

Annex



General Execution Guidelines (Order Execution Policy)

A. General Information on the Execution Guidelines

1. Preamble

In the interests of customers and investors, Österreichische Volksbanken AG has determined the following execution guidelines which shall come into effect on 1 November 2007.

These execution guidelines do not apply

- for certain financial instruments that are either sold to or purchased by Österreichische Volksbanken AG at a fixed price (fixed price transactions),
- for issuing and re-purchasing shares in Austrian investment and real estate funds and foreign investment funds approved for sale in Austria in as far as these transactions are affected via a depositary institution.

2. Customer Instructions

In principle, the execution guidelines in this document shall apply. The customer is at liberty, however, to determine himself the place of execution and/or the type of order (e.g. additional information relating to the order such as “stop market”) for any individual transaction. Such an explicit instruction from the customer invalidates and overrides the execution guidelines referred to in this document. General instructions which do not relate to a specific order but refer instead to all future orders, cannot be taken into consideration.

If Österreichische Volksbanken AG uses the services of a third party (bank, broker, investment company / depositary bank or a securities company) to execute an order, it shall ensure that instructions forwarded from its customer are taken note of by the third party.

3. Orders

3.1 Types of Order / Price Limits

- Market Order: orders without a price limit. With a market order, you accept every possible price, meaning that the purchase or selling price are not determined in advance.
- Limit Order: Order with a price limit. With a buying-limit you can limit the price of your order and therefore your capital expenditure; buys above your limit will not be executed. With a selling limit, you define the lowest acceptable selling price; sales under the limit will not be executed.
- Stop Order: A stop order is activated as soon as the market price reaches the stop limit. Once activated, the order is valid as a best execution market order without limit. The actual price of the transaction can therefore deviate widely from the pre-determined stop limit, particularly in the case of securities with low trading volumes.

3.2. Additional Information regarding validity / time limits

Month-end (standard): If you do not give any special instructions, your order remains valid until the last trading day of the month. If the order is placed after the 25th day of a calendar month, then your order remains valid until the last trading day of the following month.

Valid for a day: The order remains valid only for the current trading day

Date: The order remains valid until the given date

90-day: The order remains valid for 90 calendar days

Year-end: The order remains valid until the last trading day of the year

The various possibilities available with respect to execution and/or validity depend on the respective product, exchange and trading partner. Information on further types of order can be obtained from your customer account officer.

4. Forwarding of Orders

If Österreichische Volksbanken AG forwards orders to other parties (banks, brokers, investment companies / depositary banks or securities companies), it will ensure that order execution takes place in accordance with its execution guidelines by issuing appropriate instructions. Orders which are forwarded to Österreichische Volksbanken AG will be accepted only as instructions issued by the forwarding bank.

General instructions from the forwarding bank which do not relate to a specific order cannot be taken into consideration by Österreichische Volksbanken AG.

5. Execution Outside a Regulated Market or Multilateral Trading System

Since Österreichische Volksbanken AG's execution guidelines are intended to apply to the execution of orders outside of a regulated market ("exchange") or multilateral trading system for certain product categories (*categories of financial instruments*), for such cases separate consent is to be obtained from the customer.

6. Notification with respect to Collective Orders

Österreichische Volksbanken AG only processes orders collectively when no grounds exist to believe that the collective processing of orders may be disadvantageous for any of the customer orders so combined.

B. Best Possible Execution of Customer Orders

1. Criteria for the Best Possible Execution of Customer Orders

Österreichische Volksbanken AG currently considers the following as criteria for determining the best possible execution of customer orders:

- the price of the financial instrument
- the costs associated with the execution and settlement of the order
- the probability of execution, as well as
- the probability of settlement

The costs associated with the execution of the order are understood to mean all those costs which the customer incurs which are directly related to the execution of the order including place of execution fees, clearing and settlement fees, in particular the costs of a change in the place of deposit, as well as all other fees known at the time which are payable to third parties involved in the execution of the order.

The probability of execution takes into consideration the liquidity of the place of execution and thus provides information as to whether an order can be executed at all or not.

The criterion “probability that the order will be settled in its entirety” refers to the quality of the settlement. This includes the correct delivery of the securities or processing of payments and capital measures.

2. Product Categories / Categories of Financial Instruments

When executing customer orders, Österreichische Volksbanken AG differentiates between the following product categories :

Product Categories

- 1 Shares and similar share ownership products**
- 2 Funds**
- 3 Bonds and similar debt-based securities**
- 4 Structured securities**
- 5 Warrants**
- 6 Securities derivatives**
- 7 Derivate interest rate contracts**
- 8 Lending derivatives**
- 9 Money market securities**
- 10 Foreign exchange-based derivatives**
- 11 Commodity-based derivatives**

Various forms of financial instruments are included in the product categories defined above:

- Structured Securities (4.): guarantee products and certificates
- Derivatives (6.): options and futures based on a specific security or index. Derivatives are non-certified, financial instruments with values based on, for example, securities, currency exchange rates, commodities, interest rates, etc.

Further information on these product groups is also available either in the form of a brochure “Volksbank – Code of Conduct for Risk Associated with Investment Products” or at www.volksbank.com. In addition, should you have any questions regarding the products, your customer account officer will be happy to help you further.

3. Weighting of the Criteria

Österreichische Volksbanken AG takes as its primary consideration total fees which consist of the price of the financial instrument as well as all costs associated with the execution of the order. Factors other than the total fees incurred with respect to the financial instrument are only considered by Österreichische Volksbanken AG in as far as they serve to achieve the best possible result in terms of the total fees incurred.

The weighting applied by Österreichische Volksbanken AG is as follows:

Criteria for best possible order execution	Weighting
Price of the financial instrument	40%
Costs of order execution and settlement	40%
Probability of execution	10%
Probability of settlement	10%

Österreichische Volksbanken AG applies the weighting shown above for all product categories (*categories of financial instruments*) without exception.

4. Influence of Customer Classification

The guidelines on execution fulfil the statutory requirements for ensuring the highest possible level of protection for private customers. Österreichische Volksbanken AG also applies these execution guidelines for professional customers and thus does not draw up separate guidelines for the latter.

5. Determination of Best Possible Places of Execution

Orders associated with rights issues are generally forwarded for execution to the issuer, the underwriter or a member of the issuing consortium determined by the issuer.

Österreichische Volksbanken AG has evaluated its places of execution on the basis of the weighting shown above and determines the respective place of execution for those product categories shown under Point 3 (*categories of financial instruments*) as follows:

Sales are undertaken, taking the total fees into consideration, at those places of execution where the sales can take place without a change of depository. If this is not possible, then the above table shall be used, whereby a change in the depository cannot be excluded.

Product Categories	Place of Execution
1 Shares and ownership paper	
1.1 Austria:	
Issuer: Österreichische Volksbanken AG:	Österreichische Volksbanken AG (OTC);
Other Austrian issuer:	Xetra (Vienna Stock Exchange)
1.2 International:	
German issuers:	Xetra Frankfurt (condition: continuous trading); otherwise Frankfurt Stock Exchange
All other issuers:	Frankfurt Stock Exchange
	If a paper is not listed on a German exchange, then the exchange is chosen which the international issuer regards as his local exchange (see below).
	Note concerning rights issues: If the customer does not give instructions concerning rights, these will be sold – if possible – on the last trading day at the home exchange (if listed) or off-market (if not listed); otherwise they will be written off without value.
2 Funds	Investment company or the depository bank.
3 Bonds and similar debt securities	
3.1 Austria:	
Issuer: Öster. Volksbanken AG and other issuers:	Österreichische Volksbanken AG (OTC)
3.2 International:	Österreichische Volksbanken AG (OTC)
4 Structured securities	
4.1 Austria:	
Issuer: Öster. Volksbanken AG:	Österreichische Volksbanken AG (OTC);
Other issuers:	EUWAX

4.2 International

EUWAX

If a paper is not tradable on a German exchange, then that exchange is chosen which the international issuer regards as his local exchange.

5 Warrants
5.1 Austria

Issuer: Öster. Volksbanken
AG:
Other issuer:

Österreichische Volksbanken AG (OTC)
Vienna Stock Exchange

5.2 International

Stuttgart Stock Exchange

If a warrant is not tradable on a German exchange, then the exchange is chosen which the international issuer regards his local exchange

6 Securities derivatives
6.1 Austria

ÖTOB listing: ÖTOB

6.2 International

EUREX listing: EUREX
CBOE/ CBOT or CME listing CBOT, CBOT, CME
Liffe listing: Liffe

7 Derivative interest rate contracts

EUREX listing: EUREX,
CBOT listing: CBOT,
Liffe listing: Liffe,
Otherwise: Österreichische Volksbanken AG

8 Lending derivatives

Österreichische Volksbanken AG (OTC)

9 Money market securities
9.1 Austria

Österreichische Volksbanken AG (OTC)

9.2 International

Treasury bills: CBOT
EUREX listing: EUREX
Otherwise: Österreichische Volksbanken AG (OTC)

10 Foreign exchange-based derivatives

Österreichische Volksbanken AG (OTC)

11 Commodity-based derivatives

Österreichische Volksbanken AG (OTC)

Local Exchanges:

Österreichische Volksbanken offers the following exchanges as possible places of execution. If you wish to use an additional execution place, please contact your account manager.

Exchanges:

<u>Country</u>	<u>Abbr. or city</u>	<u>Description</u>
Austria	Xetra Wien	Wienerboerse AG
Germany	Xetra	Xetra (Exchange Electronic Trading)
	FRA	Frankfurter Wertpapierbörse
	STU	Baden-Wuerttembergische Wertpapierboerse zu Stuttgart
	MUN	Bayerische Börse
	BER	Boerse Berlin-Bremen
	HAM	Hanseatische Wertpapierbörse Hamburg
	HAN	Niedersächsische Boerse zu Hannover
	DÜS	Rheinisch-Westfälische Boerse zu Düsseldorf
Belgium	Brussels	Euronext Brussels NV/SA
Denmark	Copenhagen	Nordic Exchange in Copenhagen
Finland	Helsinki	Nordic Exchange in Helsinki
France	Paris	Euronext Paris
Greece	Athens	Athens Exchange S.A.
Great Britain	London	London Stock Exchange Group PLC
Ireland	Dublin	The Irish Stock Exchange
Italy	Milan	Borsa Italiana S.p.A.
Luxemburg	Luxembourg	Societe de la Bourse de Luxembourg SA
Netherlands	Amsterdam	Euronext Amsterdam Effectenbeurs
Norway	Oslo	Oslo Bors
Poland	Warsaw	Gielda Papierow Wartosciowych
Portugal	Lisbon	Euronext Lisbon
Russia	Moscow	Russian Trading System or MICEX
Sweden	Stockholm	Nordic Exchange in Stockholm
Switzerland	XSWX	The Swiss Exchange
	XVTX	Virt-X
Spain	Madrid	Mercado Continuo Espanol, Bolsa de Madrid
Czech. Repub.	Prague	Prague Stock Exchange, RM System (Electronic Market)
Hungary	Budapest	Budapest Stock Exchange
USA	XNMS	Segment of the National Association of Securities Dealers, Inc (NASDAQ)
	XNYS	New York Stock Exchange
	XOTC	Segment of the National Association of Securities Dealers, Inc (NASDAQ)
	XASE	American Stock Exchange
Canada	Toronto	Toronto Stock Exchange
Australia	Sydney	Australian Stock Exchange Ltd.
Hong Kong	Hong Kong	The Stock Exchange of Hong Kong, Ltd.
Japan	Tokyo	Tokyo Stock Exchange
New Zealand	Wellington	New Zealand Exchange Limited (NZSX)
South Africa	Johannesburg	The Johannesburg Stock Exchange

Futures Exchanges:

Abbrev. or city	Description
ÖTOB (Exchange Vienna)	Vienna Stock Exchange
EUREX	European Exchange
Liffe	Euronext.liffe (Amsterdam, Brussels, Lisbon, London, Paris)
CBOT	Chicago Board of Trade

Order for exchanges or products not shown will be executed if possible. If an execution is not possible, then the customer will be informed accordingly without delay.

Abbreviations and Definitions of Terms:

CBOT	Chicago Board of Trade
CBOE	Chicago Board Options Exchange
CME	Chicago Mercantile Exchange
EUREX	Name of the leading international futures exchange
EUWAX	Name of a trading segment of the Stuttgart Stock Exchange with a focus on derivatives
Liffe	London International Financial Futures and Options Exchange
ÖTOB	Austrian Futures and Options Exchange
Xetra	Electronic trading system which, for example, is used on the Frankfurt and Vienna Stock Exchanges

Published by: Österreichische Volksbanken-AG, Kolingasse 19, 1090 Vienna, in cooperation with Accenture GmbH, Schottenring 16, Börsegebäude, 1010 Vienna

Printed by: ARZ Allgemeines Rechenzentrum GmbH, Grasberggasse 13, 1030 Vienna

Place of publication: Vienna

Printed in: Vienna