

## Annex 1

### MiFID II Presentation Document of Raiffeisen Bank S.A. Version applicable from date: 18.12.2023

Any update of the Presentation Document will be made available to the Client by displaying on the website at <https://www.raiffeisen.ro/ro/despre-noi/guvernanta-corporativa/mifid.html>, and at the express request of the Client, by transmission to an email address or paper delivery in the Raiffeisen Bank S.A.'s units. Unless otherwise stated, the modified version of the MiFID II Presentation Document will come into force from the date of its publication on the Bank's website.

**Raiffeisen Bank S.A.** • Bank's headquarters in FCC Office Building, Calea Floreasca No. 246 D, District 1, Bucharest  
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[www.raiffeisen.ro](http://www.raiffeisen.ro) • Unique registration code 361820 • Trade Registry No. J40/44/1991 • EUID  
ROONRC.J40/44/1991 • Banking Registry No. RB-PJR-40-009/1999 • FSA Capital Markets Public Registry no.  
PJR01INCR/400009/30.01.2014; PJR24DIST/400009/01.03.2016 • FSA Private Pension Public Registry code AMJ-  
RO-374277 • Affiliated Agent registered to FSA under Code RAJ 500196 • Fiscal registration code RO361820 •  
Share capital Lei 1,200 Mio subscribed and fully paid-up • Company administrated in dualist system • Call Center:  
\*2000, standard call rates apply to all mobile networks in Romania.

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## I. Information on Raiffeisen Bank S.A.; supervisory authorities

*Raiffeisen Bank S.A.* (Hereinafter called the “Bank” or “RBRO”) is a Romanian legal entity incorporated as joint-stock company subject to dual-management, having its registered office in Bucharest, District 1, FCC Office Building, 246D Calea Floreasca, registered with the Trade Register under no. J40/44/1991, unique registration code 361820, VAT code RO361820, registered with the National Bank of Romania’s Bank Register (“N.B.R”) under no. RB-PJR-40-009/18.02/1999, EUID ROONRC J40/44/199, cod LEI 549300RFKNCO56F8591. Raiffeisen Bank S.A. holds a subscribed and fully paid-up share capital of 1.200 million lei.

The Bank S.A. is authorised by the Financial Supervisory Authority (“F.S.A.”) to provide specific capital market activities under the provisions of the Law no. 126/2018 on financial instruments markets with the subsequent amendments.

Informations regarding the Management Board can be found at the following link:  
<https://www.raiffeisen.ro/despre-noi/guvernanta-corporativa/structuri-de-administrare/>

### **Supervisory authorities regarding investment activities / services:**

#### **National Bank of Romania (NBR)**

25 Lipscani Street, District 3, Bucharest, Postal Code 030031

Website: <http://www.bnro.ro>

#### **Financial Supervisory Authority (FSA)**

15 Splaiul Independentei, District 3, Bucharest, Postal Code 050092

Website: <https://asfromania.ro/>

Fax: 021.659.60.51 / 021.659.64.36

E-mail: [office@asfromania.ro](mailto:office@asfromania.ro)

## II. MiFID II Presentation

MiFID II Directive (Markets in Financial Instruments Directive) is Directive 2014/65 / EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments (hereinafter referred to as “MiFID II”), which, together with Regulation (EU) 600/2014 (“MiFIR”), replaces Directive 2004/39/EC (MiFID I), represents the upgrading of the harmonized legal framework governing the requirements applicable to investment firms providing financial investment services. MiFID II has been transposed into Romanian law by Law no. 126/2018 on financial instruments markets and secondary legislation consisting of FSA Regulation 5/2019 regarding the regulation of certain requirements

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regarding the provision of investment services and activities according to Law 126/2018 and common regulations adopted by NBR and FSA , The purpose of MiFID II is to improve the competitiveness of financial markets within the European Union and to ensure a high level of protection for Clients investing in financial instruments such as shares, bonds, fund units, derivative financial instruments and structured products. The legal framework also aims at achieving a higher degree of transparency, both before and after the trading of financial instruments, which will apply to all trading venues, but also to transactions outside trading venues (Over the Counter – OTC).

### **III. Main and related investment services offered by the Bank; minimum elements of the transaction with financial instruments**

The Bank provides the following investment services:

#### ***III.1 Investment services and activities***

1. Receipt and transmission of orders for one or more financial instruments outside the regulated markets on MTF (Multilateral Trading System) or OTF (organized trading facilities) and exceptionally OTC
2. Execution of orders on behalf of Clients for financial instruments traded outside regulated markets, namely MTF, OTF and OTC markets
3. Trading on own account
4. Investment advisory
5. Subscriptions the financial instruments and / or placing the financial instruments with firm commitment under certain conditions
6. Placing the financial instruments without firm commitment

#### ***III.2 Ancillary services***

1. Safekeeping and administration of financial instruments for the account of clients, including custody and related services such as cash/collateral management.
2. Advice to undertakings on capital structure, industrial strategy and related matters and advice and services relating to mergers and the purchase of undertakings;
3. Investment research and financial analysis or any other form of general recommendation regarding the transactions with financial instruments.
4. Services related to subscription of the financial instruments outside regulated markets, namely MTF, OTF and OTC markets.

Full details of the contact details for the provision of the financial investment services and contact details of the bank's personnel which fulfilling the compliance function within the bank department are provided in Appendix 1 to this document.

### ***III.3 The minimum elements necessary for the execution of the transactions with financial instruments***

For the purpose of trading in the financial instruments, the following minimum steps must be taken:

- opening of a current account in the Bank;
- the conclusion of a contract for the provision of services and / or the trading of financial instruments with RBRO;
- make this document known to the client;
- performing the opportunity / suitability tests, as appropriate, depending on the requested investment service;

### **IV. Client categorisation**

- The clients are informed of the category they were classified before being provided with any investment service, and the associated level of protection, in descending order of protection, these categories are:
  - **Retail Clients**
  - **Professional clients**
  - **Eligible counterparties.**

Detailed information regarding the three categories of Clients can be found in Annex 2 to this document, "Client categorisation".

Subject to the Client right to choose, request and benefit at any time or in certain circumstances from a different status, as provided in the MiFID II legal package and in this document, the Bank will treat the Client according to the applicable regime for the category in which it has been framed and as the Client has been informed.

The Bank grants the maximum protection offered by law for its Individual and legal Clients (except for Institutional Clients and of Legal Entities that meet the MiFID criteria for classification in the category of Professional clients) and classifies them in the category of Retail Clients by default, through the contracts concluded for specific products. The client has the obligation to inform the Bank permanently and promptly of any change in the data, information and documents provided to the Bank that may affect the client classification.

### **V. Client evaluation: the opportunity test and the suitability test**

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### *V.1 Clients testing according to the investment service*

According to MiFID II, investment services are classified in terms of how the service is provided, in 3 classes:

- **Execution only services:** consist of execution services and / or services concerning the receipt and transmission of Clients orders, without additional information from the bank. Execution only services to Retail and/or Professional Clients can only be provided with respect to *non-complex financial instruments* (eg money market instruments, different types of bonds, fund units, etc.), at the Client's exclusive initiative and without an opportunity test and / or suitability.
- We warn you that *RBRO provide execution only services exclusively to Institutional Clients, classified as Eligible Counterparties or Professional client from MiFID point of view.*

In case of providing this type of services (execution only), through this document, the Bank informs the client that it is not obliged to assess whether the financial instrument or service provided or proposed is suitable for it, therefore, the client does not benefit from protection related to the respective rules of conduct.

- **Investment services without advisory:** requires the Bank to request and process certain information from the Client, in an opportunity test, so that the Bank is in a position to assess whether the investment services or financial instruments envisaged are timely according to the level of knowledge and / or experience of the client, of each type of financial instrument in which the client intends to invest. The purpose of the opportunity test is to ensure that the client understands the implications and the level of risk associated with the investments he is about to make.

*RBRO provides its clients with financial investment services without advisory.* For more information regarding the services provided by RBRO, please contact your personal client responsible / we are waiting for you at RBRO agencies.

- **Advisory Services:** Advisory services involve the request and processing by the Bank of certain information from the client, in the context of an opportunity test and a suitability test (which generally forms the investment profile of the customer), so that the bank is able to recommend to that client investment services and financial instruments that are appropriate to its financial and profile objectives or risk. The bank will ask the client for information on the following issues: (a) the financial situation of the client, including its ability to incur losses (b) risk tolerance, the investment objectives of the client and sustainability preferences (c) knowledge and experience of

the client on the types of financial instruments. The purpose of the investment profile is to ensure a better understanding by the client of the implications and level of risk associated with the investments that the bank recommends.

*RBRO provides advisory services for individual client in the Friedrich Wilhelm Raiffeisen (FWR) segment. Currently, advisory services are not provided by the Bank. The information will be updated when the Bank resumes its activity.*

### *V.2 Presuming the existence of knowledge and the experience of Professional clients and Eligible Counterparties*

If the Client is classified as Eligible Professional or Eligible Counterparties, Raiffeisen Bank S.A. is entitled to assume that the client has the experience and knowledge necessary to understand the transaction, financial instruments and / or investment activities / services to which this document refers. However, if such a client does not have the knowledge and experience necessary to understand the risks associated with any financial instrument, transaction, or financial service, it may be disadvantageous to a retail client for whom the Bank has an obligation to assess the timeliness of transaction, financial instrument or investment service for that Retail Client. The Bank assumes no liability whatsoever for the statement of Professionals Clients or Eligible Counterparties if they claim that they do not have or lack the knowledge and experience necessary to understand any service, transaction, or financial instrument.

### *V.3 Presumptions applicable for Retail Clients*

If the client is classified as a Retail client, the Bank is required to assess (i) whether it possesses the knowledge and experience necessary to understand the transactions, instruments and / or investment activities / services to which this document refers. The Bank fulfils this obligation by conducting the *opportunity test*, and (ii) if the recommended investment is appropriate with the financial condition, the investment objectives, including risk tolerance and ability to withstand the associated risk depending on the type of services and / or financial instruments accessed by the Client and the Bank fulfils this obligation by performing the *suitability test*, in case of providing investment advisory services.

### *V.4 Warning regarding services /transactions /financial instruments that may not be opportune / suitable for the Client*

In order to assess by the Bank the opportune / suitable character for the Client of any transaction, financial instrument and / or investment service, the Bank may require to the client to provide information

/documents regarding the knowledge and the experience that he holds in connection with any transaction, financial instrument or investment service or its financial objectives and profile or risk.

The Bank recommends to the Client to provide complete, accurate and up-to-date information. If the Bank cannot obtain from the Client the information necessary to conduct the opportunity and / or suitability test, or will obtain limited or inaccurate information that does not allow a full degree of opportunity / suitability assessment, the Client assumes the risk that the Bank will be unable to assess whether a transaction, financial instrument, investment service is opportune / suitable for the Client, and this situation may affect the investment services that the Bank has the opportunity to offer.

In the event that the Client provides, at the request of the Bank, information about his knowledge and experience and his / her financial and / or risk profile regarding one or more the financial instruments, transactions or investment services / activities and, on the basis of this information, the Bank assesses that the Client does not possess the knowledge and experience required for one or more financial instruments, transaction or investment activity / service, or transactions or investment activities / services are not appropriate to the client's profile, the Bank will warn the Client of this. In this case, before making any decision on that financial instrument, or entering into that transaction or investment service / activity, the Client should seek external advice.

In the event that the client has been clearly and undoubtedly advised that the Bank cannot assess the suitability or appropriateness of the client for one or more financial instruments, transactions or investment / investment services, or if clearly and unambiguously the Bank has warned the client as to the fact that one or more financial instruments, transactions or investment services / activities are not appropriate to the client and yet the client decides to invest in these instruments or initiate transactions or continue the activities / services provided by the Bank, then the client accepts and fully assumes the potential risks, including those that he can not anticipate due to lack of experience and knowledge about that financial instrument, transaction, or investment activity / service.

Recommend to the client to provide to the Bank any relevant information regarding the Clients knowledge and experience and if the case regarding its financial situation, risk tolerance or ability to bear losses, to enable the Bank to assess their appropriateness or, where appropriate, their suitability.

The Bank explicitly disclaims any liability if the Client misleads the Bank related to its familiarity with financial instruments and related transactions or if the Bank has warned the Client that it is unable to assess the suitability or appropriateness of any financial instrument, transaction or investment service for the Client, as well as if the Bank has warned the Client in case the Bank has evaluated that one or more financial instruments, transactions or services are not opportune or adequate for the Client.



The Bank shall not be held responsible and accepts no liability for any loss, liability or expense that the Client may suffer or sustain, when acting solely on the basis of the information received from the Bank, unless such loss is imputable to the Bank, acting on a serious or intentional basis.

In order to understand the nature and the risks associated with the financial instruments and investment services provided by the Bank and their specific categories and, consequently, for making informed investment decisions in full knowledge of the matter, please refer to Annex no. 3 to this Presentation Document, where the Bank will provide information and warnings about the risks associated with the financial instruments / investment services / activities provided (but without its presentation being exhaustive).

## VI. The communication in s relationship with the clients

All communications of documents or information between the Bank and the Client will be made in Romanian and / or English as agreed by the specific business and investment services contracts governing their relationship.

The communication for the approval of the terms and conditions of each investment service or any transaction, the transmission of orders and the receipt of confirmations, as well as any other types of communication between the parties may be made by writing in writing, electronic means of communication and distance communication means telephone, e-mail, Swift or fax, as well as by other means in accordance with the provisions of the contracts for the provision of investment activities and services.

The Bank may require in the framework contracts related to the trading of financial instruments that trading the orders / instructions to be transmitted by the Client in a certain form.

The Client shall ensure that orders, instructions, forms, statements and communications to the Bank are prepared, completed, signed and provided in accordance with the specific provisions of the contracts for the provision of investment activities and services. If, in the opinion of the Bank, the Clients orders or instructions are unclear, ambiguous, incomplete, the Bank will contact the Client to verify and confirm orders or instructions given by the client in order to perform them correctly and accurately.

The bank records telephone conversations and electronic communications with the Client that materializes or may materialize in a transaction, whether these conversations or communications are completed or not with the conclusion of a transaction with the Client. In the event of a face-to-face conversation between

the Bank and the Client, to the extent that this requirement is applicable in accordance with the applicable regulations, the Bank shall record all relevant information from the meetings to the client by using the written minutes (verbal processes).

Recordings of telephone conversations, electronic correspondence and conversation that occur face to face between the Bank and the Client are the property of the Bank. The Client accepts that these records are evidence of and conclusive evidence of the contents of the instructions, conversations, or messages so recorded, and may be used in any judicial, extrajudicial, administrative or arbitral proceedings. The Bank may use their registrations and / or transcriptions for any purpose, to the extent that it complies with the applicable regulations, including but not limited to the use of such records in the Bank interest. For a period of five years, the client may request access to these records of telephone conversations and communications relating to a specific transaction.

According to the regulations in force, the Bank is required to provide these records at the request of the competent authorities. The Bank may provide the Client with certain information on a durable medium, (as defined below), for example in the form of a pdf document attached to an e-mail addressed to the Client or by publishing the information on the Bank website. In the future, the clients will only receive information electronically or by publishing on the website. Such information may refer to general information about the Bank and its services, information on the nature and risks associated with certain financial instruments, information on the keeping of financial instruments and the, information on costs and expenses, information on the Bank's policy regarding the best execution of the orders, information's regarding the terms and conditions and information related providing services by the Bank.

## VII. Distance contract

### **VII. 1. Legal basis**

Law no. 126/2018 regarding financial instruments market with subsequent modifications and additions.  
Regulation no. 5/2019 regarding the regulation of certain requirements regarding the provision of investment services and activities according to Law no. 126/2018 regarding financial instruments market, with subsequent modifications and additions.

### **VII.2. Definitions**

“**Distance Contract**” means any contract regarding the provisions of investment services and activities, concluded between the Bank, as a bidder, and a Client as a beneficiary of investment services and activities, within a system of sales or investment services and activities at distance, organized by the Bank, which, for the purposes of the contract in question, uses exclusively one or more means of distance communication up to and including the time when the contract is concluded.

**“Distance communication means”**, mean any ways of communication, without requiring simultaneous physical presence the offeror and the beneficiary of the investment services and activities, can be used in order to realize the agreement of will between the parties

**“Durable support”** any instrument that:

- a) allows a customer to store personally addressed information in a way that enables that information to be subsequently consulted for a period of time appropriate to the purpose of that information
- b) allows accurate reproduction of stored information;

### **VII.3.**

#### **Information on the provisions applicable to distance contracts**

##### **(i) Express agreement regarding the use of the distance contract and of the distance communication means.**

Carrying out the distance contract and implicitly the use of the means of distance communication is realized only after the Client has expressed the agreement in this respect.

The express agreement of the Client is obtained through the specific contract, which will be made available to the Client in due time, before having obligations resulting from the signing the specific contract.

Disagreement regarding the use of these means of distance communication may be made by sending a notification to this effect to the contact e-mail address mentioned in the specific contract.

In case the contract will be concluded, at the express request of the Client, by using some means of distance communication that do not allow the fulfillment of the procedure of informing the Client by the Bank regarding the rights and obligations of the Client and the Bank, the Bank will fulfill the obligations incumbent on him immediately after the conclusion of the distance contract.

During the entire duration of the distance contract, the Client has the right to request the communication of the contractual conditions and provisions on paper, free of charge, in the Bank's agencies. The customer is also entitled to request a change in the distance communication mode used if this mode is not incompatible with the terms of the contract or the nature of the service provided. These requests can be made by sending a written notification to this effect.

**(ii) Right of withdrawal.** The client benefits from a period of 14 calendar days from the date of concluding the distance contract within which he can unilaterally terminate the contract at any time, without having to justify the withdrawal decision and without incurring penalty fees. The exercise of the right of withdrawal will be done by notifying the Bank in writing on the exercise of the right of withdrawal unilateral denunciation.

The right of withdrawal from a distance contract will not apply to investment services and activities whose price depends on fluctuations in the financial markets that may occur during the withdrawal period (14 days from the date of conclusion of the contract) and are independent of the Bank, being related to:

- a) foreign exchange services;
- b) money market instruments, including government securities with a maturity of less than one year and certificates of deposit;
- c) securities;
- d) participation titles in collective investment undertakings;
- e) financial futures contracts, including similar contracts with final settlement of funds;
- f) interest rate forward contracts (FRA);
- g) interest rate swaps, exchange rates and shares;
- h) options on any financial instrument provided in let. b) and c), including similar contracts with final settlement of funds; this category also includes exchange rate and interest rate options.

In case of unilateral termination within 14 days from the date of concluding the distance contract, the Client may be obliged to pay for the services provided until then, in accordance with the contractual clauses and express his express agreement to perform the contract before the expiration of the withdrawal period. .

The term mentioned above, in which a Client has the right to unilaterally terminate the distance contract concluded with the Bank, starts to run (a) from the day of concluding the distance contract, if the Client has received the information in this document, as well as the contractual terms and conditions or (b) from the day on which the Client receives the information in this document and the contractual terms and conditions.

In case of exercising the right of unilateral termination of the distance contract, the Client will notify the Bank, before the expiration of the 14-day period mentioned above, by a means of communication that can be proven, ie by sending a notification of unilateral termination of the contract to the contact e-mail address mentioned in Annex 1 to this document, depending on the type of service provided and the area providing that service.

The term will be considered observed if the notification formulated on paper or on another durable

medium, available and accessible to the Bank, is sent before the expiration of the term in which this right can be exercised.

If applicable, within a maximum of 30 days from the date of receipt of the notification of unilateral termination of the distance contract, the Bank is obliged to reimburse any amounts received under the distance contract, except for amounts related to payment for services provided up to that time.

## VII. Order execution policy

1. The Bank will execute the Client orders in accordance with Raiffeisen Bank SA Client order execution policy. The policy is available on the Bank website at: <https://www.raiffeisen.ro/ro/despre-noi/guvernanta-corporativa/mifid.html>.

The execution policy applies to Retail and Professional clients who benefit from one or more of the following investment services:

- Execution the orders on behalf of Clients;
- Receipt and transmission the orders regarding one or more financial instruments;
- Receipt of quotation requests and quote-based trading (request-for-quotes).

The Order Execution Policy *does not apply to Clients Eligible Counterparties*.

If the Bank refuses to execute a Clients order, it will immediately inform the Client by agreed means of communication. The Client is aware that certain specific instructions addressed to the Bank may prevent the Bank from following and / or respecting, in whole or in part, the Bank's Policy of Execution of Client Orders for one or more transactions referred to in the respective instructions, in which case the Customer shall respond in full on the outcome of the transactions and fully assumes the related risks.

### **Fund units**

Regarding the fund unit's distribution issued by open investment funds, RBRO assure the services regarding the receipt of orders from the Client and transmission for execution to the subsidiary Raiffeisen Asset Management (RAM)/external management companies.

Execution/processing of the transactions with fund units is strictly the responsibility of RAM/ external management companies and is performed according to its own execution procedure, detailed in the issue prospectuses related to each individual investment fund.

## **2. Places for executing transactions in financial instruments**

The Bank executes the Clients orders directly / indirectly as an Independent Operator or by accessing an SMT/SOT, where the bank is a member or a direct / indirect participant at the trading venue and outside the regulated market/trading places.

For a detailed presentation of the execution venue for the transactions accessed by the Bank, please refer to the Client Order Execution Policy available on the website at <https://www.raiffeisen.ro/ro/despre-noi/guvernanta-corporativa/mifid.html>. RBRO selects trading venues/execution based on the factors and criteria mentioned in the same policy of executing Client orders.

## **3. Independent Operator**

The Bank acts as an independent operator with regard to government securities issued on the local or foreign market in accordance with the Bank's Independent Operator Commercial Policy, available on the website at <https://www.raiffeisen.ro/ro/despre-noi/guvernanta-corporativa/mifid.html>.

The client understands and accepts that in trading with the Bank as an independent operator, he will be subject to the Bank's Independent Operator Commercial Policy, as it may be amended and supplemented. Code MIC RBRO: RRSI.

## **IX. Protection of assets and cash funds belonging to clients**

### **IX.I Investments' compensation**

Throughout the duration of the trading, clearing and settlement of financial instruments, the Bank will comply with the prudential rules set by the N.B.R. and the F.S.A..

The Bank is a member of the Investor Compensation Fund (hereinafter referred to as "ICF" or "the Fund"), which will equally and indiscriminately compensate any retail client with whom the Bank has concluded a financial investment services contract, within the limit of a gradual ceiling, in accordance with the legal provisions.

The Fund equally and indiscriminately compensates eligible investors within a maximum limit representing the equivalent in RON of EUR 20,000 per investor, the ceiling provided by Law no. 88/2021 regarding the Investor Compensation Fund on investor compensation schemes.

The following categories of investors are exempted from clearing:

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- a) professional and institutional investors, including:
- investment firms within the meaning of the legislation on credit institutions and capital adequacy;
  - credit institutions within the meaning of the legislation on credit institutions and capital adequacy;
  - financial institutions within the meaning of legislation on credit institutions and capital adequacy;
  - insurance and reinsurance companies;
  - collective investment undertakings;
  - privately managed pension funds;
  - other professional and institutional investors established under the ASF regulations.
- b) international organizations, governments and other central public administration authorities, regional and local;
- c) directors, administrators, and members with direct liability from among the participants in the Fund, persons whose responsibility is the preparation of the audit of the participants in the Fund;
- d) shareholders of Fund participants holding at least 5% of the share capital;
- e) investors with status similar to those mentioned in letter c) and d) within other companies in the same group as the Fund participants;
- f) spouses, relatives and relatives up to the 1st degree, as well as persons acting on behalf of the investors mentioned in letter c-e);
- g) legal entities within the same group with participants of the Fund;
- h) persons who have a responsibility for or have obtained benefits from certain situations in relation to a participant in the Fund that led to the financial difficulties of the participant or were likely to lead to the deterioration of his financial situation;
- i) companies which, because of their size, are not allowed to draw up an abridged balance sheet according to the applicable accounting regulations.

Information on how to pay compensation, as well as on Fund procedures can be obtained from: S.C. Investor Compensation Fund S.A. Unique Registration Code: 18005590 of 03.10.2005, no. Registry of Commerce: J40 / 16596 / 30.09.2005), Bucharest, District 2, Carol Boulevard. I, Nr. 34-36, Floor. 3, Cam. 1-2, Tel: 40-21-3157348, Fax: 40-21-3157340, [www.fond-fci.ro](http://www.fond-fci.ro).

The object of the investment services is the financial instruments belonging to the Clients, while the funds are maintained by the Bank based on the banking regulations, the latter not being an investment financial service and thus the MiFID II legislative provisions are not applicable to it. The bank is a member of BDGF, which guarantees depositors in bank accounts and deposits up to a **maximum ceiling** representing the RON equivalent of EUR 100,000 equivalent in lei, per depositor per bank for both individuals and legal entities, with the exception of the limits mentioned in the legislation in force.

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• Postal code 014476 • Romania • Phone: +40 21 306 1000 • Fax: +40 21 230 0700 • E-mail: [centrala@raiffeisen.ro](mailto:centrala@raiffeisen.ro) •  
[www.raiffeisen.ro](http://www.raiffeisen.ro) • Unique registration code 361820 • Trade Registry No. J40/44/1991 • EUID  
ROONRC.J40/44/1991 • Banking Registry No. RB-PJR-40-009/1999 • FSA Capital Markets Public Registry no.  
PJR01INCR/400009/30.01.2014; PJR24DIST/400009/01.03.2016 • FSA Private Pension Public Registry code AMJ-  
RO-374277 • Affiliated Agent registered to FSA under Code RAJ 500196 • Fiscal registration code RO361820 •  
Share capital Lei 1,200 Mio subscribed and fully paid-up • Company administrated in dualist system • Call Center:  
\*2000, standard call rates apply to all mobile networks in Romania.

Regarding the Clients' investments in fund units of investment funds for which the Bank acts as a distributor, RBRO informs the Client that:

- investment funds are exempted from investor compensation schemes and do not offer any guarantee regarding the recovery of invested amounts;
- investments in fund units do not represent amounts available in bank accounts and are not insured through the Bank Deposit Guarantee Fund.

These specifications are provided only for informing the Client and have no contract value. The ICF/BDGF compensates investors only if the Bank is unable to return the financial instruments or amounts from bank or deposit accounts belonging to the client.

## IX.2 Safekeeping of the financial instruments

The Bank ensures the safekeeping of the financial instruments that it holds in custody on behalf of the Client and does not make use of any of the respective financial instruments or the rights deriving from them, for his benefit or that of any other third party and does not transfer these financial instruments, without the express consent of the Client. The Bank will permanently ensure the segregation between the financial instruments held on behalf of the clients and the financial instruments held in its own name and on its own account. The Bank will keep records of all instructions, operations, transactions and documents that determine the change of positions within the Client's financial instruments account.

The Bank will not conclude financing operations agreements through financial instruments using the financial instruments it holds on behalf of the Client, in its accounts, or in the global accounts managed by a third party and will not use in any way those financial instruments either on its own account, either on behalf of another person or of another client of his Client than with the obtaining of the prior express consent of the client of the Client, within the limits of that agreement and in compliance with the other applicable legal requirements

Except as otherwise expressly agreed in writing with the Client, the Bank shall not permit any of the financial instruments held on behalf of the Client to be lent to third parties and the Bank shall not allow the borrowing of the Clients financial instruments under the guarantee. The terms of the lending or borrowing operations will be the subject of a separate contract. Regarding retail clients, applicable law forbids the use of these Clients assets, and it is not possible to conclude such contracts with Retail clients, even with their agreement.

The Bank will separate the financial instruments belonging to the clients from those of the Bank and these instruments will be recorded on their accounts in separate accounts from those of the Bank. For instruments



held outside the European Union, the rights that clients may benefit may be different. Also, the Bank will ensure the separation of clients' money from their own.

### IX. 3. Individual and global accounts

**"Individual account"** means the account opened in the records of a central depository in the name and on behalf of an owner of financial instruments and which is used to record the holdings of an owner of financial instruments.

**"Global account"** means the account opened in the records of a central depository in which the financial instruments belonging to several clients whose custodian is RBRO are registered.

To the extent that the central depositories offer this option, the Bank will be able to open individual accounts on behalf of the Clients, thus segregated at the level of the central depository. If the Client requests the opening of an individual account, the bank will take steps to open such an account on behalf of the Client in the systems of all central deposits to which it is offered access. The Client is warned that not all central depositories, third party custodians or sub-custodians offer the option to open individual accounts, in which case the holdings can be highlighted in segregated individual accounts at the central depository depending on the available option.

The holdings from the individual accounts opened at the level of the central depository will be highlighted directly on the name of the holder, associated with that of the participant in the settlement system in which it is requested to highlight the holdings in this way. Depending on the technical solution offered by the central depository system, this option will be able to ensure the identification of the account holder directly by the central depository.

If the clients financial instruments are held in custody by the Bank with a third-party custodian or sub-custodian, the Bank will warn the Client of the risks associated with the third party's custody of the client's financial instruments under the specific financial investment activities and services between the Bank and the client and shall not be held responsible for any act or omission of any third party and for any loss or damage of the client unless the damage is exclusively attributable to the serious, bad intentions of the Bank. The Bank will not be held responsible for any loss, liability, claim or cost that the Customer may incur as a result of a breach by any sub-custodian that he may designate, in accordance with reasonable eligibility and monitoring criteria of sub-custodians, unless the sub-custodian is affiliated to the Bank, in which case the Bank will accept the same liability it assumes for its own acts, omissions or breaches. In the event of third-party insolvency, it is possible for the client not to be able to recover all assets.

In case of third-party insolvency, it is possible for the Client not to be able to recover all his assets.

The Client is also warned that if the Bank keeps the Client's assets in custody of a third party, it may hold them in a global account for all Bank Clients and, if the Bank or any third party breaches liabilities or insolvency, and there is a shortage in the Client's global account, it may not be able to recover all of its assets.

In such a situation it is possible that the legal provisions applicable to the country where the third party is registered are not allowed to identify and separately identify (by segregation) the financial instruments against the third party's financial instruments, the third party's or the Bank's Clients, in which case the third party will be able to keep and highlight the customer's financial instruments in a global account, and there may not be adequate protection for the client's recovery of financial instruments as would have been the case if the financial instruments were separately disclosed and held in custody in European Union jurisdictions. As a consequence, the client is informed that the rights he / she can benefit from may be different in respect of financial instruments held outside the European Union, and this document is strongly advised that it is possible for the client not to recover all financial instruments.

The Bank has appointed *a sole responsible* for the protection of financial instruments held in custody for clients. The above mentioned appointed persons notified to the Financial Supervisory Authority and to the National Bank of Romania and has the following responsibilities: i) Regular assessment of custody operations to ensure that Client financial instruments are protected against the risk of loss or destruction; ii) follows that contracts and agreements concluded by the bank with custodians in relation to custody (safekeeping) are clauses related to the protection of the clients assets; iii) Ensure that legal requirements relating to asset protection are complied with, for this purpose having access to all operational records related to custody, as well as records, contracts and analysis carried out in connection with the custody of local and foreign markets; iv) ensure that the Group Policy on the protection of the Clients financial instruments is applied at the Bank level.

In the case of RBRO, the custody service object is the Clients financial instruments, while the funds are maintained by the Bank based on banking regulations, the latter not being an investment finance service and thus not applicable to the MiFID II legislative provisions.

### **Consequences of segregation of clients' assets from those of the Bank**

The Bank's insolvency does not affect the Client's rights over the financial instruments owned by him, regardless of whether they are highlighted in an individual account or in a global account, as described in chapter. IX.2 "Safekeeping of financial instruments" in this document. However, keeping the financial

instruments in individual accounts can contribute to a faster identification of the Client's financial instruments in case of the Bank's insolvency.

In case the Client requests the separate evidence of the holdings at the level of the central depository in an individual account, he will have to indicate the data of the individual accounts to the counterparties and to ensure that the latter highlight the details of the individual accounts in their own systems; Since the daily reconciliation with the central depository is done at account level, the costs of operating an individual account can be significantly higher than if the individual account is separately evidenced only in the Bank's systems.

For details on costs, please contact the Bank at the e-mail address [custody@raiffeisen.ro](mailto:custody@raiffeisen.ro) or by phone at the following telephone numbers: 021.306.1289.

Where, given the nature of the legal provisions or market practice in another jurisdiction of the Client, it is not possible to proceed otherwise, or at the instruction of the Professional Client or Eligible Counterparty, the Bank may register the Client's financial instruments on behalf of the Bank or on behalf of a third party (custodian or sub-custodian).

## X. Reports to the Clients and competent authorities

### *X.1 Reporting to Clients*

#### *X.1.1. Confirmations*

The Bank send to the Clients a confirmation containing the essential information regarding the execution of transactions at the client instruction.

*X.1.2. Confirmation sent to the Retail Client or to the Professional Client.* The bank will send it a detailed confirmation of the transaction as soon as possible but no later than the first working day after the execution of the order or where the Bank receives the information from a third party, the first working day after receiving them. Within the same timeframe, the Bank will also send a notification containing additional details of the transaction, such as the total amount of commissions and charges.

Irrespective of the type of Client, the confirmation of the execution of the order will be sent in accordance with the specific contractual provisions. The confirmation is deemed to have been approved by the client and no subsequent correction can be accepted if any errors that have been raised are not notified to the Bank by the Client within the term agreed by the product agreements.

In addition to those specified above, the Bank will, at any time upon request, inform the Client regarding the progress of the execution of his order/transaction based on RFQ (Request For Quote).

### ***X.1.3. Reports regarding the Client's assets and money***

The Bank shall send to the Client at least annually or quarterly or at another frequency, in accordance with applicable regulations / contractual provisions, an extract / statement of financial instruments belonging to the Client held in Clients accounts opened with the Bank, as required by the applicable regulations, information has not already been provided to the client through other periodic reporting. If the client requests the delivery of extracts / reports with a higher frequency that then provided in the contracts , the Bank will be able to provide these reports/ additional statements against a commission, in addition to those that are charged for the extraction of extracts, periodic reports that the Bank is required to transmit to the client in accordance with applicable regulations. These extracts, reports will be provided on a durable medium, or through an online system that complies with applicable regulations.

The Bank will comply with the obligations imposed by applicable regulations regarding the reporting of transactions concluded with Clients or on behalf of Clients, to competent authorities or trading venues.

## ***X.2 Reporting to authorities***

### ***X.2.1 Reporting mechanisms and publication***

In order to ensure transparency, MiFID II provides for the establishment of mechanisms for the publication and reporting of transactions in financial instruments.

In order to fulfil its obligations to publish and report to competent authorities, the Bank can deliver either directly or through an entity like ARM (Approved Reporting Mechanism), and/or APA entities (Approved Publication Arrangement), information regarding Clients and their transactions with financial instruments.

### ***X.2.2 National Customer Identifier (NCI)***

Individuals, as Clients, are assigned national identifier numbers. Depending on the citizenship of each person, this national identifier is composed of different personal data. The Clients national identifier is used by the Bank for the purpose of reporting financial instruments transactions to the authorities /reporting mechanisms.

We remind you to update your data if there have been changes since your last update with the Bank.

### ***X.2.3 Legal Entity Identifier – Identifier of the Legal Entity - LEI***

Before to the execution of transactions in financial instruments, RBRO needs information about the Legal Entity Identifier Code / LEI, the Bank using the code for the reporting of transactions in financial instruments to the data reporting authorities / mechanisms.

The LEI is a 20-character alphanumeric code whose structure is based on the ISO 17442 standard and constitutes a unique identifier for entities involved in financial transactions. The operations for the implementation and management of the global LEI (Global LEI System) database are carried out by GLEIF - the Global Non-Profit Foundation of LEI Codes.

*The absence of the LEI code makes it impossible for legal entities to make transactions in financial instruments.*

The clients who do not have a LEI are asked to request from some assignment agencies or via the Central Depository ([http://www.depozitarulcentral.ro/home/despre\\_noi/AlocationCodeESLEI.aspx](http://www.depozitarulcentral.ro/home/despre_noi/AlocationCodeESLEI.aspx)). Information on this process and on your initial request, as well as the annual renewal costs, can be found at the Global Identity Code of the Legal Entity: <https://www.gleif.org/en/about-lei/how-to-get-a-lei-find-lei-issuing-organizations>.

The RBRO LEI is 549300RFKNCOX56F8591.

## **X. 2.4 Decision Factor**

If a Client wishes to authorize a third party or individual to make investment decisions on its behalf, RBRO must collect and report the details of that entity or individual, the so-called Determining Factor in the transaction report.

If you are in this situation, please contact the Personal Client Officer and request the relevant form.

Unless the relevant information is filled in, RBRO will assume that you have not given your investment decision to any third party.

## **XI. Conflicts of interest**

The Bank has a legal obligation to act in the best interest of its Clients and for that purpose it must have effective mechanisms **to prevent situations in which certain conflicts may affect the interests of the Clients**. The Bank has developed internal procedures to prevent possible sources of conflict of interest between each of its companies and its own Clients, between its own employees and Clients, respectively between the clients of each company, etc., as well as conflict management policies, so that the interests of its Clients

not affected.

In order to avoid as much as possible such conflicts of interest, the Bank has departments with clearly defined responsibilities.

Based on these procedures, the Bank has the obligation, if the conflict of interest cannot be avoided, to notify Clients of the nature and source of the existing conflict of interest and to obtain its consent before providing financial investment services. The bank will keep written or recorded proof of doing so.

Regarding the possible conflicts of interest that may arise between the Bank and Clients, we recall the following types of conflicts of interest that the Bank manages:

- conflicts / possible conflicts between the Bank, including directors, employees or agents, or any person directly or indirectly in control of the Bank and clients;
- conflicts / possible conflicts that may arise from the Bank's relationship with financial instruments issuers, through participation in supervisory / management boards or advisory committees of issuers of financial instruments as clients of the Bank; when the Bank participates in the issuing of financial instruments of the issuer in question, is the lender or guarantor of the issuer of financial instruments, participates in the elaboration of financial analysis of the issuer of financial instruments, performs / obtains payments to / from the issuer of financial instruments; has initiated cooperative relations with the issuer of financial instruments or directly or indirectly operates joint ventures with the issuer of financial instruments.

Full details of the Bank's procedures for preventing and managing potential conflicts of interest can be found on the Bank's website <https://www.raiffeisen.ro/ro/despre-noi/guvernanta-corporativa/mifid.html>. Upon written request by the Client, the Bank will provide additional details on the conflict of interest policy (by email or through the website).

## XII. Inducements

Inducements represent any non-pecuniary and pecuniary benefits including fees paid / granted to or received / granted by third parties in connection with the provision of an investment service (principal or ancillary). Examples of such pecuniary inducements are, first of all, upfront fees (also known as subscriptions or advances), trailer fees and redemption fees received from financial instrument manufacturers, such as asset management companies' assets.

The bank adopts all appropriate measures to detect and prevent conflicts of interest arising in connection with the payment / receipt of inducements to / from third parties, or the RBRO's own remuneration and other inducement structures.

The bank transfer to customers all fees, commissions, or pecuniary benefits received from third parties in connection with the services, except those that enhance the quality of service provided to customers. The Bank and its employees may receive and retain minor non-pecuniary benefits in connection with the provided investment services such as seminars, presentations, training programs, technical assistance services, etc., which relate to the improvement of the quality of the services offered by the Bank and which does not generate conflicts of interest between the Bank and the Clients.

Additional information may be provided to the client on written request submitted to the Bank in any agency / unit of the Bank.

### **XII.1 Inducements paid to the Bank for the selling of the investment services**

Regarding the implementation of financial investment services in accordance with the best interest of all parties involved, the Bank wishes to emphasize that, according to the existing contractual relations with third parties, the Bank receives pecuniary benefits. Information on the exact value will be found in the documents specific to each investment service accessed by clients.

The Bank does not directly or indirectly receive and retain inducements related to the activity of executing the orders/quotes of its Clients from the trading place through which they execute their orders and/or from other financial institutions that are involved in the execution of orders/providing quotes Clients (including Raiffeisen Bank International A.G.).

### **XIII. Commissions, tariffs, taxes, and taxes associated with transactions in financial instruments**

#### ***XIII.1 Commissions***

For each service provided, the Bank will levy from the Client the commissions, margins, tariffs and fees owed by the Client in accordance with the commission and fee lists used by the Bank and applicable to each transaction or service, for the trading (marketplace)/for the execution on which is traded the financial instrument or asset the cause, as it is mentioned in the contractual documentation concluded between the Bank and the Client, in the prospectus, in the **KID (Key Information Document)**, in any other document relating to one or more financial instruments, transactions or services, or as displayed on the Bank's premises and / or published on the Bank's website. These fees and costs may include any value added tax, transaction costs or fees, registration fees, other liabilities, costs and expenses payable or paid by the Bank on behalf of or on behalf of the Bank in connection with the execution of orders with financial instruments or other services provided by the Bank to the Clients, as reflected in confirmations or other contractual documents.

The total price to be paid by the Clients and, if appropriate, the applicable exchange rate and the payment modalities will be set out in the specific contract for the provision of the financial investment activities and services to be concluded between the Bank and the Client. The Bank also notifies the client that any other costs, including fees relating to a transaction in financial instruments or an offer provided by the Bank, may arise and that any such cost, tax or any other amount, such that the Bank (for her profit) does not collect and will not pay for it, being paid by the client.

In accordance with applicable regulations, the Bank will inform the Client in time of the costs and commissions of the service provided and will comply with the ex-ante (anticipated) and ex-post (post – factum) disclosure, if and to the extent that they are applicable. When ex-ante costs and expenses are calculated, RBRO uses the costs actually incurred as a substitute for the expected costs and expenses. If actual costs are not available, RBRO is faced with reasonable estimates of these costs. RBRO reviews ex-ante assumptions based on reasonable experience and operates an adjustment of these assumptions, if necessary.

The Bank provides annual ex-post information on all costs and expenses for both the financial instrument and the investment service / activity, if it has recommended or distributed a financial instrument and if they has or has had a permanent relationship with that Client during the year. This information is cost-based and is provided in a personalized way. Such information may be provided on the costs and expenses of investment services and financial instruments, together with any periodical report addressed to the Clients.

**The fees and commissions charged by capital market institutions (central depositories), by F.S.A. and the NBR for financial market operations are available are available on the following websites: [www.depozitarulcentral.ro](http://www.depozitarulcentral.ro), [www.asfromania.ro](http://www.asfromania.ro), [www.bnro.ro](http://www.bnro.ro).**

### *XIII.2 Taxes*

In the cases provided by Law no. 227/2015 on the Fiscal Code, with subsequent amendments and additions, the Bank will calculate, withhold and remit to the state budget the tax on the gain made by the Clients from the transfer of securities, other than shares and securities in the case closed companies.

As an intermediary, the Bank will ask the tax authority in Romania for the fiscal identification code for the non-resident who does not own this number. Also, the Bank will file, by 28 February of the current year, for the previous year, with the competent fiscal body an informative statement on the total of the gains / losses for each taxpayer.

The Bank shall provide the Client with the necessary reports for the calculation and reporting of the income earned from the instruments in respect of which the Bank acted as an intermediary in accordance with the applicable tax procedures.



RBRO does not advise regarding the tax treatment of securities transactions.

With an aim to observe tax requirements, the Client non-resident natural or legal persons shall appoint a tax representative/authorised agent in Romania and shall also submit a tax residence certificate issued by the relevant tax authority.

#### **XIV. Investment research**

Investment research is research or other information that recommends or suggests an explicit or implicit investment strategy regarding one or more financial instruments or issuers of financial instruments, including any opinion regarding the present or future value or value of such instruments, for distribution channels or for the public and for which the following conditions are met:

- a. research or information is described as investment research or in similar terms or otherwise presented as an objective or independent explanation of the aspects contained in the recommendation; and
- b. if the recommendation in question was made by a Client's investment firm and the recommendation does not constitute investment advisory services.

Based on the MiFID II provisions, the Bank provides research services that represent minor non-pecuniary benefits that are received free of charge by the Client

The legal persons who use the analysis reports received by the Bank for professional purposes, respectively to carry out principal or ancillary investment services, for which the service offered by the Bank does not represent a minor non-pecuniary benefit according to its own assessment, have the obligation to notify the Bank in this respect meaning and to conclude a contract, to continue providing analysis reports.

#### **XV. Individually structured and insurance-based investment products (PRIIP)**

Individualized structured and insurance-based investment products (hereinafter referred to as "PRIIP") are complex financial instruments, as defined in Law no. 126/2018 on financial instrument markets where the amount payable to an individual investor is exposed to fluctuations as a result of exposure to benchmarks or the performance of one or more assets that are not directly purchased by the individual investor. Examples of PRIIP products are structured certificates, certain corporate bonds or derivative financial instruments.

According to the legal provisions in force, RBRO as PRIIP creator have the obligation to develop a document with key information (known as "KID" - "Key Information Document" ), as regulated by Regulation (EU) 1286/2014 on documents with essential information on structured and insurance-based individual investment products with respect to the products they create. RBRO as distributor have the obligation to put KID at the disposal of investors before the product is offered for sale to retail customers.

The KID provides essential information on the chosen investment product: the nature and characteristics of the product, including the possibility of losing the capital, the cost and risk profile of the product, relevant information on the potential performance of the product and other specific information that may be required for the understanding characteristics of different types of financial instruments.

The document with essential information is made available to the Client free of charge.

The KID is provided to the Clients on a durable support or through the site <https://www.raiffeisen.ro/ro/despre-noi/guvernanta-corporativa/priips.html?> a link to the microsite where the key information document is found. The Bank communicates to the Client the link to the micro site where the document with essential information is found in this document, as well through the specific contracts, by e-mail or using other distance communication means agreed with the Client.

If the document with essential information is made available to the Client using a durable medium other than paper, the Bank provides a paper copy at the written request of a customer deposited in any of the bank's units.

Please keep in mind that despite the legal provisions in force, there may be PRIIP producers who are in the process of publishing a KID for their products. RBRO advises you to access the KID of a PRIIP financial instrument at any time sufficiently long before entering into a transaction.

## **XVI. Internal Control / Compliance Function. Solving the complaints**

In order to supervise compliance by the Bank / and its staff with the legislation related to the provision of financial investment activities / services, the Bank has established the Financial Services & MAD Team within the Antifraud, Anticorruption and Financial Services Investigations Department, whose representatives are notified to the Financial Supervisory Authority. Full contact details of the department are given in Appendix 1 to this document.

The Bank has also established an internal procedure on complaint handling in accordance with applicable regulations. Any complaints regarding the services provided by the Bank may be addressed directly or by post to the central (social) office, the Bank's agencies, via Raiffeisen Online, through the specific forms on the Bank's website through e-mail to [centrala@raiffeisen.ro](mailto:centrala@raiffeisen.ro) or via Call Centre to the phone number \* 2000. Details of the channels through which you can address any complaints related to the financial investment activities / services available on the Bank's website, accessing the following link <https://www.raiffeisen.ro/content/dam/rbi/retail/eu/ro/documents/sesizari/20230717-Informatii-privind-rezolvarea-sesizarilor-primate-de-Raiffeisen-Bank.pdf.coredownload.inline.pdf>.

The Bank's response to the subject matter of the complaint will be provided in writing within 30 days of filing the complaint, regardless of whether the solution is favourable or unfavourable to the Client. If a more detailed analysis is required, the client will receive an address indicating the causes of the delay and the maximum duration / deadline for receiving the final answer (this new term will not exceed by more than 15 days the term 30 days from filing the petition).

Any misunderstandings / disputes between the Client and the Bank will be solved amiably.

If the disputes between Raiffeisen Bank S.A. and the client could not be solved following a complaint directly submitted to the Bank and the client individual person, according the law and his quality as consumer, the client has the right to appeal to out-of-court dispute of a litigation to one of the following entities in accordance with their competencies:

(i) The Alternative Banking Dispute Resolution Centre (CSALB), based in Bucharest, Str. Sevastopol 24, et. 2, sector 1, postal code 10992, Romania, telephone 021 9414, website address <https://www.csalb.ro/>

(ii) Alternative Dispute Resolution Entity in the Non-banking Financial Sector - SAL-Fin. The Alternative Dispute Resolution Entity in the Nonbank Financial Litigations - SAL-Fin was established by Government Ordinance no. 38/2015 regarding the alternative solution of disputes between consumers and traders and of Regulation no. 4/2016 on the organization and functioning of the Alternative Dispute Resolution Entity in the non-banking financial sphere, is a self-governing, governmental, apolitical, non-profit legal entity of public interest, with legal personality, in order to ensure the access of non-resolving, through alternative dispute resolution procedures, litigations between them and professionals supervised / regulated by the Financial Supervisory Authority.

Thus, SAL-Fin is empowered to organize and administer alternative dispute resolution of financial-non-banking disputes between consumers and professionals supervised / regulated by the Financial

Supervisory Authority. SAL - Fin based in Bucharest, Splaiul Independentei no. 15, sector 5, postal code 050092 can be contacted at 0800 825 627 and at <https://www.salfin.ro/>.

*This document is an integral part of the framework contract for the provision of services and investment activities, completing it accordingly.*

*RBRO does not assume any responsibility for operations outside the framework described in this Presentation Document.*

\_\_\_\_\_

Location, date

\_\_\_\_\_

Client Name

\_\_\_\_\_

Client Signature<sup>1</sup>

\_\_\_\_\_

Name of bank representative

\_\_\_\_\_

Signature bank representative

<sup>1</sup> The Client's signature is required only when handing over the paper based document for acknowledgment. If the document is transmitted on a durable medium other than paper / is displayed on the website, the Client's signature is not required.

#### **Annex 1**

#### **Contact information of Raiffeisen Bank S.A.**

<b>Financial trading services</b>	<b>Custody services</b>
Services provided on the basis of the decision of the F.S.A. no. A / 75 / 30.01.2014, modified by the	Services provided under the F.S.A. decision no. A / 75 / 30.01.2014, modified by the

**Raiffeisen Bank S.A.** • Bank's headquarters in FCC Office Building, Calea Floreasca No. 246 D, District 1, Bucharest  
• Postal code 014476 • Romania • Phone: +40 21 306 1000 • Fax: +40 21 230 0700 • E-mail: [centrala@raiffeisen.ro](mailto:centrala@raiffeisen.ro) •  
[www.raiffeisen.ro](http://www.raiffeisen.ro) • Unique registration code 361820 • Trade Registry No. J40/44/1991 • EUID  
ROONRC.J40/44/1991 • Banking Registry No. RB-PJR-40-009/1999 • FSA Capital Markets Public Registry no.  
PJR01INCR/400009/30.01.2014; PJR24DIST/400009/01.03.2016 • FSA Private Pension Public Registry code AMJ-  
RO-374277 • Affiliated Agent registered to FSA under Code RAJ 500196 • Fiscal registration code RO361820 •  
Share capital Lei 1,200 Mio subscribed and fully paid-up • Company administrated in dualist system • Call Center:  
\*2000, standard call rates apply to all mobile networks in Romania.

<p>F.S.A. Decision no. A / 239 / 27.03.2014 and Decision no. 449/28.03.2019, the Bank being registered in the Public Register of F.S.A. under no. PJR01INCR / 400 009 / 27.06.2006.</p> <p>The service consists of intermediating financial instruments and products traded on markets other than regulated markets (respectively on an SMT or SOT type market, respectively outside a trading place as an Independent Operator). <i>The Bank does not intermediate financial instruments traded on a regulated market.</i></p> <p>The Bank does not act through Delegated Agents. The services are provided through the <i>Capital Markets Sales Department and Capital Markets Trading Department</i>, which operate at the Bucharest branch of the Bank, District 1, 246D Calea Floreasca, 2nd floor.</p> <p><b>Contact Date:</b>  <u>Mihai Lazar, Capital Markets Sales Department Manager / for Trades on Clients Account</u>  <u>Doru- Dumitru Gavrila, Chief Arbitrator in Capital Markets Trading Department / for Trades on Proprietary Book</u></p> <p>Phone: 021 306 1991  E-mail: <a href="mailto:treasury.sales@raiffeisen.ro">treasury.sales@raiffeisen.ro</a></p>	<p>F.S.A. Decision no. A / 239 / 27.03.2014 and Decision no. 449/28.03.2019, the Bank being registered in the Public Register of F.S.A. under no. PJR01INCR/400009/27.06.2006.</p> <p>The service consists in the settlement and safekeeping of financial instruments on behalf of Clients.</p> <p>The services are offered through the Securities Services Department - GSS, which operates at the Bank's Bucharest headquarters District 1, 246D Calea Floreasca, 2nd floor.</p> <p><b>Contact Date:</b>  <u>Andrei Mezdrea</u>  <u>Manager, Securities Services Department+-GSS</u></p> <p>Phone: 021.306.1289  E-mail: <a href="mailto:custody@raiffeisen.ro">custody@raiffeisen.ro</a></p>
	<p><b>Distribution services of external fund units</b></p> <p>Services provided under F.S.A. Decision no. 517 / 01.03.2016, being entered in the</p>

	<p>Public Register of the FSA with no. PJR24DIST / 400009 as distributor.</p> <p>The services provided consist of the distribution of external funds and providing support for the settlement of the underwriting / redemption transactions of fund units of the investment funds managed by the foreign investment management companies under the distributor/payment agent contracts signed between the Bank and the respective directors, as well as of the agreement concluded between the competent authorities of the EU Member States. The services are offered through the Department of Securities Services - GSS, which operates at the Bank's headquarters in Bucharest, District 1, 246D Calea Floreasca, 2nd floor.</p> <p><b>Contact Date :</b> <b><u>Andrei Mezdrea</u></b> <b><u>Manager, Securities Services Departament-GSS</u></b></p> <p>Phone: <b>021.306.1226; 021.306.1270</b> E-mail: <b>custody@raiffeisen.ro</b></p>
<p><b>Investment banking services</b></p> <p>Services provided under the F.S.A. decision no. A / 75 / 30.01.2014, modified by the F.S.A. Decision no. A / 239 / 27.03.2014 and Decision no. 449/28.03.2019, the Bank being registered in the Public Register of F.S.A. under no. PJR01INCR / 400 009 / 27.06.2006.</p>	<p><b>Investment research services</b></p> <p>The services provided under the FSA decision no. A / 75 / 30.01.2014, modified by the FSA Decision no. A / 239 / 27.03.2014 and Decision no.449/28.03.2019, the Bank being entered in the Public Register of F.S.A under no. PJR01INCR / 400009 / 27.06.2006.</p>

<p>The services consist of assistance to companies, including listing and / or posting (through the services of underwriting financial instruments and / or the placement of financial instruments with firm commitment or the placement of financial instruments without firm commitment), respectively in M&amp;A consulting (through Consultancy provided to companies in terms of capital structure, industrial strategy and related issues; consultancy and services in the field of mergers and acquisitions of enterprises).</p> <p><b>Contact Date:</b> <b><u>George Mucibabici, Manager, Investment Banking Department</u></b> Phone: 021.306.4900 E-mail: <a href="mailto:investmentbanking@raiffeisen.ro">investmentbanking@raiffeisen.ro</a></p> <p>The services are offered through the <i>Investment Banking Department</i>, which operates at the Bank's Bucharest headquarters District 1, 246C Calea Floreasca, 2nd floor.</p>	<p>The services consist in the preparation and dissemination of macroeconomic and sectorial research reports and / or financial analysis or other form of general recommendation.</p> <p>The services are offered by the <i>Department of Economic and Sectorial Research</i>, which operates at the secondary office of the Bank in Bucharest District 1, 246 D Calea Floreasca, 2nd floor.</p> <p><b>Contact Date:</b> <b><u>Ionut Dumitru, Director of the Economic and Sectorial Research Department</u></b> Phone: +4021 306 3144; +4021 306 3145 E-mail: <a href="mailto:raiffeisen.research-romania@raiffeisen.ro">raiffeisen.research-romania@raiffeisen.ro</a></p>
<p><b>Local Fund Units Distribution Services</b></p> <p>Services provided under the FSA decision no. A / 75 / 30.01.2014, amended by the FSA Decision no. A / 239 / 27.03.2014 and by Decision no. 449 / 28.03.2019, Bank being registered in the FSA Public Register under the no. PJR24DIST / 400009 / 01.03.2016, as a distributor.</p> <p>The service consists in the distribution of the fund units of the funds managed by SAI Raiffeisen Asset Management S.A.</p>	

The services are provided through Raiffeisen Bank agencies and the process is managed by the Business Development and Network Service Optimization Department, which carries out its activity at the Bank's headquarters in Bucharest, District 1, Calea Floreasca no. 246D, 4<sup>th</sup> floor.

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**Compliance Function**

**Financial Services & MAD Team / Antifraud, Anticorruption and Financial Services Investigations Department / Compliance Directorate**

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## Annex 2

### Clients Classification Information

According to the definitions provided in MFID II, the Clients are categorized by the point of view of the protection offered by the service provider in the following three categories:

- *Retail clients*
- *Professional clients*
- *Eligible counterparties clients*

#### *Retail client*

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\*2000, standard call rates apply to all mobile networks in Romania.

Retail Clients are those clients who benefit from the highest level of protection with respect to the information requirements, assessment, disclosure and communication requirements the Bank providing all necessary information to understand the nature and risks arising from the Bank's services / activities, investments or strategy.

The retail client category shall include all-natural persons as well as the legal persons who do not meet the criteria applicable to Professional Clients or Eligible Counterparties.

The Retail Clients have, among other things, the following benefits:

- will be provided with more information about the Bank, the Bank's services and the Client's investments (such as a breakdown of costs, incentives, if applicable);
- goes through with the Bank the opportunity test, i.e. the Bank assesses whether the Client has sufficient knowledge and experience to understand the risks associated with the financial instruments and / or services provided;
- If the Retail Client accesses advisory services, the Bank goes through with the Bank the suitability test, i.e. assesses whether the personal recommendation is appropriate to the client's objectives and / or investment profile;
- In complying with the best execution obligation, the Bank will have to give the highest priority to the total transaction costs incurred by the Retail Client;
- to be informed accurately by the Bank about any impediment that may affect the correct execution of the Retail Client's order / orders;
- to have more rights to compensation (in the exceptional case that the Bank becomes insolvent) under any investor compensation schemes;
- to receive detailed information about the risks associated with the products or services / activities accessed by the client.

#### ***Professional client***

Professional Clients are the Clients who have the experience, knowledge and competence necessary to make their own investment decisions and for properly assess the risks that the investment activity involves.

Fall into this category:

- A) Entities that are authorized or regulated to operate in financial markets
1. credit institutions;
  2. investment firms and SSIF;
  3. other financial institutions, authorized or regulated;
  4. insurance companies;
  5. collective investment undertakings and their management companies,
  6. pension funds and their management companies;

7. entities that carry out transactions with commodities and derivative instruments on them;
8. traders;
9. other institutional investors.

B) National and Regional Governments, including public bodies that manage public debt at national or regional level, central banks, international and supranational institutions like World Bank, International Monetary Fund, European Central Bank, European Investment Bank and other similar international organizations;

C) other institutional investors the main activity consists of investments in financial instruments, including entities dealing with securitization of assets or other financing operations.

D) major companies fulfilling two of the following criteria:

1. total balance sheet: EUR 20,000,000;
2. net turnover: EUR 40,000,000,
3. Equity: EUR 2,000,000.

#### **Retail Clients who can be classified as Professional Clients**

In addition to Clients who are considered professional Clients by definition, the following retail Client categories may apply for professional Clients, subject to specific requirements: public sector bodies, local public authorities, municipalities.

Also, Retail Clients, with exception of individuals, may require that they be treated as Professional Clients if they have the necessary skills and knowledge. In this respect, the Bank checks whether the Retail client (either the natural person's representative of a client, a legal person who does not fit into the large companies that meet two of the three criteria regarding the financial statements, or the representative of public sector bodies, local public authorities, municipalities) meets at least two of the following three criteria:

- the client has performed on average 10 transactions of a significant amount (over 50.000 EUR per transaction) per quarter over the last 4 previous quarters on that market;
- the value of the Client's financial instruments portfolio, defined as consisting of bank deposits and financial instruments, exceeds EUR 500 000;
- the Client has been active for at least one year or has been active for at least one year in the financial sector in a professional position requiring knowledge of the transactions or services in question.

The Bank does not classify Individual Clients in the category of Professional Clients on request, in order to be able to grant them the maximum degree of protection from the MiFID II point of view.

The Bank assesses, by means of the *Opportunity Test*, the requirements for classifying the above-mentioned Clients types as Professional Clients. The Client notifies in writing to the Bank his / her option to be considered a Professional client, in general for all financial services and for all transactions,

The Bank does not classify the Client only on the basis of its declaration, but requests supporting documents for classifying the Clients as Professionals upon request. If the provided documents do not prove the fulfillment of the related criteria, the Bank will classify the respective Client as Retail. In addition, by reclassification, the Client assumes the risks deriving from the waiver of the protection offered by its classification as a Client of the Retail Client.

Professional clients are required to inform the Bank of any changes that may affect their classification. At the periodic re-evaluation, If the bank finds that a Client no longer fulfils the initial conditions on which he / she was considered a Professional Client, the bank will initiate Client reclassification procedures.

The Professional clients benefit from lower protection than Retail Client. In particular:

- it is possible to receive less information about the Bank, Bank services and Client investments;
- when the Bank assesses the appropriateness of a product or service, the Bank is entitled to assume that the client has sufficient knowledge and experience to understand the related investment risks. Consequently, the Bank does not pass an opportunity test with the Professional Client;
- the Bank does assess the suitability of the Client's investment; the Bank being entitled to assume that it and that it has the financial ability to bear any risks associated with the investment objectives assumed;
- for the Professional Client, in applying the Bank's Best Bank Execution Policy, the Bank does not have the obligation to consider the total transaction costs as the most important factor in executing the trading orders and obtaining the best possible result;
- the Client will probably benefit from fewer entitlements in respect of indemnities, indemnities or damage suffered or produced, under any existing investor compensation / indemnity scheme based on the applicable legal provisions.

### *Eligible counterparties clients*

Eligible counterparties are entities authorized or regulated to operate in financial markets such as:

- investment firms;

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\*2000, standard call rates apply to all mobile networks in Romania.

- credit institutions,
- insurance companies,
- collective investment undertakings and their management companies,
- pension funds and their management companies,
- other financial institutions authorized and regulated in accordance with European Union law or with the domestic law of another Member State;
- national governments and services/structures established according to the internal law of each state, including public bodies entrusted with the management public debt at national level,
- central banks and supranational organizations.

Eligible Counterparties benefit from a lower level of protection than Professional Professionals and Retail Clients.

In relation to Eligible Counterparties, the Bank *does not have the following obligations*:

- when executing Client orders, to inform it of all the situations considered in order to obtain the best possible result for the Client;
- to provide the customer information regarding the arrangements under which the Bank will be remunerated in exchange for the specific services provided by the Bank;
- indicate to the customer that certain products or services that they offer in a combined manner are also available individually, also specifying the costs for each component;
- to provide the client information about the Bank, the services provided by the bank and the applicable compensation schemes;
- to provide the client with detailed reports on the execution of the orders;
- to stipulate in a written agreement the essential rights and obligations that apply to the provision of financial investment services;
- to assess to what extent a product or service offered to the client is appropriate, and the Bank is entitled to assume that it possesses the knowledge and expertise necessary to choose the right product or service for the Client;
- provide the customer with detailed information about the risks related to the Bank's products or services;

## Annex 3

### INFORMATION REGARDING THE TYPES OF FINANCIAL INSTRUMENTS OFFERED TO CUSTOMERS AND THE RISKS ASSOCIATED WITH THEM

Information contained in this document is presented to serve as basic information regarding the risks associated with the products and services / activities offered by the bank that will allow the Client to be properly informed and that will help the Client to determine and limit the investment risk.

The materialization of the risks described below may lead to (i) failure to achieve an anticipated return on invested capital and / or (ii) loss of part of the invested capital, to total loss. Depending on the nature of the product, the market, the issuers, the risk can be generated by a series of factors. These risks cannot always be anticipated, therefore the explanations provided below should not be considered conclusive and complete.

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Thus, we invite you to read this document carefully. Your Client Manager will offer you all the support in answering any questions you may have.

### *1. WARNING ABOUT THE RISKS ASSOCIATED WITH INVESTMENT IN FINANCIAL INSTRUMENTS*

Financial instruments are created and distributed to meet the needs of a specific target market of end customers within a relevant category of customers. This aspect is taken into account in providing the relevant investment service. Any information, communication communicated to the customer by the Bank, including risk warnings, are made in good faith without the Bank guaranteeing that this information is complete. Information regarding the risks do not concerns the tax implications of transactions, activities / services and financial instruments, and the Bank does not assume any responsibility for any loss, liability or cost that the client may incur or sustain if it relies on such information and communications, unless it can be imputed to the gross negligence or intent .

Prior to making the decision to place an request for quote, trade or not to trade any financial instrument or when the Client decides to enter into a transaction or asks the Bank to provide a service / investment activity and during the holding period the Client must assess the risk of these financial instruments, investment, transaction and service as well any strategies related thereto.

Customer risk assessment have to address at least any credit risk, market risk, liquidity risk, interest rate risk, foreign exchange risk, commercial, operational, and insolvency risk, country risk, transfer of a transaction or activity / service. Whenever evaluates the risk of a transaction, financial instrument or service, the Client should also read and consider all relevant information and documentation applicable to the transaction, financial instrument or service before entering into that transaction. This includes, for example, investment research, marketing materials, offers, memorandum of offer or prospectuses, key investor information and any relevant contracts, terms and conditions (general), information documents and execution policies and any relevant information available to the public.

As a rule, the following should be considered when investing in financial instruments:

- in any investment, the potential gain is directly proportional to the risk assumed, the higher it is the potential gain, the higher it is the risk assumed;
- the distribution of capital in different types of financial instruments reduces the investment risk in total (the principle of risk diversification);
- each Client is responsible for ensuring the payment of the tax related to his investment. The bank does not advise the investor on fiscal issues;
- generic risks and risks specific to investment activities and services;

- the transactions concluded by the Client depend on the fluctuations of the financial markets that the Bank cannot influence;
- the statistical performances achieved by the financial instruments are not indicators for future performances.

## II. GENERIC TYPE OF RISKS

**Market risk** - is the risk of registering losses on balance sheet and off-balance sheet positions due to unfavourable fluctuations in the securities market that may increase or decrease depending on the supply and demand for the financial instrument, depending on investor perceptions (market), underlying asset prices or depending on sector and economic factors, exchange rates, foreign exchange rates, etc.

In the case of transactions involving future transfers of ownership (eg forward foreign exchange), the price risk may involve the need to constitute a guarantee (margin) or to increase the guarantee already established, which leads to the blocking of liquid assets.

Any foreign investment or foreign component may be exposed to foreign market risks that may involve risks other than those in the markets Romanian (may even be higher).

**Country risk** - is the credit risk of a country. When a particular country faces political or economic problems, all partners residing in that country can be significantly affected.

**Interest rate risk** is the risk deriving from unfavourable changes in the interest rate and its effect on the present value of future cash flows arising from the investments made. Interest rates can fluctuate at any time. An interest rate risk exists when interest on an investment, such as an obligation, is fixed, while interest rates in the market increase. During the lifetime of a bond, as a result of an increase in the interest rate in the market, the price, of the bonds may decrease. Conversely, a decrease in interest rates may increase the investment in the fixed rate bond. Interest rate changes may also have a direct or indirect impact on the value of investments in financial instruments that do not provide for a basic return.

**The inflation risk** - is reflected in the depreciation of the purchase value (real value) of the capital due to the increase in the inflation rate.

**Credit risk** - is the risk of loss caused by borrowers, bond issuers or counterparties that do not meet their obligations in relation to a financial instrument or the risk of deterioration in their creditworthiness. Represents the current or future risk of adverse profits and capital damage as a result of the borrower's failure to meet contractual obligations or failure to meet established obligations; for example, the risk that



a counter-transaction in transactions will not meet its payment obligations in relation to certain transactions, interest payments, repayment of the principal at the maturity date or non-fulfilment of these obligations in full. This risk can be assessed using ratings. Rating agencies assign these ratings, paying special attention to credit and country risk. The rating scale varies from "AAA" (best rating) to "D" (weakest).

**Counterparty risk** - represents the risk that a counterparty in a transaction will breach its contractual obligations before the final settlement of the cash flows related to the transaction. In order to control the risk, exposures by counterparty categories can be assumed in compliance with a set of limits applicable to transactions. Thus, there may be limits on the counterparty for: forward transactions (forward, swap), transactions with fixed income securities, daily settlements (daily settlement limit), etc.

**The insolvency risk** - the insolvency or breach of the transaction counterparty's obligations or any intermediary involved in the transaction, may result in the liquidation or closure of positions without the client's agreement or even the loss of the investment results, depending on the legislation on insolvency proceedings in the country / origin of counterparty (country / state where this company is registered and acts as a legal person). There is a risk of insolvency in relation to the investment itself, for example, a company issuing bonds or counterparties to OTC derivatives (where the risk relates to such instruments or any money or non-monetary guarantee, for example, pledged/mortgaged assets, have margin held or set in favour of the other party).

**Redemption / early redemption risk** - certain obligations allow the issuer to exercise the right to repurchase the bonds before maturity. The risk of repayment / early redemption arises from the possibility that the bonds may be redeemed at an unfavourable price for the investor.

**Foreign exchange risk** - represents the risk that the amount of the investment is affected by exchange rate fluctuations that may be favourable or unfavourable to the investor and apply to foreign currency denominated investments. Depreciation of a country's currency relative to a reference currency or investor's portfolio currency will negatively affect the amount of the investment in that currency. The value of a currency / currency is related to a multitude of economic, social and political factors and can fluctuate very much, even during the daily trading. Some countries have restrictions regimes that may provide for the suspension of currency exchange or currency transfer or currency devaluation. Also, the foreign dollar may be subjected to a steep and substantial devaluation on the basis of a government decree or government law. Risk hedging facilities may reduce exposure to a particular currency but cannot completely eliminate exposure to the risk of currency fluctuations.

**The liquidity risk** - is that the Bank is not able to efficiently deal with current and future, forecasted or unforeseen and warranted needs without affecting the Bank's day-to-day operations or financial situation. There is also liquidity risk for financial instruments that cannot be bought / sold due to lack of supply or demand for those instruments.

A market is considered liquid when investors can sell their securities without placing a medium-sized sell order (relative to the normal trading volume of the market).

**In the case of OTC derivatives** (the risk of closing and liquidating existing OTC positions quickly and efficiently), the liquidity of an instrument is directly affected by the level of supply and demand for that instrument at any given time. For example, a financial instrument can only be traded during the regular opening hours of a particular trading venue. Under certain market conditions, it may be difficult or impossible to liquidate or cover a certain position. This can happen, for example, in times of rapid and / or high price movement, especially when prices rise or fall at a high rate and at high levels so that trading in accordance with the rules of the foreign exchange transaction is temporarily suspended or restricted. In addition, over-the-counter derivatives are often customized and / or illiquid, even in the absence of difficult market conditions, and the Client's position in such instruments may therefore be difficult to liquidate or hedge under favorable conditions.

**Operational risk** - represents the risk induced by internal factors, such as the Bank's employees, the operating systems used, or the processes used. For example, operational risk materializes in the risk that an order is executed incorrectly or not executed in due course by the trader or in the risk that the trading system or settlement system will not work for a period of time.

**Legislative / regulatory risk** - all investments are subject to this type of risk. The yield of any instruments is exposed to the risk of stock changes and legislative changes that may alter the investment potential of the investment. Changes may occur in areas such as tax, which may have a major impact on profitability. These risks are unpredictable and depend on a number of political, economic and (other) factors.

**Sectorial risk** - is given by investing in companies belonging to the same branch of the economy, or dependent on one branch. In a situation of economic instability that affects the sector, it is possible that all these companies are adversely affected.

**The risk of total loss** - is the risk that an investment becomes worthless, the total loss can occur when the issuer of a security is no longer able to pay the obligations for economic or legal reasons. This risk arises when the issuer of a security faces financial problems and the responsible authorities resort to resolution incentives or the use of the bail option in the case of unsecured bonds, which can lead to a complete deletion of the nominal value of the bonds

**Transfer risk** - Depending on the country involved, the securities of foreign or foreign investors present an additional risk arising from possible control / restrictions measures that may complicate or even hinder the realization of an investment. The problem can also occur when processing an order.

**Leverage risk** - can result in considerable losses, even over relatively short periods of time. The prices of leveraged instruments are significantly influenced by changes in the price of the underlying asset, and such variations can lead to substantial gains but also to considerable losses.

**The risk associated with UCITS equity investments** is, but is not limited to, the possible loss suffered by the Client as a result of the decrease in the unit value of the net asset.

**Concentration risk** - represents the risk arising from exposures to counterparties, groups of related counterparties and counterparties from the same economic sector, geographical region or from the same activity or from the application of credit risk mitigation techniques and includes in particular the associated risks with large indirect exposures to credit risk.

#### ***The risk generated by the acquisition of securities based on a loan***

Acquiring securities on credit generates an increased risk. The loan obtained must be repaid regardless of whether the investment is a success or not. Any credit costs that are incurred thus reduce the return on investment.

#### ***Risk in relation with guarantees***

The word guarantee can be used in different ways: on the one hand, it means the commitment of a party other than the issuer that undertakes to pay the issuer's obligations, and on the other hand, it may constitute the commitment of the issuers themselves to provide a certain payment, regardless of the trends of certain indicators that would otherwise determine the value of the debt. Warranties may involve a wide range of other different conditions. Capital guarantees are usually valid only at maturity, which is why price fluctuations can occur up to this point. The quality of a capital guarantee depends essentially on the reputation of the guarantor.

#### ***Tax risk / taxation***

The client should seek advice on general tax issues related to various investments. The client should ask the tax consultant to assist him in assessing the effects of an investment on his particular tax situation.

### III. INFORMATIONS REGARDING THE PARTICIPATION OF LENDERS (INTERNAL RECAPITALIZATION - BAIL IN) IN THE RECOVERY AND RESOLUTION OF CREDIT INSTITUTIONS

In order to create a common legislative framework for the recovery and resolution of credit institutions, the European Union has issued a directive establishing a framework for the recovery and resolution of credit institutions and investment firms ("BRRD") which establishes a framework for the participation of the bank's creditors in the recovery and resolution of credit institutions which was implemented by Law 312/2015 on the recovery and resolution of credit institutions and investment companies, as well as for the amendment and completion of some normative acts in the banking sector. Its aim is to provide a uniform framework for all EU member states to prevent a banking crisis and manage troubled banks. BRRD requires, among other things, each member state to appoint a resolution authority with certain rights in order to recover and resolve credit institutions. The details of the measures that the resolution authority may take at national level may differ. Below we explain the possible measures that can be applied in Romania, for example. Resolution procedures in other countries may deviate and may be more drastic.

When a bank is subject to the risk of default, the competent resolution authority may apply a number of resolution tools:

- **Sale of the business** - all or part of the bank's assets and / or liabilities are transferred to a buying third party. For the clients and creditors of the bank, this is translated in the change of the partner or the debtor.
- **The bridge institution** - an institution subordinated to a public authority takes over the debts and / or assets of the bank subject to the resolution. For the bank's customers and creditors, this translates again into a change of partner or debtor and this could affect the bank's ability to meet its delivery or payment obligations to creditors may reduce the value of shares issued by the bank.
- **Separation of assets** - the bank's performing debts and / or assets are separated from non-performing ones and transferred to specialized asset management vehicles. For the clients and creditors of the bank this is transposed again in the change of the partner / debtor.
- **Internal recapitalization (bail-in)** of shareholders and creditors - the resolution authority decides to reduce the value and / or convert into capital securities of the debts and shares of a credit institution in

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PJR01INCR/400009/30.01.2014; PJR24DIST/400009/01.03.2016 • FSA Private Pension Public Registry code AMJ-  
RO-374277 • Affiliated Agent registered to FSA under Code RAJ 500196 • Fiscal registration code RO361820 •  
Share capital Lei 1,200 Mio subscribed and fully paid-up • Company administrated in dualist system • Call Center:  
\*2000, standard call rates apply to all mobile networks in Romania.

order to absorb losses and capitalize it to a sufficient extent to in accordance with the authorization requirements. Internal recapitalization takes place only in relation to a bank on the verge of bankruptcy, and its operating mechanism is based on two important principles: (1) no creditor will be treated worse than in the case of bank bankruptcy and (2) must to be respected a strict hierarchy of receivables, with the flexibility to move away from the principle of equality of creditors within the same class in order to limit systemic risk.

The resolution authority may amend the terms and conditions of a financial instrument issued by the bank by an official decision as well as of the existing receipts. Moreover, payment and delivery obligations may be temporarily suspended. Termination and other contractual rights that creditors may enjoy deriving from financial instruments may also be suspended.

## **PRESENTATION OF RISKS**

For the Bank's creditors, the internal recapitalization procedures described above may result in a total loss of invested capital. In recovery and resolution proceedings, the sale of bonds, for example, may become more difficult or may be accomplished only in the event of a substantial loss. Even if the issue document or the marketing materials of a bond issued by the Bank or RBI Group do not explicitly describe the internal recapitalization option, the product may be affected by it according to the law.

### ***IV. FINANCIAL INSTRUMENTS AND RELATED RISKS***

From the MiFID II point of view, financial instruments, depending on the type and characteristics, are either non-complex (simple) financial instruments or complex financial instruments.

The main tools in connection with which RBRO offers investment services are:

#### ***IV.1 BOND TYPES FIXED INCOME SECURITIES***

**Fixed income securities of the bond type** are negotiable financial instruments with fixed income (coupon), issued by public or private bodies, in order to finance their activities or other objectives. The bonds represent fractions from a loan contracted by the issuer, giving the holder the right to receive an interest and to the issuer the obligation to repurchase at maturity, under the specific conditions of issuance of the

bonds. The important characteristics of the bonds, such as the nominal value, the coupon rate and the maturity, are established, through the issue prospectus, at the time of issuance.

The repayment of the principal can be made in multiple payments or in full, at maturity.

Along with the bonds in the narrow sense, there are debt securities that differ substantially from the characteristics mentioned above and from the description given below. Please refer to the description of debt securities in the "Structured Products" section. Especially in the current context, the specific risk of the product is determined not by the designation as bonds or obligations, but by the specific configuration of the individual products.

The coupon rate is calculated as a percentage of the nominal value of the bond and can be fixed or fluctuating (reported to a reference rate). Depending on the characteristics mentioned in the issue prospectus, the bonds may be convertible into shares, guaranteed or not, with different maturity periods, with fixed or variable interest, with discount, etc.

Depending on the type of issuer, fixed income securities can be governmental (government securities issued by central public administrations), municipal (issued by local public administrations) or corporate (issued by commercial / financial companies).

From the MiFID II point of view, fixed income instruments are considered, depending on their type and characteristics, either non-complex (simple) financial instruments or complex financial instruments.

## **Yield**

The yield of a fixed income instrument consists in the interest paid to its holder plus any difference between the purchase price and the actual sale / redemption price. Thus, it is possible to anticipate profitability only if the bond is held to maturity. In the case of variable interest rates, the yield on a bond cannot be calculated in advance. The yield (at maturity), which is calculated in accordance with established international standards, is used as an indicator / benchmark for profitability. If a bond offers a significantly higher return than bonds with comparable maturities, certain reasons, such as a high credit risk, are likely to be liable. The yield of corporate bonds is usually higher than that offered by government bonds to offset the higher credit risk associated with the issuer.

When a bond is sold before maturity, the actual sale price cannot be anticipated; the yield may therefore be higher or lower than the initially estimated yield. Any transaction costs charged must be deducted from overall profitability.

Investments in bonds are exposed to several types of risk:

### **Credit risk**

The bonds are subject to the risk of the issuer's inability to pay its obligations to pay the principal and interest, e.g. in case of insolvency. Therefore, the status of the debtor must be taken into account when deciding on an investment. An indicator for assessing the debtor's creditworthiness is the "rating" given by an independent rating agency. The AAA rating represents the best credit quality; the lower the rating (for example, B or C), the higher the credit risk - but the rate of return on the bond (risk premium) will probably be higher given the costs generated by the higher credit risk of the debtor. Investments with a comparable or higher BBB rating are called "investment grade".

### **Price risk (interest rate risk)**

If a bond is held to maturity, the investor receives the redemption price as indicated in the terms of the bonds. In this sense, please take into account - if the issuance conditions are provided - the risk of early repayment by the issuer. If a bond is sold before maturity, the investor collects the market rate (price). This rate is determined by supply and demand, which in turn depend on the current level of interest. For example, the price of fixed rate securities will decrease if the interest rate on bonds with comparable maturities increases. On the contrary, the bonds will gain in value if the interests related to the bonds with comparable maturity decrease. A change in the debtor's creditworthiness may also affect the price of the bonds. When the interest rate curve levels or is smooth, the price risk of bonds whose interest rate is aligned with the market interest rates offered by floating rate notes is significantly higher than that of bonds whose interest rate depends on money market interest. "Duration" indicates the change in the price of a bond in response to a change in the interest rate. The duration depends on the period until maturity of the bond. The longer the duration, the bigger change of interest rates will influence the price, either positively or negatively.

### **Liquidity risk**

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Bond trading can depend on a number of factors, including the volume issued, the time to maturity and the market situation. It may be difficult or impossible to sell a bond in certain circumstances, in which case it must be kept to maturity.

## **Bond trading**

Bonds are generally traded on trading venues (regulated markets, multilateral trading facility–MTF, organized trading systems (OTF)), but also outside them. More details on order execution can be found in the Bank's order execution policy which is made available to you on the occasion of concluding the financial services contract for the provision of investment services and on the Bank's website. The Bank will inform you, upon request, about the purchase and sale prices of certain bonds, without possibility of negotiation.

## **SPECIFIC TYPES OF BONDS**

### **SUBORDINATE BONDS (“LEVEL 2”)**

In accordance with Article 63 of Regulation 575/2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) no. 648/2012, subordinated bonds are instruments that are part of the capital requirements and represent level 2 equity instruments. These bonds establish direct, unconditional, unsecured and subordinated obligations from issuers with a maturity of at least 5 years. Creditors do not benefit from the redemption option. In case of liquidation or insolvency of the issuer, the receivables of the level 2 bondholders are subordinated to the receivables of the bondholders who are not subordinated and may be subject with priority to the measures that the authorities may take in order to resolve and recover the banks. These measures are briefly described in the last chapter of this document.

### **Call option (redemption) and redemption limit**

Subordinated bonds may not be redeemed at the discretion of the bondholder. Before being able to exercise the right to issue or redeem subordinated bonds, approval by the competent authorities is required.

### **HIGH YIELD BONDS**



High yield bonds are securities issued in the case of an issuer with low creditworthiness (= debtor) that accepts an obligation to the holder (creditor, buyer) to pay fixed or variable interest from the capital received and to redeem the bonds in accordance with agreed terms.

## CONVERTIBLE BONDS FOR HOUSING LOANS

Convertible bonds for housing loans are issued by housing banks and are intended to finance housing (new construction and renovation). Such bonds certify the claim for payment of principal and interest in the form of a convertible bond. According to the terms of the bond, they can be converted into participation rights of a housing bank (= repurchased). Once converted, the rank of participation rights corresponds to that of ordinary shares. Payments for participation rights depend on the profit made; there is no subsequent payment for remuneration that has not been paid each year. Currently, tax incentives are granted for convertible bonds for home loans. Prior to purchase, the applicability of these incentives should be checked.

*RBRO offers to its Clients corporate bonds and local and foreign government securities, traded in SMT or SOT or acting as an independent operator independent type trading venues, depending on the approved distribution model. For certain types of government securities, RBRO acts as the primary dealer. Also, this type of financial instruments can be recommended in the investment advice.*

*Corporate bonds issued by Raiffeisen Bank International A.G. Group can be recommended within the investment advice.*

**IV.2 MONEY MARKET INSTRUMENTS** - are short-term credit instruments, with less than one year to maturity, usually issued at a discount; include treasury certificates.

**Treasury certificates** - are government securities with an initial maturity of less than one year, without coupon, being issued at a value lower than their nominal value repayable at maturity, the gain being represented by the difference between the two values.

From the MiFID II point of view, depending on the main characteristics, money market instruments are considered either non-complex (simple) financial instruments or complex financial instruments.

Money market instruments are subject to risks similar to those of bonds in terms of the risk of price volatility due to factors such as interest rates, the market's perception regarding the issuer's solvency and market liquidity.

*RBRO offers to its customers treasury certificates.*

**IV.3 DERIVATIVE FINANCIAL INSTRUMENTS:** are financial instruments whose price depends on the price of one or more underlying assets (shares, indices, interest rates, currencies, commodities, other derivative financial instruments, etc.). Derivative financial instruments can be purchased both for the purpose of hedging and for speculative purposes. Derivatives purchased for speculative purposes are characterized by a high level of risk as a result of margin trading, which can generate significant gains or losses in a very short time, losses that may exceed the amount invested.

*RBRO performs transactions with derivative financial instruments with exchange rate support assets, FX Swap and FX forward contracts and only with bank clients, derivative financial instruments with interest rate support assets, IRS and CCIRS contracts.*

**RBRO concludes transactions with derivative financial instruments with its Clients for hedging purposes only.**

Derivative financial instruments involve major investment risks, which can give rise to higher losses than the invested capital. Investments in derivative financial instruments involve currency risk, clearing risk and settlement risk. Over-the-counter derivative financial instruments, especially those that are not settled through a central clearing house, are subject, in addition, to the counterparty credit risk and liquidity risk.

An investor in derivative financial instruments for hedging purposes often assumes a higher risk compared to a direct investment in the underlying asset and, therefore, investments in derivative financial instruments must be made with caution, especially in the case of clients who they do not have specialized professional knowledge or of the less experienced. Derivative financial instruments have a high associated risk, because their value depends on the future value of the underlying assets, a change in the value of the underlying asset over a period of time can lead to an amplified change in the value of financial instruments derived.

From the MiFID II point of view, derivative financial instruments are considered complex financial instruments.

**IV.3.1 SWAP CONTRACT ON THE EXCHANGE RATE (FX SWAP)** - is a derivative contract that involves the exchange of a certain amount in one currency against another currency for a certain period of time. The swap contract defines the dates when this exchange will take place and the way in which the amounts will be calculated.

The interest rate difference of the two currencies involved is considered as a proceeds / discount apply to the exchange rate. The quoted currency is delivered / received on the same currency date.

### **Yield**

The return (gain / loss) for anyone who trades swaps having as like underlying the exchange rate results from the positive / negative movement of the interest rate difference and can, through a transaction of the opposite direction, be generated for the period until maturity.

### **Credit risk**

Credit risk refers to the possibility of a default by the counterparty, namely that it may be temporarily or permanently unable to perform the foreign exchange swap, which necessitates additional hedging in the market under less favourable conditions.

### **Transfer risk**

Foreign exchange transfers may be subject to constraints, especially those imposed by the country of origin of the currency. This could jeopardize the correct execution of the FX swap.

**IV.3.2 FORWARD CONTRACT FOR THE EXCHANGE RATE (FX FORWARD)** - is a firm contract in which the parties undertake to carry out a transaction with a future settlement date and a predetermined quotation. Thus, the two parties undertake to buy or sell a certain amount in a certain currency at a future date and at an agreed price on the date of the transaction. The quoted currency is delivered / received on the same currency date.

### **Yield**

Use for hedging purposes means locking in an exchange rate, so that the costs of the hedged transaction, as well as its return, will not increase or decrease as a result of exchange rate fluctuations.

### **Currency risk**

In the case of FX forwards used for hedging purposes, the currency risk is that buyers / sellers may be able to buy / sell foreign currency more profitable during or at the end of the forward exchange contract than when they entered for first time in the transaction. The risk of loss can significantly exceed the initial price of the contract.

### **Credit risk**

The credit risk for FX forwards refers to the possibility that the counterparty can enter to default, i.e. not being able to perform the FX forward temporarily or permanently, making it necessary to provide additional market coverage on less favourable terms.

### **Transfer risk**

Currency transfers may be subject to constraints, especially those imposed by the country of origin of the currency. This could jeopardize the proper execution of FX forwards.

**IV. 3.3. Interest Rate Swap (IRS)** (intended only for interbank trading) involves the exchange between two contracting parties of variable liability defined for a fixed notional amount. Usually, fixed interest rates are changed for variable ones. Therefore, there is an exchange of interest payments, but there is no capital flow.

### **Yield**

Buyers of an interest rate swap (fixed rate payers) benefit from an increase in market interest rates. Sellers of interest rate swaps (fixed rate recipients) get a return on their investment if market interest rates fall. The interest rate swap yield cannot be determined in advance.

### **Interest rate risk**

Interest rate risk results from uncertainty about future movements in the market interest rate. IRS buyers / sellers are exposed to losses if interest rates fall / rise.

### **Credit risk**

With interest rate swaps, credit risk refers to the possibility of default / default of the counterparty, making it necessary to provide additional market coverage on less favourable terms.

### **IV.3.4 Cross Currency Interest Rate Swap (CCIRS) (intended for interbank trading only)**

In CCIRS, two contracting parties also exchange different currencies for a fixed notional amount. In general, fixed interest rates are changed in one currency for fixed interest rates in a second currency. However, swap can also involve the exchange of floating rates in one currency against floating rates in another. Payments flow in different currencies based on the same amount of capital, which is determined by the current rate / spot at the date of the transaction. This type of swap also involves the exchange of capital both at the beginning ("initial exchange") and at the expiration ("final exchange") of the swap. Depending on the requirements of the individual trading partners, the initial exchange may be omitted.

## **Yield**

The yield on Cross currency swaps cannot be determined in advance. If the exchange rate and the interest rate differential move in favour of the trader, a return can be achieved by liquidating CCIRS before maturity. If CCIRSs are used to improve the interest rate differential, a return can be made from the lower interest rates of another currency. However, any such gain can be offset by exchange losses. A positive evolution of the relationship between currencies can lead to a further increase in yield.

## **Interest rate risk**

Interest rate risk arises from the uncertainty of the future change in the market interest rate. The buyer/seller of a CCIRS is exposed to the risk of loss if the market interest rate decreases / increases.

## **Currency risk**

Currency risk results from the uncertainty of future movements in the exchange rate of the currencies involved. With CCIRSs that include a final exchange, it is particularly important to note that a currency risk exists not only in the event of counterparty default, but also over the life of the counterparty.

## **Credit risk**

When buying / selling CCIRS, the credit risk refers to the possibility of non-payment / default of the counterparty, which would require additional market coverage.

## **IV.4 TITLES OF PARTICIPATION OF COLLECTIVE INVESTMENT BODIES - UCITS**

Collective investment undertakings (UCITS) are open-end investment funds and investment companies whose sole purpose is to make collective investments, placing the financial resources collected from investors in a portfolio of financial instruments. UCITS are organizations regulated and supervised by the competent authorities, operating on the principle of risk diversification and prudential management of assets.

The investment funds are managed by a specialized company (investment management company), which decides on the method of investing the entrusted assets, according to an issued prospectus approved by the competent authorities and published on the date of establishment of the fund. Investment funds offer investors the opportunity to benefit from a professional management of the portfolio, at affordable costs.

## **RBRO distributes fund units of funds managed by Raiffeisen Asset Management S.A.**

From the point of view of the investment strategy, investment funds are divided into three main types: bond funds, equity funds and mixed funds, which invest in both fixed income instruments and in shares. Investment funds may invest in local and / or foreign securities. The investment policy and its specific risks, the recommended investment period and the investor's risk profile are described in the Issue Prospectus and the Key Investor Information Document (KIID).

### **Yield**

The return on investment funds consists in the variation of the value of the fund unit and cannot be anticipated.

The return on fund units depends on both the Fund's investment policy and the evolution of the market and the value of the assets in the portfolio, the potential return on an investment being, as a rule, directly proportional to the degree of risk associated with it. The value of the Fund units may decrease compared to the purchase price, in case the value of the investments made by the Fund decreases compared to the time of subscription, so there is the possibility that when selling the Fund units held, the investor will receive a smaller amount than invested.

The risk related to this product is related to the assets in which the UCITS invests shares, bonds, derivative financial instruments, deposits, etc. The assets held by UCITS are exposed to the risks related to each type of financial instrument, respectively:

**Market risk** - is the risk of losses due to adverse changes in market factors, causing a decrease in the value of assets held by the fund (standard market factors are interest rate, exchange rate, share price, etc.).

- Price risk - represents the risk that the price of a share will decrease as a result of the dynamics of some factors that affect the market as a whole.

- Interest rate risk - is the risk of diminishing the market value of interest rate sensitive positions, as a result of the variation of interest rates.

- Currency risk - is the risk of recording losses in the value of assets or liabilities denominated in a currency, as a result of changes in the exchange rate. This risk occurs when the assets or liabilities denominated in that currency are not hedged.

**Credit risk** - is the risk of loss due to adverse changes in the creditworthiness of the counterparty or issuer of the respective financial instrument. Credit risk arises in connection with any kind of receivables and consists in the risk that debtors will not be able to fulfill their obligations (on time or in their entirety) due to bankruptcy or other causes of the same nature.

**Counterparty risk** - refers to the negative consequences associated with non-payment of an obligation, bankruptcy or deterioration of the credit rating of a counterparty. Counterparty risk includes all transactions and products that give rise to exposures, including efficient portfolio management techniques.

**Concentration risk** - represents the risk of suffering losses from (i) non-homogeneous distribution of exposures to counterparties, (ii) from contagion effects between debtors or (iii) from sector concentration (by industries, by geographical regions, etc.).

**Settlement risk** - is the risk that a counterparty will not fulfil its obligation to deliver financial instruments or their equivalent in accordance with the terms of the transaction, after its counterparty has fulfilled its obligation to deliver money / financial instruments according to the agreement.

**Liquidity risk** - has two distinct but closely related components:

- the liquidity risk of the market / assets - represents the risk that the fund will not be able to transform in an adequate period of time the assets into cash without significantly influencing their market price;
- financing risk (determined by the behaviour of investors) - represents the risk that the fund will not be able to fulfil the redemption requests submitted by investors within the time period provided in the prospectus.

**Operational risk** - there is a risk of loss resulting either from the use of inadequate or inadequate processes, systems and human resources, or from external events and actions (eg natural disasters).

**Risk of using derivative instruments** - the use of transactions with derivative financial instruments, both in order to hedge the risk and as a tool for active investment management, can lead to increased volatility of fund returns.

The specific legislation imposes a series of investment limits on types of instruments, issuers and groups of issuers, aiming at risk diversification. Thus, investments in open-end investment funds allow the investor access to a significantly wider range of investment instruments than if the investor would have invested directly in those assets. The risk can be mitigated as diversifying investments within a collective investment scheme reduces the effect that a decrease in the value of a particular investment could have on the overall performance of the portfolio.

### **Risk of suspending redemptions**

In general, the fund units can be redeemed at any time at the redemption price, represented by the value of the fund unit at that time, minus any redemption fees.

In exceptional situations (eg temporary suspension of transactions on a regulated market, political, economic events, financial crisis, military, events that may prevent the correct valuation of the Fund's assets, registration of a significant volume of redemptions in a given period) and only in order to protect the interest of the unit holders of the Fund, the Management Company may temporarily suspend the redemption of the fund units, in compliance with the legal regulations in force.

The measure of suspending the redemption of fund units, for a period of up to 30 days, may be applied in the situation where the redemption requests submitted during a day or during a period exceed a certain proportion of the fund's assets. Details are set out in the prospectus.

The purpose of such a suspension is to offer the administrator the possibility to sell the fund's assets in the most advantageous conditions for investors or to attract additional liquidity. The concrete conditions of application will be notified in advance to the Financial Supervisory Authority and to the investors.

The duration of an investment fund depends on the terms of the fund set out in the Issued Prospectus and is usually unlimited. Note that, unlike bonds, in the case of fund units there is no redemption at maturity and thus there is no redemption price. When you invest in a fund, the risk is determined by the investment policy and the performance of the investment fund's assets.

**In general, the possibility of a loss cannot be ruled out. Also, the previous performances of the fund do not represent a guarantee of future achievements.**

RBRO also distributes fund units issued by collective investment schemes in securities (investment funds) managed by Raiffeisen Kapitalanlage-Gesellschaft m.b.H. The objective of Raiffeisen Kapitalanlage-



Gesellschaft m.b.H is to be an investment fund manager that puts an emphasis on sustainability, through constant adherence to ESG (environmental, social and governance) criteria. From the point of view of the investment strategy, the funds managed by RKG promote environmental and social characteristics and consider that the issuers in which they invest directly or indirectly follow good governance practices. The investment policy and the specific risks related to them, the recommended investment period and the risk profile of the investor are described in the Issue Prospectus and the Document with essential information.

Considering the investments of the funds managed by RKG, the main risk categories according to DIE/KID to which the Funds are subject are:

**Credit risk:** risk of loss, the risk that the issuers of the respective financial instruments become unable to pay (respectively, that their inability to pay worsens). These obligations and/or financial market instruments (or credit derivatives) may thus partially or fully lose their value.

**Liquidity risk:** there is a risk that a position cannot be sold in time at an appropriate price. This risk can also lead to a suspension of the redemption of share certificates.

**Counterparty risk:** The Funds conclude transactions with different contracting parties. There is a risk that these contractual partners, as a result of insolvency, will not be able to honor their obligation to the fund.

**Operational risk, storage risk:** There is a risk of losses, caused by problems regarding internal processes/systems or external phenomena (for example, natural disasters). In the case of deposits, there is a risk of losing the fund's assets. It can result from the insolvency, negligence or inappropriate action of the depository, or of a sub-depository.

**Risks of using derivatives:** Funds can use derivatives transactions not only for insurance, but also as an active investment tool. Thus, the risk of an oscillation in the value of the fund increases.

#### IV.5 COMBINED FINANCIAL PRODUCTS (PACKAGES)

Any financial product that contains a combination of two or more financial instruments is exposed to the risk of both financial instruments at the same time and such combined financial products may contain more risks compared to holding each of the components of such a combined product as separate financial instruments.

#### V. OTHER INFORMATION

The information presented in this document is for the sole purpose of providing non-commercial information on the risks associated with financial instruments and does not constitute an offer, an invitation to make an offer or a recommendation to buy or sell a particular financial instrument. This general information does not replace investment advice provided in line with your needs and level of knowledge, or advice provided by a legal or tax consultant.

The financial instruments presented differ significantly from the deposits offered by the Bank. While deposits are made primarily for savings and are guaranteed by a legal protection scheme, financial instruments are used for investment purposes (either directly or for risk reduction purposes) and the investor is not generally protected against them. non-compliance with the obligations by the issuer. The return, risk and liquidity of the financial instrument differ from those of a deposit as well as within the different categories of financial instruments.