corresponding insurance premiums (including insurance tax) also count as supplementary costs.

(9) Personnel and material expenses for the preparation of reports, expert opinions and similar documents are also viewed as supplementary costs.

(10) For the execution of a contract wherein joint completion involves several contractors, each of them will charge his/her own compensation.

(11) In the absence of any other agreements, compensation and advance payments are due immediately after they have been requested in writing. Where payments of compensation are made later than 14 days after the due date, default interest may be charged. Where mutual business transactions are concerned, a default interest rate at the amount stipulated in Section 456 1<sup>st</sup> and 2<sup>nd</sup> Sentence UGB shall apply.

(12) Statutory limitation is in accordance with Section 1486 of ABGB, with the period beginning at the time the service has been completed or upon the issuing of the bill within an appropriate time limit at a later point.

(13) An objection may be raised in writing against bills presented by the contractor within 4 weeks after the date of the bill. Otherwise the bill is considered as accepted. Filing of a bill in the accounting system of the recipient is also considered as acceptance.

(14) Application of Section 934 ABGB within the meaning of Section 351 UGB, i.e. rescission for *laesio enormis* (lesion beyond moiety) among entrepreneurs, is hereby renounced.

(15) If a flat fee has been negotiated for contracts concerning bookkeeping, payroll accounting and administration and assessment of payroll-related taxes and contributions, in the absence of written agreements to the contrary, representation in matters concerning all types of tax audits and audits of payroll-related taxes and social security contributions including settlements concerning tax assessments and the basis for contributions, preparation of reports, appeals and the like shall be invoiced separately. Unless otherwise agreed to in writing, the fee shall be considered agreed upon for one year at a time.

(16) Particular individual services in connection with the services mentioned in Item 12. (15), in particular ascertaining whether the requirements for statutory social security contributions are met, shall be dealt with only on the basis of a specific contract.

(17) The contractor shall have the right to ask for advance payments and can make delivery of the results of his/her (continued) work dependent on satisfactory fulfillment of his/her demands. As regards continuing agreements, the rendering of further services may be denied until payment of previous services (as well as any advance payments under Sentence 1) has been effected. This shall analogously apply if services are rendered in installments and fee installments are outstanding.

(18) With the exception of obvious essential errors, a complaint concerning the work of the contractor shall not justify even only the partial retention of fees, other compensation, reimbursements and advance payments (remuneration) owed to him/her in accordance with Item 12.

(19) Offsetting the remuneration claims made by the contractor in accordance with Item 12. shall only be permitted if the demands are uncontested and legally valid.

### 13. Other Provisions

(1) With regard to Item 12. (17), reference shall be made to the legal right of retention (Section 471 ABGB, Section 369 UGB); if the right of retention is wrongfully exercised, the contractor shall generally be liable pursuant to Item 7. or otherwise only up to the outstanding amount of his/her fee.

(2) The client shall not be entitled to receive any working papers and similar documents prepared by the contractor in the course of fulfilling the contract. In the case of contract fulfillment using electronic accounting systems the contractor shall be entitled to delete the data after handing over all data based thereon – which were prepared by the contractor in relation to the contract and which the client is obliged to keep – to the client and/or the succeeding public accountant in a structured, common and machine-readable format. The contractor shall be entitled to an appropriate fee (Item 12. shall apply by analogy) for handing over such data in a structured, common and machine-readable format. If handing over such data in a structured, common and machine-readable format is impossible or unfeasible for special reasons, they may be handed over in the form of a full print-out instead. In such a case, the contractor shall not be entitled to receive a fee.

(3) At the request and expense of the client, the contractor shall hand over all documents received from the client within the scope of his/her activities. However, this shall not apply to correspondence between the contractor and his/her client and to original documents in his/her possession and to documents which are required to be kept in accordance with the legal anti-money laundering provisions applicable to the contractor. The contractor may make copies or duplicates of the documents to be returned to the client. Once such documents have been transferred to the client, the contractor shall be entitled to an appropriate fee (Item 12. shall apply by analogy).

(4) The client shall fetch the documents handed over to the contractor within three months after the work has been completed. If the client fails to do so, the contractor shall have the right to return them to the client at the cost of the client or to charge an appropriate fee (Item 12. shall apply by analogy) if the contractor can prove that he/she has asked the client twice to pick up the documents handed over. The documents may also further be kept by third parties at the expense of the client. Furthermore, the contractor is not liable for any consequences arising from damage, loss or destruction of the documents.

(5) The contractor shall have the right to compensation of any fees that are due by use of any available deposited funds, clearing balances, trust funds or other liquid funds at his/her disposal, even if these funds are explicitly intended for safekeeping, if the client had to have anticipated the counterclaim of the contractor.

(6) To secure an existing or future fee payable, the contractor shall have the right to transfer a balance held by the client with the tax office or another balance held by the client in connection with charges and contributions, to a trust account. In this case the client shall be informed of the transfer. Subsequently, the amount secured may be collected either after agreement has been reached with the client or after enforceability of the fee by execution has been declared.

### 14. Applicable Law, Place of Performance, Jurisdiction

(1) The contract, its execution and the claims resulting from it shall be exclusively governed by Austrian law, excluding national referral rules.

(2) The place of performance shall be the place of business of the contractor.

(3) In absence of a written agreement stipulating otherwise, the place of jurisdiction is the competent court of the place of performance.

## SECTION II

### 15. Supplementary Provisions for Consumer Transactions

(1) Contracts between public accountants and consumers shall fall under the obligatory provisions of the Austrian Consumer Protection Act (KSChG).

(2) The contractor shall only be liable for the willful and grossly negligent violation of the obligations assumed.

(3) Contrary to the limitation laid down in Item 7. (2), the duty to compensate on the part of the contractor shall not be limited in case of gross negligence.

(4) Item 6. (2) (period for right to correction of errors) and Item 7. (4) (asserting claims for damages within a certain period) shall not apply.

(5) Right of Withdrawal pursuant to Section 3 KSChG:

If the consumer has not made his/her contract statement in the office usually used by the contractor, he/she may withdraw from the contract application or the contract proper. This withdrawal may be declared until the contract has been concluded or within one week after its conclusion; the period commences as soon as a document has been handed over to the consumer which contains at least the name and the address of the contractor as well as instructions on the right to withdraw from the contract, but no earlier than the conclusion of the contract. The consumer shall not have the right to withdraw from the contract

1. if the consumer himself/herself established the business relationship concerning the conclusion of this contract with the contractor or his/her representative,

2. if the conclusion of the contract has not been preceded by any talks between the parties involved or their representatives, or

3. in case of contracts where the mutual services have to be rendered immediately, if the contracts are usually concluded outside the offices of the contractors, and the fee agreed upon does not exceed €15.

In order to become legally effective, the withdrawal shall be declared in writing. It is sufficient if the consumer returns a document that contains his/her contract declaration or that of the contractor to the contractor with a note which indicates that the consumer rejects the conclusion or the maintenance of the contract. It is sufficient if this declaration is dispatched within one week.

If the consumer withdraws from the contract according to Section 3 KSChG,

1. the contractor shall return all benefits received, including all statutory interest, calculated from the day of receipt, and compensate the consumer for all necessary and useful expenses incurred in this matter,

2. the consumer shall pay for the value of the services rendered by the contractor as far as they are of a clear and predominant benefit to him/her.

According to Section 4 (3) KSChG, claims for damages shall remain unaffected.

(6) Cost Estimates according to Section 5 Austrian KSChG:

The consumer shall pay for the preparation of a cost estimate by the contractor in accordance with Section 1170a ABGB only if the consumer has been notified of this payment obligation beforehand.

If the contract is based on a cost estimate prepared by the contractor, its correctness shall be deemed warranted as long as the opposite has not been explicitly declared.

(7) Correction of Errors: Supplement to Item 6.:

If the contractor is obliged under Section 932 ABGB to improve or complement his/her services, he/she shall execute this duty at the place where the matter was transferred. If it is in the interest of the consumer to have the work and the documents transferred by the contractor, the consumer may carry out this transfer at his/her own risk and expense.

(8) Jurisdiction: Shall apply instead of Item 14. (3)

If the domicile or the usual residence of the consumer is within the country or if he/she is employed within the country, in case of an action against him/her according to Sections 88, 89, 93 (2) and 104 (1) Austrian Court Jurisdiction Act (JN), the only competent courts shall be the courts of the districts where the consumer has his/her domicile, usual residence or place of employment.

(9) Contracts on Recurring Services:

(a) Contracts which oblige the contractor to render services and the consumer to effect repeated payments and which have been concluded for an indefinite period or a period exceeding one year may be terminated by the consumer at the end of the first year, and after the first year at the end of every six months, by adhering to a two-month period of notice.

(b) If the total work is regarded as a service that cannot be divided on account of its character, the extent and price of which is determined already at the conclusion of the contract, the first date of termination may be postponed until the second year has expired. In case of such contracts the period of notice may be extended to a maximum of six months.

(c) If the execution of a certain contract indicated in lit. a) requires considerable expenses on the part of the contractor and if he/she informed the consumer about this no later than at the time the contract was concluded, reasonable dates of termination and periods of notice which deviate from lit. a) and b) and which fit the respective circumstances may be agreed.

(d) If the consumer terminates the contract without complying with the period of notice, the termination shall become effective at the next termination date which follows the expiry of the period of notice.

General Conditions of Contract accepted:

Management of the Company

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place, date

signature(s), stamp