

## SECURITIES TERMS for Investment Certificates

### § 1 Investor Rights

1. Raiffeisen Centrobank AG, Tegetthoffstraße 1, 1010 Vienna (the "Issuer") issues as of September 8th, 2004 a total volume of 1,000,000 bearer Investment Certificates pursuant to these Securities Terms, on the respective precious metal (see column "Precious Metal" on the excerpt of the offering) ISIN XXX (see column "ISIN Product" on the excerpt of the offering).
2. The certificates are listed on an exchange and can be traded continuously in denominations of one or a multiple thereof on every exchange trading day on the exchange and over the counter. Under usual market conditions the issuer shall provide a permanent secondary market. During the term the US Dollar is converted into Euro on the basis of the medium USD/EUR exchange rate.
3. The Certificates are quoted in Euros and are traded in Euros.
4. The "Excerpt of the Offering" shall form an integral part of these Securities Terms and shall replace the data nominated with XXX.

### § 2 General Risks

1. The issuer has the intention – under usual market conditions – to quote current buy and sell prices. The issuer, however, does not enter into any legal obligation vis-à-vis the holder of certificates to quote such prices or with respect to the amount or the formation of such prices. Therefore, the holder of certificates cannot rely on being able to sell the certificates at a certain time or for a certain price. Market disruptions (see § 23), for example, can delay the formation of prices.
2. Certificates are risky instruments used to invest into assets. If the underlying index of the respective certificate develops adversely, there is a risk of loss of a greater part or of the total amount of the invested capital. The holder of certificates therefore also bears the risk that the financial situation of the issuer of the certificates may deteriorate.
3. The value of a certificate is influenced not only by changes in the price of the underlying instrument, but additionally by a number of other factors such as interest rates, exchange rates, dividends and hedging costs

### § 3 Currency Risks

In case a claim securitized in the certificates is calculated in relation to a foreign currency and/or foreign currency unit, or if the value of the underlying index of the security is denominated in such a foreign currency or currency unit, the holder is at risk to incur losses

both due to an unfavourable development of the underlying and an unfavourable development of the currency markets.

An unfavourable development of the currency markets may increase the risk for loss in view of a reduction of

- the value of the certificates acquired
- the stock exchange price of the underlying instrument
- the settlement price at early termination.

#### **§ 4 Transactions to Exclude or Minimise Risks**

Transactions for risk reduction purposes during the term are dependent on market conditions and on the underlying terms and conditions. The holder of certificates may thus not rely on the opportunity to exclude or minimise inherent risks by entering into such transactions. Under certain circumstances the holder may even incur losses due to the transactions being executable only at unfavourable market prices.

#### **§ 5 Using Credit**

In case the holder of certificates purchases the certificates on credit and the certificates do not perform as expected the investor may incur losses, which add to the outstanding repayment of the loan plus interest. This substantially increases the risk of loss. The investor may not rely on repayment of

the loan plus interest through proceeds earned by the investment. Before taking up a loan the investor has to consider and provide for repayment of the loan plus interest irrespective of the performance of the investment.

#### **§ 6 Influence of Transactions, especially of Hedging Transactions of the Issuer, on the Certificates**

The issuer may at any time during maturity purchase or sell certificates on the open market or in non-public transactions. The issuer shall not be obliged to notify the holder of such purchases or sales. Each holder should make their own investigation on the development of the index and other factors, which may influence the price development of the certificate.

The issuer, in their common business, trades in the underlying securities of the index and collateralises financial risks inherent in certificates by hedging transactions in the respective shares. Such transactions, in particular hedging transactions related to certificates, may influence the price development of the underlyings. The conclusion or execution of such transactions may have substantial influence on the value of the certificates, on the barrier and on the redemption price obligations vis-à-vis the holder of the certificates.

### **§ 7 Form of the Structured Securities; Transferability**

1. The certificates are fully represented in a "global certificate" pursuant to § 24 lit b Securities Custody Act, Federal Law Gazette No. 424/1969 as amended by Federal Law Gazette No 650/1987, requiring the signature of two members of the executive board of the issuer , or one executive board member together with a holder of unlimited procuration of the issuer.
2. The "global certificate" are deposited with Oesterreichische Kontrollbank Aktiengesellschaft in its function as a central securities depository. As co-ownership shares, the certificates are transferable.
3. The certificates are individually transferable within the scope of securities giro transaction.
4. There is no entitlement to receive the certificates physically.

### **§ 8 Issue Date, Issue Price, Open-End Certificates**

1. The issue date of the certificates is September 8th, 2004. The certificates are Open-End Certificates. This means that the certificates do not have a predefined maturity date
2. The issue price is equivalent to the current market price of the respective precious metal. Conversion of the USD issue price into Euro is effected on the basis of the USD/EUR medium exchange rate.

### **§ 9 Underlying Instrument**

The underlying instrument is the price of the respective precious metal (see column "Precious Metal" on the excerpt of the offering). ISIN: XXX (see column "ISIN Precious Metal" on the excerpt of the offering).

### **§ 10 Interest, Dividends**

There are neither interest payments nor dividend payments for the certificates.

### **§ 11 Termination, Maturity**

1. As a rule, it shall be irrevocably excluded that the holder be authorised to terminate the certificates.
2. The issuer shall be entitled for the first time after three calendar years after the issue date to set a termination date for the certificates on every stock trading day in Vienna

and Stuttgart. The remaining time to the maturity date shall at least be one calendar year. The maturity is determined by stating the maturity date pursuant to § 23.

## **§ 12 Settlement Price**

1. In case a maturity date is set pursuant to § 11 para 2 the issuer shall pay to every holder for every certificate held an amount ("Settlement Amount") which corresponds to the closing price of the precious metal expressed in USD and converted into Euro (see § 15) on the settlement date multiplied by the subscription ratio (see column "Subscription Ratio" on the excerpt of the offering). The Settlement Price is rounded per certificate to two decimals ("Settlement Price").
2. Conversion of US Dollar into Euro shall be effected on the basis of the respective USD/EUR fixing which is publicly disclosed on the Reuters page <ECBRFEF> or any page replacing this page. In case this exchange rate is not publicly disclosed on any other Reuters page conversion shall be effected on the basis of an exchange rate publicly disclosed on the site of any other equivalent provider. In case the exchange rate is no longer calculated or is no longer publicly disclosed in the way referred to before, the issuer shall be entitled to determine a relevant exchange rate on the basis of common market practice.
3. Payout is effected exclusively in Euro or in such other freely convertible and available legally currency which is an official means of payment in the Republic of Austria at the payment date.

## **§ 13 Settlement Date**

1. If a maturity date is set pursuant to § 11 para 2 the settlement date shall be the last day of them maturiy determined by the issuer.
2. In case the settlement date is no banking day, the subsequent banking day shall be deemed to be the settlement date.

## **§ 14 Payment in Case of Termination**

In case a maturity date is set pursuant to § 11 para 2 the Settlement Amount shall be paid three value dates (*Valutatage*) following the settlement date ("Payment Date"). In case the Payment Date is no banking day, the subsequent banking day shall be deemed to be the Payment Date.

## **§ 15 Closing Price**

1. Subject to para 2 and § 16 the closing price of the underlying shall correspond,

- a. for Investment Certificates in silver to the US Dollar price for 1 (one) troy ounce silver fixed on settlement date by the respective fixing entity (see list) at 12:15 (local time London) and published on the Reuters page < XAGFIX => or any other page replacing this page. In case this price is not published on any other Reuters page the price shall correspond to the price published on the site of another provider.
  - b. for Investment Certificates in gold to the US Dollar price for 1 (one) troy ounce gold fixed on the settlement date by the respective fixing entity (see list) at 15:00 (local time London) and publicly disclosed on the Reuters page < XAUFIX => or any other page replacing this page. In case this price is not publicly disclosed on any other Reuters page the price shall correspond to the price publicly disclosed on the site of any other equivalent provider.
2. In the event that the closing price of the of the precious metal is not determined and publicly disclosed on the settlement date or in case the issuer determines a market disruption (as of § 16) the settlement date shall be the subsequent calendar day on which the closing price of the respective precious metal is determined and publicly disclosed.

### § 16 Market Disruption

1. A market disruption exists or has occurred
  - a. if suspension or limitation is imposed on determination and public disclosure of the price of the precious metal by the relevant fixing or
  - b. if suspension or limitation is imposed on the trading in a futures or options contract in relation to the precious metal on a futures exchange on which the futures or options contracts in relation to the precious metal are traded ("Futures Exchange").
2. No market disruption occurs if trading hours or trading days are limited upon prior notification of the respective stock exchange. A reduction or limitation in trading during a trading day by reason of movements in price exceeding permitted limits shall be deemed a market disruption if continuing until the end of the trading day.
3. The Issuer shall use all reasonable efforts but shall not be obliged to notify the parties involved of a market disruption as of § 23 without delay.

### § 17 Extraordinary Termination

1. As a rule, it shall be irrevocably excluded that the holder be authorised to terminate the certificates.
2. Should the listing of the respective precious metal be irrevocably ceased or should a market disruption pursuant to § 16 occur, the issuer shall have the right to terminate the certificates not yet settled prematurely by making an announcement as defined in § 23

stating the termination amount. Moreover, the issuer shall have the right to terminate stating the termination amount.

3. In such case the issuer shall automatically pay, within five banking days after the termination, to every holder for every certificate held an amount (termination amount) that in the opinion of the issuer is an equitable amount and it has defined as the appropriate market price.

## **§ 18 Taxation**

Regarding holders of certificates who are subject to taxation in Austria

Returns on certificates are no income from capital assets pursuant to § 27 par. 1 fig. 4 Income Tax Act and are not subject to capital yields tax. Income from certificates may be subject to tax pursuant to § 30 Income Tax Act (speculative gains) If the certificate is sold within one year after the purchase, sales proceeds are subject to tax pursuant to § 30 Income Tax Act, after one year no tax liability applies. Redemption of the certificate on the settlement date may be subject to § 30 Income Tax Act irrespective of the one-year speculation deadline.

The information presented herein does not replace the necessary advice that must be obtained from a tax advisor in every individual case, considering the respective product, the investor's tax position and the recent legal position in the respective country, before reaching a decision to buy. Before buying a security, interested investors should in any case seek advice from their local tax advisors on the tax consequences of the acquisition, holding, sale and redemption of these securities. This is particularly true considering the current amendments to taxation law. The explanations provide general information based on the legal framework as per February 2005. The information has not been confirmed by court rulings or any explicit statements of the tax authorities and therefore should not be understood to mean that the tax consequences described are guaranteed to occur. Changes in the law, jurisdiction and administrative practice as well as deviating judgements of tax authorities due to the scope of potential divergent interpretations cannot be excluded and are not within the liability of the issuer.

## **§ 19 Increases; Repurchase**

1. The issuer shall have the right to issue additional certificates with the same features so that these form a uniform issue together with the respective certificates and increase the number. In such case, the term "certificates" comprises any additional certificate issued.
2. The issuer shall have the right to repurchase the structured securities at any time and at any price through the exchange or over the counter. The issuer shall not be under the obligation to inform the holder of certificates of any such action. The issuer shall have the right to render the certificates bought back worthless, to hold or resell them or use them in any other manner.

## § 20 Paying Agent

1. The paying agent shall be Raiffeisen Centrobank AG. The crediting of payments to the holder shall be done by the respective custodian bank of the certificates holder.
2. The issuer shall have the right to name additional internationally renowned banks as paying agents. Appointments and revocations shall be disclosed pursuant to § 23.
3. The paying agents shall only be liable for any representations made or omitted, declarations accepted or actions taken or not taken to the extent they do not violate the due diligence and prudence principles of a proper merchant.

## § 21 Assignment

1. Subject to item 2 any company may assume any time during the term of the certificates and upon notification of the Issuer as of § 23 all rights and obligations under the terms from the issuer. Following such assignment the assignee (hereinafter "New Issuer") shall succeed in title; shall replace the issuer and shall be entitled to exercise all rights in relation to the certificates as if the New Issuer had been determined issuer in the terms and conditions; the issuer or any prior New Issuer as of § 21 shall be discharged from their liabilities in relation to terms of the certificates. Following an assignment the term "Issuer" shall relate to the New Issuer excluding § 21.
2. Such an assignment shall be permissible if
  - a. the New Issuer undertakes to indemnify the Holder for all taxes, duties or fees arising out of or in connection with such an assignment
  - b. the issuer (in this context the "Guarantor") irrevocably and unconditionally guarantees all payments to the holder by the New Issuer and that the guarantee will be published as of § 23,
  - c. the New Issuer has obtained all governmental authorisations, consent, permissions and approvals required under the laws and jurisdiction in force in the country the New Issuer has been incorporated and is headquartered in.
3. Following the replacement of the Issuer by a New Issuer this § 21 shall apply

## § 22 Exchange Listing

At present, the issuer plans to apply to trading for the certificates on the Second Regulated Market of Wiener Börse and on the Regulated Unofficial Market (EUWAX) of the Stuttgart Stock Exchange.

### **§ 23 Publications**

1. All announcements relating to the structured securities shall be made in accordance with the law in the Official Gazette "Amtsblatt der Wiener Zeitung". Should this newspaper discontinue publication, it shall be replaced by the daily newspaper serving as medium for official announcements. A special notification of each individual holder of a structured security shall not be required.
2. Unless otherwise stipulated in these Securities Terms, such announcements shall only serve for information purposes and do not constitute any pre-condition for effectiveness.

### **§ 24 Limitations**

The right to claim payment of capital due shall expire after thirty years as of the due date.

### **§ 25 Obligation to Prepare a Listing Prospectus for Public Offerings**

The certificates are publicly offered in Austria and Germany. They are issued in the form of a continuous issuing and are not subject to the obligation to prepare a prospectus in accordance with § 3 par 1 fig. 3 Austrian Capital Market Act. A prospectus has been prepared in Germany pursuant to the Act for the Prospectus for Securities Offered for Sale (Wertpapier-Verkaufsprospektgesetz – VerkProspG). This prospectus has been notified to the Federal Financial Supervisory Authority in Germany, Bundesanstalt für Finanzdienstleistungsaufsicht ("BaFin") for Germany.

### **§ 26 Liability**

The issuer shall be fully liable with its entire assets for all obligations arising out of or in connection with the issuance of the certificates.

### **§ 27 Exclusion of Liability**

The issuer does not assume any liability for the correctness, completeness, continuity and continuous calculation of the prices of the respective precious metal by the relevant fixing entity.

### **§ 28 Applicable Law, Jurisdiction and Place of Performance**

1. The form and content of the certificates as well as all rights and obligations arising under the matters covered by these terms shall be governed in all respects by Austrian law.



2. Place of performance and jurisdiction shall be Vienna; nonetheless, the issuer shall retain the right to file a lawsuit with any other competent court.

### **§ 29 Severability Clause**

Should any of the individual provisions of this Securities Terms become invalid or unenforceable, this shall not affect the validity or enforceability of the remaining provisions. The invalid or unenforceable provisions shall be replaced by such provisions that come as close as possible to the intent of the provisions of these Securities Terms.

### **§ 30 Final Provisions**

1. The issuer shall have the right to change or supplement these Securities Terms without having to obtain the consent of the holders of the structured securities with regard to
  - a. an obvious typing or calculation errors or other obvious errors as well as
  - b. any contradictory provisions or provisions containing omissions.

The cases mentioned under b) only permit such changes or supplements that are acceptable to the holders of the certificates while taking into account the interests of the issuer, i.e., do not substantially worsen the financial situation of the holders. Changes and supplements to these Securities Terms are announced without delay pursuant to § 23.

2. Definitions, calculations and other decisions by the issuer shall be binding upon all parties involved unless there is an obvious mistake.
3. All taxes, fees and other duties arising out of or in connection with the redemption of the certificates shall be borne and paid by the holders.

Vienna, 7th August 2004

# Excerpt of the offering

ISIN Product	Underlying Instrument (UL)	ISIN UL	Currency UL	Issue Date	Exchange Listing AT	Maturity Date	Currency Product	Sub- scription Ratio	Volume	Minimum Number	Settlement	Price Fixing Entity
AT0000489380	Silber	XC0009653103	USD	08.09.2004	15.09.2004	open end	EUR	1:1	1.000.000	1	Cash	London
AT0000489398	Gold	XC0009655157	USD	08.09.2004	15.09.2004	open end	EUR	10:1	1.000.000	1	Cash	London