

Corporate Governance Report

RBI attaches great importance to responsible and transparent business management in order to maintain the understanding and confidence of its various stakeholders – not least capital market participants. Hence, RBI is committed to adhering to the Austrian Corporate Governance Code (ACGC, or “the Code”) as laid out in the version dated January 2015. The ACGC is publicly available on the Austrian Working Group for Corporate Governance website (www.corporate-governance.at) and on the RBI website (www.rbinternational.com → Investor Relations → Corporate Governance).

Transparency is a key corporate governance issue and is therefore of particular importance to RBI. This corporate governance report is structured according to the legal guidelines of § 243b of the Austrian Commercial Code (UGB) and is based on the structure set forth in Appendix 2a of the ACGC.

The ACGC is subdivided into rules L, C and R. L Rules (Legal Requirements) are based on compulsory legal requirements. C Rules (Comply or Explain) should be observed; any deviation must be explained and justified in order to ensure conduct that complies with the Code. R Rules (Recommendations) have the characteristics of guidelines; non-compliance does not need to be reported or justified.

RBI deviates from the C Rule below, but conducts itself in accordance with the Code through the following explanation and justification:

C Rule 45: non-competition clause for members of the Supervisory Board

RBI is a company forming part of the Austrian Raiffeisen Banking Group (RBG), which is also a majority shareholder through its central institution, RZB. Some members of the Supervisory Board therefore also hold executive roles in RBG banks. Moreover, a number of members of the Supervisory Board hold executive roles at other banks and financial services institutions. Consequently, know-how and experience specific to the industry can be applied in exercising the control function of the Supervisory Board, to the benefit of the company.

In accordance with C Rule 62 of the ACGC, the company commissioned KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft (KPMG) to conduct an external evaluation on compliance with the C and R Rules of the Code. The report on this external evaluation is publicly available at www.rbinternational.com → Investor Relations → Corporate Governance → External Evaluation of the CG Code.

Composition of the Management Board

In the 2015 financial year, the Management Board consisted of the following members:

Management Board member	Year of birth	Original appointment	End of term
Karl Sevelda Chairman	1950	22 September 2010 ¹	30 June 2017
Johann Strobl Deputy Chairman	1959	22 September 2010 ¹	30 June 2017
Klemens Breuer	1967	16 April 2012	31 December 2020
Martin Grüll	1959	3 January 2005	30 June 2017
Peter Lennkh	1963	1 October 2004	31 December 2020
Andreas Gschwenter	1969	1 July 2015	30 June 2018
Aris Bogdaneris	1963	1 October 2004	31 March 2015

¹ Effective as of 10 October 2010

Members of the Management Board held seats on the supervisory board or comparable functions in the following domestic and foreign companies that are not included in the consolidated financial statements:

- Karl Sevelda Oesterreichische Kontrollbank AG, Siemens AG Austria
- Johann Strobl Raiffeisen-Leasing Management GmbH (until 16 September 2015)
- Klemens Breuer FMS Wertmanagement AöR
- Peter Lennkh Raiffeisen-Leasing Management GmbH
- Aris Bogdaneris¹ Visa Worldwide Pte. Limited (advisory council)

¹ Left RBI on 31 March 2015

Composition of the Supervisory Board

During the 2015 financial year, the Supervisory Board comprised:

Supervisory Board member	Year of birth	Original appointment	End of term
Walter Rothensteiner Chairman	1953	11 May 2001	Annual General Meeting 2016
Erwin Hameseder 1 st Deputy Chairman	1956	8 July 2010 ¹	Annual General Meeting 2020
Heinrich Schaller 2 nd Deputy Chairman	1959	20 June 2012	Annual General Meeting 2017
Martin Schaller 3 rd Deputy Chairman	1965	4 June 2014	Annual General Meeting 2019
Klaus Buchleitner	1964	26 June 2013	Annual General Meeting 2020
Kurt Geiger	1946	9 June 2009	Annual General Meeting 2019
Michael Höllerer	1978	17 June 2015	Annual General Meeting 2020
Günther Reibersdorfer	1954	20 June 2012	Annual General Meeting 2017
Johannes Schuster	1970	8 July 2010 ¹	Annual General Meeting 2020
Bettina Selden	1952	4 June 2014	Annual General Meeting 2019
Rudolf Kortenhof ²	1961	10 October 2010	Until further notice
Martin Prater ²	1953	10 October 2010	31 January 2016
Peter Anzeletti-Reikl ²	1965	10 October 2010	Until further notice
Susanne Unger ²	1961	18 January 2012	Until further notice
Helge Rechberger ²	1967	10 October 2010	Until further notice
Natalie Egger-Grunicke ²	1973	18 February 2016	Until further notice

¹ Effective as of 10 October 2010

² Delegated by the Works Council

Independence of the Supervisory Board

In accordance with and taking into consideration C Rule 53 and Appendix 1 of the ACGC, the RBI Supervisory Board specified the following criteria for the independence of the members of the company’s Supervisory Board:

- The Supervisory Board member shall not have been a member of the Management Board or a senior executive of the company or one of its subsidiaries in the past five years.
- The Supervisory Board member shall not have, or have had in the previous year, any significant business relationships with the company or a subsidiary of the company. This also applies to business relationships with companies in which the Supervisory Board member has a significant financial interest, albeit not with regard to carrying out executive functions within the company. The approval of individual transactions by the Supervisory Board according to L Rule 48 of the ACGC does not automatically lead to a qualification of “not independent”.
- The exercise of functions within the company or merely exercising the function of a board member or senior executive by a Supervisory Board member does not, as a rule, lead to the company concerned being regarded as a “company in which a Supervisory Board member has a significant financial interest,” to the extent that circumstances do not support the presumption that the Supervisory Board member derives a direct personal advantage from doing business with the company.
- The Supervisory Board member shall not have been an auditor of the company, nor a shareholder or employee of the auditing company in the previous three years.
- The Supervisory Board member shall not be a member of the management board of another company in which a Management Board member of the company is a member of the supervisory board.
- The Supervisory Board member shall not be part of the Supervisory Board for longer than 15 years. This does not apply to Supervisory Board members who are shareholders with business interests in the company, or who represent the interests of such shareholders.
- The Supervisory Board member shall not be a close relative (direct descendant, spouse, partner, father, mother, uncle, aunt, brother, sister, nephew, niece) of a member of the Management Board or of persons who meet one of the criteria described in the preceding points.

In accordance with the criteria listed above for the independence of Supervisory Board members, all RBI Supervisory Board members are considered independent.

Bettina Selden and Kurt Geiger, as members of the Supervisory Board, are neither shareholders with a shareholding of greater than 10 per cent, nor do they represent the interests of such shareholders. They are therefore “free float representatives” according to C Rule 54 of the ACGC.

Members of the Supervisory Board had the following additional supervisory board mandates or comparable functions in domestic and foreign stock exchange listed companies:

- | | |
|------------------------|---|
| ■ Walter Rothensteiner | UNIQA Insurance Group AG (Chairman) |
| ■ Erwin Hameseder | AGRANA Beteiligungs-AG (Chairman), STRABAG SE, UNIQA Insurance Group AG, Südzucker AG |
| ■ Heinrich Schaller | voestalpine AG, AMAG Austria Metall AG |
| ■ Johannes Schuster | UNIQA Insurance Group AG |
| ■ Klaus Buchleitner | BayWa AG, AGRANA Beteiligungs-AG |
| ■ Kurt Geiger | Demir Bank OJSC |

Members of the Committees

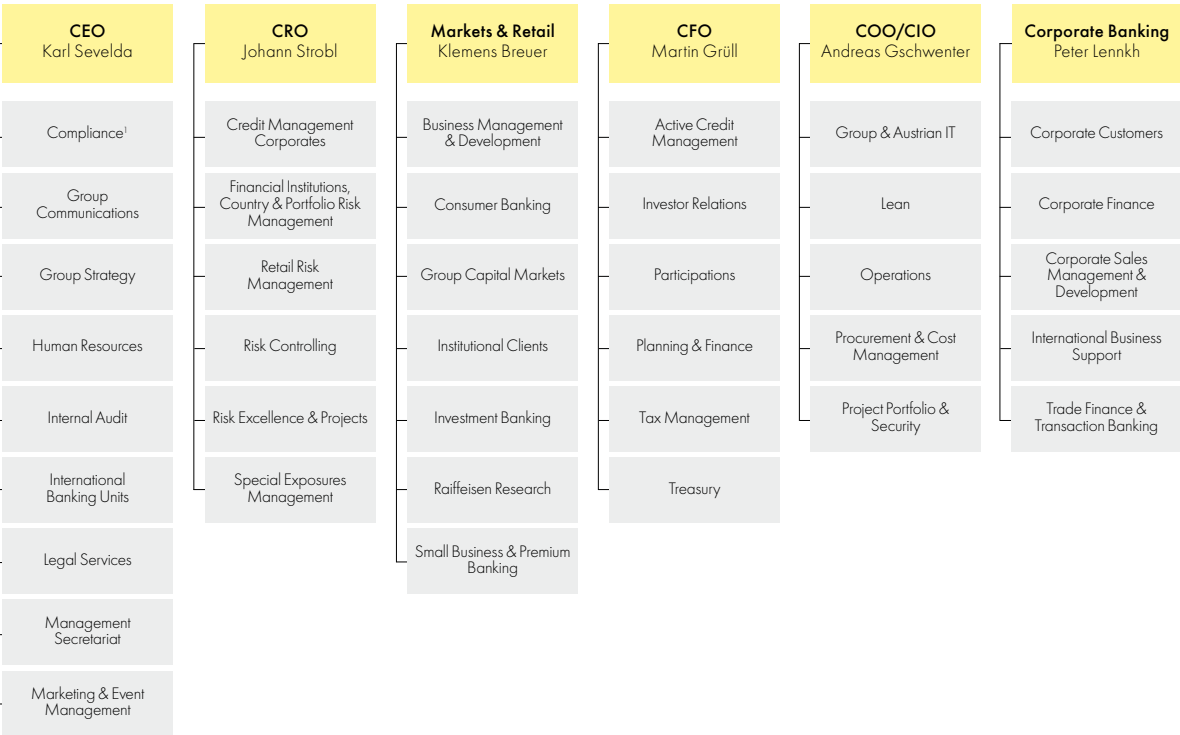
The procedural rules of the Supervisory Board govern its organization and allocate particular tasks to the Working, Audit, Remuneration, Risk, Nomination and Personnel Committees. These Committees comprise the following members:

Supervisory Board member	Working Committee	Audit Committee	Personnel Committee	Remuneration Committee	Risk Committee	Nomination Committee
Walter Rothensteiner	Chairman	Chairman	Chairman	Chairman	Chairman	Chairman
Erwin Hameseder	1 st Deputy Chairman	1 st Deputy Chairman	1 st Deputy Chairman	1 st Deputy Chairman	1 st Deputy Chairman	1 st Deputy Chairman
Heinrich Schaller	2 nd Deputy Chairman	2 nd Deputy Chairman	2 nd Deputy Chairman	2 nd Deputy Chairman	2 nd Deputy Chairman	2 nd Deputy Chairman
Martin Schaller	3 rd Deputy Chairman	3 rd Deputy Chairman	3 rd Deputy Chairman	3 rd Deputy Chairman	3 rd Deputy Chairman	3 rd Deputy Chairman
Johannes Schuster	Member	Member	Member	Member	Member	Member
Rudolf Kortenhof	Member	Member	-	Member	Member	Member
Martin Prater	Member	Member	-	Member	Member	Member
Peter Anzeletti-Reikl	Member	Member	-	Member	Member	Member

Functions of the Management Board and the Supervisory Board

Division of responsibilities and functions of the Management Board

The RBI Management Board manages the company according to clearly defined goals, strategies and guidelines on its own authority, with a focus on future-oriented business management and in line with modern business principles. In doing so, the Management Board pursues the good of the company at all times and considers the interests of shareholders and employees. Management Board members’ areas of responsibility have been defined by the Supervisory Board, without prejudice to the general responsibility of the Management Board, as follows (as at 31 December 2015):



¹ Outsourced to RZB; reports to whole Management Board

Following the departure of Aris Bogdaneris, the Operations, Lean, Project Portfolio & Security, Group & Austrian IT, and Procurement & Cost Management areas were transferred to Johann Strobl, and Consumer Banking and the Small Business & Premium Banking areas to Klemens Breuer, in each case effective as of 1 April 2015. "Workout" was also renamed "Special Exposures Management" in April of the financial year.

With his appointment to the position of Chief Information Officer and Chief Operating Officer, effective as of 1 July 2015, Andreas Gschwentner took over responsibility for Operations, Lean, Project Portfolio & Security, Group & Austrian IT and also Procurement & Cost Management from Johann Strobl.

The Management Board manages the company's business in accordance with the law, the Articles of Association and the Management Board's rules of procedure. The Management Board's weekly meetings are convened and led by the chairman. The meetings facilitate mutual gathering and exchange of information, consultation and decision-making with respect to all matters requiring the board's approval. The internal regulations of the Supervisory Board and the Management Board describe the duties of the Management Board in terms of information and reporting, as well as a catalog of measures that require the approval of the Supervisory Board.

Decision-making authority and activities of the Committees (of the Supervisory Board)

The internal regulations of the Management Board, as well as the Supervisory Board and its Committees, outline the business management measures that require the approval of the Supervisory Board or of the appropriate Committee.

The **Working Committee** is responsible for all matters referred to it by the Supervisory Board. These include, in particular, the approval of the establishment, closure and liquidation of subsidiaries, as well as the acquisition or disposal of participations where the change in the capitalized book value of the investment resulting from the transaction exceeds a certain amount (up to the ceiling amount for overall Supervisory Board responsibility). Moreover, the Working Committee deals with the execution of functions in the management bodies of other companies by members of the Management Board. Furthermore, the Working Committee approves the assumption of risks arising from banking business and risk limits to third parties above a certain level up to the ceiling amount for overall Supervisory Board responsibility.

The **Personnel Committee** deals with the remuneration of Management Board members as well as their employment contracts. In particular, it is responsible for approving bonus allocations and share allotments through the Share Incentive Program to members of the Management Board. Furthermore, it also gives its approval in the event of an acceptance of secondary employment by members of the Management Board.

The **Audit Committee** monitors the accounting process and the effectiveness of the company's internal control, audit and risk management systems. The tasks of the Audit Committee include the supervision of the annual audit of the financial statements and consolidated financial statements, as well as checking and supervising the independence of the Group's auditors, particularly with respect to additional work performed for the audited company. The Committee examines the annual financial statements, the management report, the consolidated financial statements and the Group management report, and is responsible for the preparation of their statement. It also examines the proposal for earnings appropriation and the corporate governance report. The Audit Committee presents a report on the results of its audits to the Supervisory Board. The Committee is also responsible for preparing the Supervisory Board recommendation for the selection of the Group's auditor and bank auditor. Moreover, the Audit Committee discusses the content of the management letter as well as the report on the effectiveness of the risk management system and the internal control system. Internal Audit must provide the Audit Committee with quarterly reports on the areas audited and on any audit findings resulting from audits performed, taking into account § 42 (3) of the Austrian Banking Act (BWG).

The **Remuneration Committee's** responsibilities include establishing guidelines for the company's remuneration policies and practices, particularly on the basis of the BWG, as well as relevant sections of the ACGC. In addition, the Remuneration Committee supervises and regularly reviews the remuneration policies, remuneration practices and relevant incentive structures to ensure that all related risks are controlled, monitored and limited in accordance with the BWG, as well as with respect to the company's capitalization and liquidity. In doing so, the longterm interests of shareholders, investors and employees of the company are also taken into account, as are the economic interests of maintaining a functioning banking system and the stability of the financial market. The Remuneration Committee also directly reviews the remuneration of executives responsible for risk management and compliance.

The responsibilities of the **Risk Committee** include advising the Management Board on current and future risk propensity and risk strategy, monitoring the implementation of this risk strategy with regard to the controlling, monitoring and limitation of risk in accordance with the BWG, as well as the observing of capitalization and liquidity. It is also responsible for checking whether the pricing of the services and products offered, the business model as well as risk strategy are given adequate consideration and where applicable for submitting a plan with corrective measures. The Risk Committee also monitors whether the incentives offered by the internal remuneration system give adequate consideration to risk, capital, liquidity and probability as well as timing of realized gains.

The **Nomination Committee** attends to the filling of any posts on the Management Board and the Supervisory Board that have become vacant. Consideration is given to the balance and diversity of knowledge, skills and experience of all members of the governing body in question. The Nomination Committee also specifies a target ratio for the under-represented gender on the Management Board and the Supervisory Board, as well as a strategy for achieving the defined target. In its decision-making process, it ensures that the Management Board and the Supervisory Board are not dominated by one individual person, or a small group of persons, in a way which is contrary to the company’s interests. The Nomination Committee’s other responsibilities include:

- regular evaluation, and in all cases where events indicate a need for re-evaluation, of the structure, size, composition, and performance of the Management Board and Supervisory Board, as well as submission of proposals for changes to the Supervisory Board where necessary.
- regularly conducting, but at least once a year, an evaluation of the knowledge, skills and experience of the individual members of both the Management Board and Supervisory Board, and also of the respective governing body as a whole, and informing the Supervisory Board of the results; and
- reviewing the Management Board’s policy with regard to the selection of executives and supporting the Supervisory Board in preparing recommendations for the Management Board.

Number of meetings of the Supervisory Board and of the Committees

The Supervisory Board held six meetings during the reporting period. In addition, the Management Board fully informed the Supervisory Board on a prompt and regular basis of all relevant matters pertaining to the company’s performance, including the risk position and risk management of the company and material Group companies, particularly in relation to important matters.

The Working Committee held seven meetings in the 2015 financial year. The Audit Committee met twice, the Personnel Committee three times, the Remuneration Committee four times, the Risk Committee twice, and the Nomination Committee five times.

No member of the Supervisory Board was unable to personally attend more than half of the sittings of the Supervisory Board.

In addition, the Supervisory Board and the Working and Remuneration Committees also passed resolutions by circulation.

Further information on the activities of the Supervisory Board can be found in the Report of the Supervisory Board.

Management Board and Supervisory Board remuneration disclosure

Management Board remuneration

The following total amounts were paid to the Management Board of RBI:

in € thousands	2015	2014
Fixed remuneration	5,007	5,101
Bonuses (incl. portions for prior years)	1,759	2,798
Share-based payments	0	0
Other remuneration	2,477	2,103
Total	9,243	10,002

Fixed remuneration, as shown in the above table, includes salaries and benefits in kind. Performance-based components of the Management Board’s remuneration basically consist of bonus payments and share-based remuneration under the Share Incentive Program (SIP).

Only deferred bonus amounts from 2013 and previous years were paid out in 2015, no bonus was paid for 2014.

There was no allocation of share-based payments in 2015, as no SIP tranche had been issued in 2010 owing to the merger between Raiffeisen International with the principal business areas of Raiffeisen Zentralbank Österreich AG. Moreover, the term of the program was extended to five years in accordance with legal regulations. Therefore, the next SIP tranche will not mature before 2016.

The measurement of bonuses is linked to the achievement of company goals in relation to profit after tax, return on risk-adjusted capital (RORAC) and cost/income ratio, as well as to annually-agreed personal goals. Payment of bonuses is deferred as set forth in the BWG and implemented according to internal regulations.

Management Board members' contracts specify a maximum bonus. Similarly, the SIP includes a cap amounting to three times the allocation value. A maximum limit is thus in place for all variable compensation components. Other remuneration consists of compensation for board-level functions in associated companies, payments to pension funds and reinsurance policies, as well as other insurance and benefits.

The Management Board's remuneration paid in 2015 is shown in detail as follows:

in € thousands	Fixed Remuneration	Bonus allocations for 2013 and prior years	Share-based payments	Other	Total
Karl Sevelde	1,108	364	0	474	1,946
Johann Strobl	909	344	0	386	1,639
Klemens Breuer	784	258	0	495	1,537
Martin Grüll	759	310	0	389	1,458
Peter Lennkh	759	188	0	403	1,350
Andreas Gschwenter ¹	325	0	0	45	370
Aris Bogdaneris ²	363	295	0	285	943
Total	5,007	1,759	0	2,477	9,243

¹ Compensation from 1 July 2015

² Compensation until 31 May 2015

In addition to the amounts listed above, deferred bonus amounts totaling € 420 thousand were paid to Herbert Stepic and Patrick Butler on account of their previous work on the Management Board.

Principles of remuneration policy and practices in accordance with § 39 (2) in conjunction with § 39b of the BWG

In accordance with § 39 (2) in conjunction with § 39b of the BWG including annexes, RBI's Supervisory Board approved the "General Principles of the Remuneration Policy and Practice" in 2011. Remuneration of all employees, including the Management Board and other "risk personnel", must comply with these principles. These principles also apply to bonus payments for 2011 and all subsequent years. The Remuneration Committee is responsible for the regular monitoring of these policies and practices and their implementation. Taking the current version of § 39 (2) in conjunction with § 39b of the BWG including annexes into account, which was updated in implementation of Directive 2013/36/EU, the Remuneration Committee of RBI's Supervisory Board approved a new version of the "General Principles of the Remuneration Policy and Practice" in 2014, which was applied as of 2014. This was most recently amended in 2015.

In doing so, the variable component may fall away completely for positions with minimal or only indirect influence on the business results. Role based fixed compensation was implemented in various forms according to respective local conditions. When determining the bonus for specific business and management functions, more weight was placed on RBI's and the respective organizational units' results and less on the functional area in order to promote teamwork.

Share Incentive Program

Due to the enormous increase in the complexity of the regulatory provisions for variable remuneration, the Management Board was prompted to review the benefits and meaningfulness of share-based remuneration. Originally intended as a variable long-term remuneration element geared to market and corporate success, the SIP has since lost this meaning because the annual bonus for the same target group of top executives is now deferred for 3 to 5 years, and half must be paid in instruments (e.g. shares). It was therefore decided that no further SIP tranches would be issued from the 2014 financial year onwards.

No tranche of the Share Incentive Program matured in 2015, as no SIP tranche was issued in 2010 and the term of the program was extended to five years in 2011 in accordance with legal regulations. Consequently, the next SIP tranche will not mature until 2016.

Under the SIP, new tranches were last issued in 2011, 2012 and 2013. This means that on the reporting date, contingent shares for these three tranches were allocated. At 31 December 2015, the number of these contingent shares was 900,223 (of which 198,258 were attributable to the 2011 allocation, 370,857 to the 2012 allocation, and 331,108 to the 2013 allocation). The number of contingently allocated shares originally announced changed due to various personnel changes in Group units. It is shown on an aggregated basis in the following table:

SIP 2011, 2012 and 2013

Group of persons	Number of contingently allocated shares at 31/12/ 2015	Minimum allocation of shares	Maximum allocation of shares
Members of the Management Board of RBI	289,066	86,720	433,599
Members of the management boards of bank subsidiaries and branches affiliated to RBI	372,176	111,653	558,264
Executives of RBI and other affiliated companies	238,981	71,694	358,472

No shares were repurchased for the SIP in 2015.

Expenditure for severance payments and pensions

The same rules essentially apply for the members of the Management Board as for employees. They provide for a basic contribution to a pension fund by the company and an additional contribution when the employee makes their own contributions in the same amount. Additional individual pension benefits, which are financed by a reinsurance policy, apply to three members of the Management Board.

In the event of a function or contract termination, one member of the Management Board is entitled to severance payments in accordance with the Salaried Employees Act and the Bank Collective Agreement, one member in accordance with contractual agreement and four members in accordance with the Company Retirement Plan Act. In principle, the severance payment claims under the Salaried Employees Act or contractual agreements expire if the Management Board member resigns.

Furthermore, protection against occupational disability risk is provided by a pension fund and/or on the basis of an individual pension benefit, which is secured by a reinsurance policy. Contracts for Management Board members are limited to the duration of their respective term in office or a maximum of five years. Regulations regarding severance payments, in the event of the early termination of Management Board mandates, are based on the principles stipulated by the ACGC, as well as on the stipulated maximum limits (a maximum of two years' total annual remuneration for early termination without serious cause and in any case no longer than the remaining term. No remuneration is paid for premature terminations for serious reasons attributable to the Management Board member).

Supervisory Board remuneration

For the 2014 financial year, the Members of the Supervisory Board received remuneration totalling € 550,000 in accordance with the resolution of the Annual General Meeting. This amount included: € 70,000 for the Chairman of the Supervisory Board, € 60,000 each for the Deputy Chairmen of the Supervisory Board, € 50,000 each for the other members of the Supervisory Board. Depending on the duration of the respective Supervisory Board Member’s term, the remuneration for 2014 was paid on a pro rata basis or in its entirety.

Supervisory Board remuneration for the 2015 fiscal year was apportioned to individual Supervisory Board members as follows. The amounts provided are provisional amounts from the statement of financial position, subject to the approval of the Annual General Meeting 2016. Attendance fees were not paid. Depending on the duration of the respective Supervisory Board mandate, the provision for 2015 was booked on a pro rata basis or in its entirety.

Supervisory Board member	in €
Walter Rothensteiner	70,000
Erwin Hameseder	60,000
Heinrich Schaller	60,000
Martin Schaller	60,000
Klaus Buchleitner	50,000
Kurt Geiger	50,000
Michael Höllerer	25,000
Günther Reibersdorfer	50,000
Johannes Schuster	50,000
Bettina Selden	50,000

D&O insurance

In the 2015 financial year, a D&O (directors and officers) financial loss and liability insurance policy was signed with UNIQA Sachversicherung AG for the Supervisory Board, the Management Board and key executives, the cost of which is borne by the company.

Annual General Meeting

The Annual General Meeting for financial year 2014 was held on 17 June 2015 in Vienna. The Annual General Meeting for financial year 2015 will take place on 16 June 2016. The convening notice will be published in the Wiener Zeitung’s official journal and in electronic form a minimum of 28 days before the Annual General Meeting.

At the Annual General Meeting the shareholders, as owners of the company, can exercise their rights by voting. The fundamental principle of “one share, one vote” applies. Accordingly, there are no restrictions on voting rights and all shareholders have equal rights. Every share confers one vote; registered shares have not been issued. Shareholders may exercise their voting rights themselves or by means of an authorized agent. RZB has not exercised its right to nominate up to one third of the Supervisory Board members to be elected by the Annual General Meeting, as per the Articles of Association, so that the share structure complies with the principle of “one share, one vote”.

Report on measures taken by the company to promote women to the Management Board, the Supervisory Board and into executive positions (§ 80 of the AktG) as laid down in § 243b (2) 2 of the UGB

For RBI, it has always been important to offer equal opportunities for equal performance within the company, regardless of gender or other factors. This begins with staff selection, which must be without prejudice, and where the same standards must always be applied irrespective of gender. The 45 per cent proportion of female employees at RBI AG underscores the effectiveness of these initiatives.

The following table shows the total proportion of women in managerial positions (positions with staff responsibility) at RBI AG, classified by Supervisory Board, Management Board, tier 2, and tier 3 management levels.

Year	Proportion of women of the total number of employees	Proportion of women of the total number of executives	Supervisory Board	Management Board	Tier 2 management	Tier 3 management
2015	45%	29%	13%	0%	12%	31%

To complete the picture, the next table shows the proportion of women among all employees, in Management Board positions and tier 2 and tier 3 management levels, for RBI as a whole (including subsidiaries).

Year	Proportion of women of the total number of employees	Proportion of women of the total number of executives	Management Board	Tier 2 management	Tier 3 management
2015	67%	55%	14%	37%	48%

To promote the advancement of women within the company, RBI makes ongoing efforts to improve and continually develop the corresponding framework. Measures to improve the family-work balance are very important in this respect; these include flexible working hours, and part-time and home office options, which are offered in almost all countries in accordance with the local statutory provisions, and also company kindergartens with employee-friendly operating hours. Among other things, these framework conditions aim to facilitate effective management of maternity leave, which should encourage women to return to work.

In order to build on management skills among employees, RBI offers targeted training and continuing education programs, which also proved popular among female employees. For example, approximately 36 per cent of the participants in the group-wide top management program “Execute” were women; in 2015, the proportion of women participating in RBI AG’s advanced leadership training for middle management was 27 per cent.

The Management Board is aware of the need to continue to pursue the existing initiatives as well as to maintain its openness to new initiatives in order to further increase the percentage of women in highly qualified positions. To achieve this end, it encourages women to take advantage of these opportunities and to make specific calls for such initiatives.

Transparency

The Internet, particularly the company website, plays an important role for RBI with regard to open communication with shareholders, their representatives, customers, analysts, employees, and the interested public. Therefore, the website offers regularly updated information and services, including the following: annual and interim reports, company presentations, archived telephone conference webcasts, ad hoc releases, press releases, investor relations releases, share price information and stock data, information for debt investors, financial calendar with advance notice of important dates, information on securities transactions of the Management Board and Supervisory Board that are subject to reporting requirements (directors’ dealings), RBI’s Articles of Association, the corporate governance report, analysts’ research and recommendations, as well as an ordering service for written information and registration for the automatic receipt of investor relations news by e-mail.

Conflicts of interest

Both the Management Board and the Supervisory Board of RBI are required to disclose any potential conflicts of interest.

Members of the Management Board must therefore disclose to the Supervisory Board any significant personal interests in transactions involving the company and Group companies, as well as any other conflicts of interest. They must also inform the other members of the Management Board. Members of the Management Board who occupy management positions within other companies must ensure a fair balance between the interests of the companies in question.

Members of the Supervisory Board must immediately report any potential conflicts of interest to the Chairman of the Supervisory Board. In the event that the Chairman himself should encounter a conflict of interest, he must report this immediately to the Deputy Chairman. Company agreements with members of the Supervisory Board that require members to perform a service for the company or for a subsidiary outside of their duty on the Supervisory Board (§ 228 (3) of the UGB) in exchange for not-insignificant compensation require the approval of the Supervisory Board. This also applies to agreements with companies in which a member of the Supervisory Board has a significant financial interest. Furthermore, related party transactions as defined by § 28 of the BWG require the approval of the Supervisory Board.

Accounting and audit of financial statements

RBI’s consolidated financial statements are prepared in accordance with the International Financial Reporting Standards (IFRS) as applied in the EU. They also comply with the regulations of the BWG in conjunction with the UGB to the extent that these are applicable to the consolidated financial statements. The consolidated annual financial statements are published within the first four months of the financial year following the reporting period. Interim reports are published no later than two months after the end of the respective reporting period pursuant to IFRS.

The Annual General Meeting selected KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft as its external Group auditor and bank auditor for the 2015 financial year. KPMG has confirmed to RBI that it has the certification of a quality auditing system. It has also declared that there are no reasons for disqualification or prejudice. The Supervisory Board is informed of the result of the audit by a statutory report regarding the audit of the consolidated financial statements by the auditor, as well as by the report of the Audit Committee. Furthermore, the auditor assesses the effectiveness of the company’s risk management in accordance with the ACGC, based on the documents submitted to the auditor and otherwise available. The resulting report is presented to the Chairman of the Supervisory Board, who is responsible for ensuring the report is addressed in the Audit Committee and presented to the Supervisory Board.


Karl Sevelda

Klemens Breuer

Andreas Gschwenter

The Management Board


Johann Strobl

Martin Grüll

Peter Lennkh