

INFO VORSORGE

Your personal reference for
sustainable provident funds
& the new-look indemnity scheme
for employees and the self-employed



WITH PRIZE DRAW



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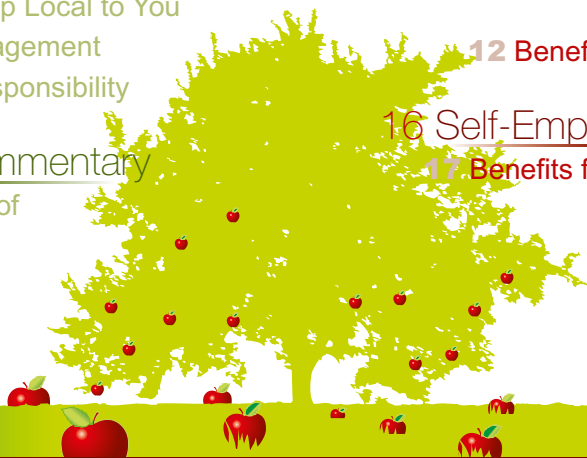
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VBV – Vorsorgekasse Information

One a year you will receive your **account information** from your provident fund.

Informative & personal: Your **Internet account**

Activate your internet account by entering your personal code (password) and your 10-digit social security number at www.vorsorgekasse.at. You will find both on your account information. You can then view your up to date account information at any time.

Benefits for you:

- Irrespective of your current place of residence e.g. when moving
- Investment view updated monthly

Our homepage: www.vorsorgekasse.at

- **News:** We provide information about innovations or changes in the field of company provident funds directly on the homepage
- **Download:** All essential documents and information on company provident funds are also available to print
- **Calculator:** Calculator how much your future pension entitlement could be
- **Investment reports:** Here you will find details about investments and the market environment and developments quarterly
- **Press releases:** Press reports on the new-look indemnity scheme and provident funds for the self-employed

Have you made contributions to various provident funds?

TIPP

Have you already made pension contributions to other funds and want all your entitlements under one roof? Then after three years of not paying into the “old” provident fund, you can transfer this to your current VBV – Vorsorgekasse.

As a result your new-look indemnity scheme will be easier to manage and you can also enjoy all the benefits of the leading provident fund.

Simply send a written request to your previous provident fund. The latter will transfer all your contributions to the VBV – Vorsorgekasse. This transfer will cost you nothing!



Dear Readers!

On Security and Securities

By “provident fund” we mean responsible, sustainable and secure conduct to ensure a stable, worry-free future. This concept marks our actions and the day-to-day work within our company.

Since 01.01.2003 all employees who started work – or changed employer – in Austria after this date, are clients of a company provident fund. As of 01.01.2008 the system was opened up to all self-employed persons and freelancers. Thus in the near future, all professionals in our country will be included in this company provident scheme.

As a leading Austrian provident fund it is therefore particularly important for us to present you with this newsletter in which we give you as much information as possible about this issue of importance for everyone and try to answer your questions.

In this “VorsorgeINFO” we take the opportunity to also present you with an insight into the VBV – Vorsorgekasse’s strategic and sustainable positioning within the competitive environment. And, as part of the enormous responsibility for client funds entrusted to us, we also provide a sort of „sustainability report“ in this brochure.

To us sustainability means: Open dialogue, clarity and transparency of our company. Also security, stability and appreciation and maintenance of the value of your funds entrusted to us.

Happy reading.



Heinz Behacker



KR Heinz Behacker

Chairman of the Board
VBV – Vorsorgekasse AG

PS: Please keep this VorsorgeINFO with your account information. You will then always have it to hand.



VBV – Vorsorgekasse Demands & Security

Since the foundation of VBV – Vorsorgekasse AG, our ambition has been: to create a new level of quality in company provident funds with the new-look indemnity scheme as a link between state pension schemes and purely private pension plans. It has in the meantime become an integral part of personal pension plans.

Upon retirement, each individual can decide personally whether to use the capital saved as an additional life pension, for nursing care or for planned investment.

We invest social capital

Our response to this challenge is sustainability.

Within this context, the VBV – Vorsorgekasse regards sustainability as the active awareness of social responsibility.



The VBV supports:

and

and

one in three employees

one in three companies

one in three self-employed people

within Austria





Partnership: The concept to your advantage

The role of a company provident fund is the safe and profitable investment of pension contributions from employees and the self-employed. Management and distribution costs must be correspondingly low and the business partners correspondingly trusting and sound. From the outset the VBV – Vorsorgekasse AG has relied on an innovative “branding concept” for this.

Our partners (banks, savings banks and insurance companies) offer consulting services and distribute provident funds for employees and the self-employed on behalf of the VBV throughout Austrian under their own brand. They are therefore also the most important ambassadors of our corporate philosophy and services.

The focus is therefore on contact with well trained advisors with VBV – Vorsorgekasse knowledge and ability. This partnership streamlines the VBV and makes our service quick and effective.

Our marketing model works for you: VBV is always nearby. You will receive expert provident fund advice with:





Mit Nachhaltigkeit zum Erfolg.

Die VBV – Vorsorgekasse betreut mittlerweile jeden dritten Arbeitnehmer und jedes dritte Unternehmen in Österreich – und ist damit Marktführer.

Auf lange Sicht ... stabil



www.vorsorgekasse.at



Sustainability: Protection against crises.

We are living in very particular times: after years of prosperity, the recession has become an uninvited guest. Stock market prices have fallen through the floor worldwide and individual governments are trying to restart the economic engine with large-scale economic stimulus programs. Unemployment is nevertheless rising.

No wonder people's anxiety is growing. Secure anchors are required – as is a return to the essential. The financial sharks have failed, in addition to protecting jobs, the security of personal savings and entitlements has once again become a central theme.

This “disenchantment” on the part of greedy speculators does have a worthwhile aspect too: it has shown that there is also such a thing as social responsibility, that long-term durability and conscious handling of our environment are key challenges that we should all rise to.

In this respect, sustainability is not a trend of a pampered and affluent society but a new and intelligent form of the modern economy. Companies that have this as the main objective in their company philosophy are among those supporting a better future. They are virtual building blocks in a new world learned from old mistakes.

Such responsible, long-term thinking is quite appropriate for provident funds. For millions of people in our country they have in fact become a “stable anchor” financially speaking. The expansion with the new-look indemnity scheme to include the self-employed and freelancers has widened the network of qualifying beneficiaries even further - an important step in such economically stormy times.

Crises are like an “elk test” for each company. This is because it proves what has endured and what was merely a volatile extreme. This is also reflected in the investment results: Those who have managed to steer their way through the turbulence of recent months consistently and without damage, have made a real achievement. This is all the more gratifying when it has also been achieved taking social and ecological aspects into account.

Sustainability and crisis protection are not even opposites but are interdependent: A formula for success that is future-proof. The more companies committing to this strategy, the better for our society.



Dr. Georg Wailand

Editor of
business magazine GEWINN

Old style – a discontinued model

The old style indemnity scheme applies to employees who were already in their employment 1. in January 2003. The employer pays severance pay and pension directly to the employee after at least 3 years of continuous employment however ...

- ... **only 15%** of employees were actually entitled to benefit
- ... **only 0,7%** received the maximum severance pay of 12 months' salary
- ... **entitlement was lost** in the event of resignation

Your severance pay entitlement after completing continuous employment:

Service years	3	5	10	15	20	25
Months' remuneration (Gross remuneration)	2	3	4	6	9	12

Old style



only 15%
of employees received
severance pay!

In the case of:

- termination by the employer
- mutually agreed termination
- justified early departure from the company
- expiry of fixed term employment

Times change

Technological advances and globalisation have radically altered the labour market. The consequences: less and less employees had been with an employer for long enough to actually be entitled to severance pay.

Parental leave and apprenticeships reduced entitlement as did terminations with “due” notice before the entitlement increment qualifying date. And in the case of resignation, severance pay was lost altogether.

thus social partners demanded a reform of the Austrian Severance Act to incorporate changes in the Austrian labour market.



New indemnity scheme – future-proof

The new-look indemnity scheme has applied to all new employment relationships since 1 January 2003. – It has also applied to freelancers since 1 January 2008.

From the 2nd month of employment, the employer pays 1.53% of the gross remuneration - including holiday pay and Christmas bonuses - monthly along with the social security contributions into the health insurance fund. The health insurance fund checks this amount and transfers it to the relevant provident fund. Your entitlement to severance pay is therefore now geared more towards the company provident fund.

NEW

ALL



- Employees
- Independent service providers
- Self-employed

Severance pay always safe

In all cases, you will receive the entire amount paid in - the law guarantees this. The actual severance pay amount depends on the investment however.

For the following periods, contributions are now also made by the employer, family assistance fund or job centre:

- **Military service, training and community service:** by the employer
- **Maternity leave and sick leave:** by the employer
- **Period of maternity pay:** by the family assistance fund (FLAF)
- **Terminal care:** by the family assistance fund (FLAF)
- **Unpaid leave for further training or education:** by the job centre

Full transfer

Make NEW from OLD

With this way of transferring your severance entitlements from the old indemnity scheme to the new system any existing severance entitlement (with your employer) will be amalgamated in full and transferred to a provident fund.

The following is required for this:

- Employment under the old style indemnity system
- Express written separate agreement between employer and employee regarding the amount to be transferred
- (Transfers are possible until 31 December 2012 at the latest.)
- Definition of a qualifying date and amount for the transfer

TIPP

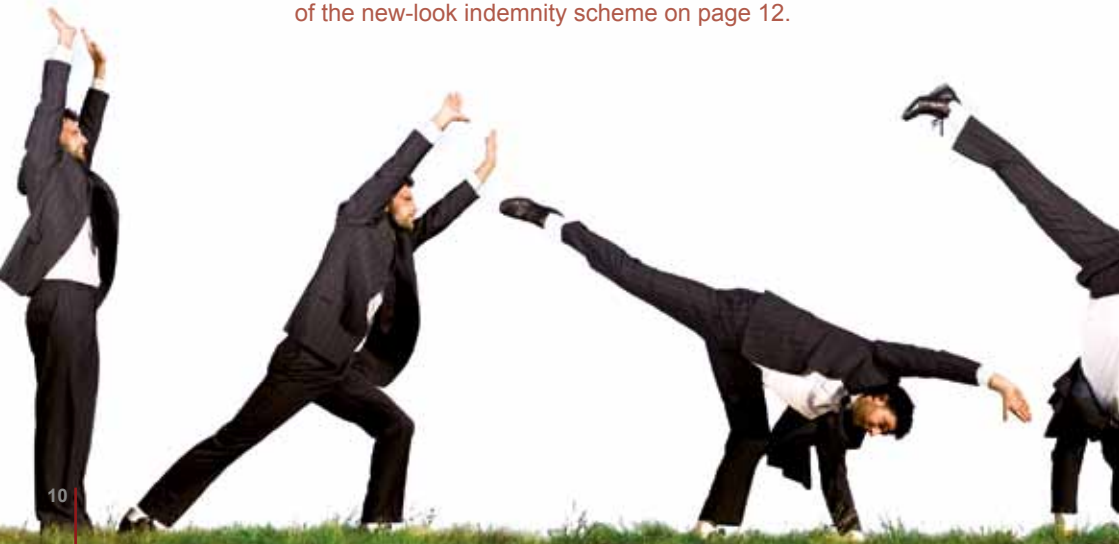
What else is required?

- Notification of change to the relevant health insurance fund (GKK)
- Transfer payment direct to the provident fund
- Payment of ongoing contributions to the GKK from the qualifying date
- Supplement to the adhesion contract with the VBV
- Notification of employee information to VBV

Benefits for you:

- All agreed entitlements remain fully retained by you/the employee – irrespective of other changes within the company.
- Your entitlements also continue to exist in the event of resignation

You can see all the benefits of the new-look indemnity scheme on page 12.



Partial transfer

The combination of both systems

The entitlements you have previous accrued under the old style system are frozen within the company. From the agreed qualifying date however ongoing contributions are paid into a provident fund. Both systems run in parallel.

Even after the agreed qualifying date, the old severance entitlement under the Salaried Employees' Act shall continue to apply to the frozen entitlements. The new Industrial Employee and Self-Employed Persons' Pension Plan Act (BMSGV) will apply to ongoing contributions.

Note: In the case of frozen entitlements under the old indemnity scheme, the entitlement lapses in the event of resignation!

The following is required for this:

- Existing employment under the old style indemnity system
- Express written separate agreement with the employer
- Determination of qualifying date and partial transfer

What else is required?

- Freezing of existing severance entitlements upon the qualifying date
- Notification of change to the relevant health insurance fund (GKK)
- Payment of ongoing contributions to the regional health insurance fund from the agreed qualifying date

Benefits for you:

- Contributions paid in under the new-look system can no longer be lost
- A partial transfer (freezing) is possible at any time! Even after 31. December 2012.



Benefits for you as NEW-STYLE employees



Greater social justice

With the new Severance Act, all employees starting a new 1. job after January 2003 are now entitled to severance pay. Even seasonal workers, apprentices, working women with shorter term employments and part-time employees benefit!

The new-style indemnity scheme transfers the severance pay to company provident funds. This means that after the 2nd month of employment the employer must pay 1.53 percent of the gross salary (including holiday pay and Christmas bonuses) a month together with the social security contributions to the health insurance fund. The latter checks the amount and transfers it to the provident fund.

Mobility without risk

The new style indemnity scheme **does not lapse** if you

- **change your job frequently resign**
- **leave without giving notice.**

Note: The credit is not then paid out however but **is reinvested** in the provident fund.

Entitlement under the new-style indemnity scheme

This means that severance pay entitlement still exists if you terminate the employment. You are therefore entitled to severance pay from the first day of employment under the new system. This also applies to periods in which you did not receive any pay (such as parental leave, military service or civil service)..

Claim entitlement for employees

This exists after paying in for 3 years and termination of your employment due to:

- dismissal by employer
- expiry of fixed term
- mutually agreed termination
- justified early departure

You will not have any claim to entitlement in the case of

- termination by employee
- unjustified early departure
- dismissal for fault
- less than 3 years of paying in

You will also have a claim to entitlement if you

- opt for a personal pension plan
- have not been employed for at least 5 years in a job for which contributions have been made to a provident fund (e.g. due to unemployment or self-employment).



Your severance pay is guaranteed!



The provident fund guarantees you receive at least the total of any contributions made and any transferred capital amounts from other provident funds. This guarantee is legally established (section 24 of the Austrian Industrial Employee and Self-Employed Persons' Pension Plan Act). This is a gross guaranteed amount.

More pension - less tax

You decide at the start of your pension whether or not you

- get the **entire entitlement immediately** or
- monthly as a **lifelong supplementary pension**.

Payment as a pension is tax-free and therefore particularly appealing. In the case of a one off payment, you will pay 6% income tax.

Provision for heirs

Under the new system, spouses and children for whom family allowance is received have full entitlement to the severance pay. Under the old scheme they only receive half. Another benefit of the new-look indemnity scheme: If there are no eligible beneficiaries, the entire severance entitlement goes to the deceased's estate anyway. Under the old indemnity scheme, the entitlement would lapse.

Regardless of latest earnings

Where the latest earnings are lower than previous earnings, you will still receive the full severance pay. Since there new indemnity scheme therefore there is no longer any risk involved to the amount of severance pay when changing from full to part time. Under the old scheme, the latest earnings always determined the amount and therefore often led to lower severance pay.

General claim options

As soon as you have a claim entitlement, the VBV – Vorsorgekasse automatically sends you a letter detailing your claim options. These are the same for both salaried employees and the self-employed:

- **Reinvestment** in the VBV – Vorsorgekasse (except for pensioners)
- **Lifelong tax-free supplementary pension** – for this you transfer the credit to a pension fund, public supplementary pension scheme or occupational collective insurance
- **Transfer** to another company provident fund
- **Payment** of the balance – less 6% income tax

Please help us learn more about your requirements and improve our service. There are also 3 vouchers for a relaxing wellness break up for grabs. The prize is valid for 2 people in a luxury wellness hotel (2 night stay including breakfast).

TAKE part now & WIN!



Simply send the completed questionnaire by fax to **01/217 01 - 78123**.
Or follow the link on our homepage: www.vorsorgekasse.at/gewinn
Your data will not be passed to third parties!

YES, I WOULD LIKE TO ENTER THE COMPETITION

All completed questionnaires - even copies - will be entered. Correct name and address is required to win. Only one entry per person. All winners will be informed in writing.

Closing date for entries is 31 December 2010. The competition decision shall be final.

My name: _____

My address: _____

**Please simply check
as applicable:**

Highly applicable = 1 Applicable = 2
Somewhat applicable = 3 Not applicable = 4

1) I am happy with the VBV – Vorsorgekasse's service.

1 2 3 4

I am not happy because:

2) Information about my fund is easily available at the www.vorsorgekasse.at homepage.

1 2 3 4

3) As the first Austrian provident fund, the VBV – Vorsorgekasse received ISO certification and has hitherto achieved the best possible overall result in the sector through sustainable investment and has received numerous national and international awards.

I knew this
I did not know this

4) Sustainable investment and responsibility for the environment and society are very important to me! I would therefore like my contributions to also be invested sustainably.

1 2 3 4

5) I can also view my current account balance and information about investment results via my personal Internet account at www.vorsorgekasse.at.

I knew this
I did not know thi

6) I can transfer my balances with other provident funds to my current account with the VBV – Vorsorgekasse after 3 years.

I knew this
I did not know thi

7) I have a positive image of the VBV – Vorsorgekasse.

1 2 3 4

I would also like to tell the VBV – Vorsorgekasse:

The self-employed now also receive severance pay!

Since 1 January 2008, the self-employed have also been able to take advantage of the benefits of the corporate provident fund. The provident fund for the self-employed is compulsory for all tradesmen and new freelancers where they have compulsory health cover. This applies to all members of the chamber of commerce. Participation in the provident fund for the self-employed is voluntary for liberal professions.

Providing for the self-employed

In brief, the new regulation is compulsory for all members of the chamber of commerce. Freelance professionals (doctors, dentists, vets, lawyers, pharmacists, patent lawyers, chartered accountants, consultant engineers and notaries) can also voluntarily opt for the self-employed provident fund within 12 months of starting their professional activities.

Who collects my contributions?

Your contribution to the self-employed provident fund will be 1.53 percent of preliminary basis for contributions to the health insurance fund or pension fund. This amount always stays the same even when recalculated. Lawyers and notaries always have the maximum contribution basis.

For self-employed persons with GSVG compulsory insurance: Your contributions will be collected by the social insurance authority along with the health insurance contributions. This means you personally have no additional administration costs.

For freelancers: Your contributions will be collected by the social insurance authority along with the pension fund contributions.

Exception: For the group of lawyers and civil engineers, contributions are collected by the provident fund directly by direct debit. This means you personally have no additional administration costs.

Choosing company provident funds

For self-employed persons with GSVG compulsory insurance: At the start of their self-employment they have six months to join a provident fund. As a self-employed person you must be in the same provident fund as your employees. If you fail to make a decision on time, you will be assigned a provident fund by the central association of social insurance carriers.

For freelancers: From the start of your freelance work, you have 12 months to join a provident fund. Your provident fund then informs the social insurance authority and the professional organisation responsible for you (applies to lawyers and civil engineers) about conclusion of the agreement.



Benefits of the provident fund for the self-employed at a glance

- Provident fund contributions are operating expenses
- Investment is not subject to capital gains tax
- Gross capital warranty on all contributions paid in Contributions
- Secure, sustainable investment
- Service from the leading company provident fund in Austria
- Option of a lifelong, tax-free supplementary pension
- Inheritability of pension rights

More pension – save taxes

All tax incentives for salaried employees also apply to the self-employed. For tax purposes, your contribution to the self-employed provident fund is regarded as an operating expense and investment in the company provident fund is tax free.

You decide at the start of your pension whether or not you

- get the entire entitlement immediately or
- monthly as a lifelong supplementary pension.

This supplementary pension is tax free! And thus significantly more appealing than a one off payment on which you have to pay 6% income tax.

Entitlement claims for the self-employed (GSVG compulsory insurance)

You must have 36 months of contributions. Other requirements:

- Your business has been suspended for at least 2 years
- Your compulsory insurance under the health insurance system has come to an end
- Your professional activities have ended.

Entitlement claims as a freelancer

You must have 36 months of contributions. Other requirements:

- Your compulsory insurance must have ended for at least 2 years due to ending the professional activities or the professional authorisation lapsing or
- your compulsory insurance has ended for at least 2 years due to ceasing the professional activities relevant to the pension insurance pursuant to section 2 of the BMSVG, or
- no professional activities have been exercised for at least 2 years.

In all cases the self-employed and freelancers will have entitlement claims if they

- have no longer had to pay any contributions to a personal pension plan
- under the statutory pension insurance for at least 5 years.

You were simultaneously employed and self-employed or one after the other? Then your benefit entitlements under the self-employed provident fund and under the company provident fund will be reviewed independently of one another. Your contribution periods will not be amalgamated.

Sustainable & transparent

Directly after its foundation in 2002, as the first company in the sector, the VBV – Vorsorgekasse appointed a supporting ethics committee. Within the context of a value-oriented management, social and ethical criteria for sustainable investment were defined in collaboration with advisory board members - recognised representatives from the fields of ecology and health. These have been taken into account for all investments since the beginning.

The VBV – Vorsorgekasse
is THE sustainable Austrian provident fund.
Numerous awards show that this has been a success:



As the first Austrian provident fund the VBV received **ISO certification** from **QUALITY AUSTRIA. ISO 14001** stands for certified environmental management. The aim is to promote environmental protection and avoid environmental pollution in accordance with social and economic requirements.



The **Global Reporting Initiative (GRI)** endorses our current sustainability report with the highest possible quality level. The basis of reporting in accordance with GRI criteria is transparency; the aim is standardisation and comparability within international dialogue.



Investment in the VBV – Vorsorgekasse is certified by the **Austrian Society for the Environment and Technology (ÖGUT)**. The ÖGUT is the independent organisation for the environment, the economy and administration. The following are verified and certified:

- Sustainability within the investment concept and investment policy
- Sustainability within implementation of the investment concept
- Transparency of reports and information



The VBV – Vorsorgekasse has been awarded the **Austrian Sustainability Reporting Award**. This honour is awarded by the Austrian Environment Ministry, the Federal Office for the Environment, the Federation of Austrian Industry and the Austrian Chamber of Chartered Public Accountants.



External recognition for honest sustainable commitment:
Five of the **funds** used by the VBV – Vorsorgekasse bear the Austrian Environment Ministry's **Austrian Environment Mark**.



This VorsorgeINFO has been environmentally friendly **printed on FSC paper**. Paper certified by the Forest Stewardship Council (FSC) comes from **controlled sustainably managed forests** traded in accordance with Fair Trade rules. The FSC seal therefore relates to the ecological quality of the printed material.



The future: sustainable

At the moment it seems to be no laughing matter. As far as the eye can see: crises. Clearly discernible as never before. All all completely comprehensible to us. Solutions are sought.

On the one hand, it is now a matter of urgency for the following to become clear to the majority: Continuing as before would only lead us further down the blind alley of unemployment, climate change, poverty and environmental destruction etc. We must (not: we could) sustainably shape our national and global finance, business administration and social security for the long term.

The necessary ingredients are widely known. Politics, media, science and the economy energetically debate ways of combating crisis points. Sustainability is named more and more (even as a magic formula) yet the principle and implementation are quite simple: **“only take out as much as actually grows back”**.

This worked before. 300 years ago, entire stretches of forest were cleared in our region. Total loss threatened, an Austria with rocky bald patches. Thus the terms and conditions of sustainable trading have been defined in the Austrian Forestry Act. And we are now delighted with this decision.

Let us remember that: sustainable development helps avert or reduce crises. Examples available! Modern sustainability incorporates economic, social and ecological thinking: The economy, society and nature are three pillars required to establish balance.

To cut to the chase: “Success has three letters: ACT!” This quote from Goethe describes why the principle of the new-look indemnity scheme has essentially achieved such substantial things: It was implemented! The principle of severance pay and retirement provisions has been placed on a new footing. Provident funds safeguard entitlements, guarantee payouts and streamline investment. Sustainability is already proving its worth. Within the context of management based on security, profit and long-term appreciation in value. Sustainability can also be implemented in the sub-sectors.

Considering the VBV – Vorsorgekasse for example: No other company in the sector has – since its foundation – an ethics committee, writes a sustainability report annually and implements value-oriented management: holistic thinking within the three dimensions of sustainability.

The first dividend is economic success and stable market value. The second dividend is social justice which arises through investing in society and infrastructures. The third dividend is an ecologically intact environment. Thanks to the “sustainability magic formula”, several values emerge from a single economical value. Sustainable provision for the future sets the standard.

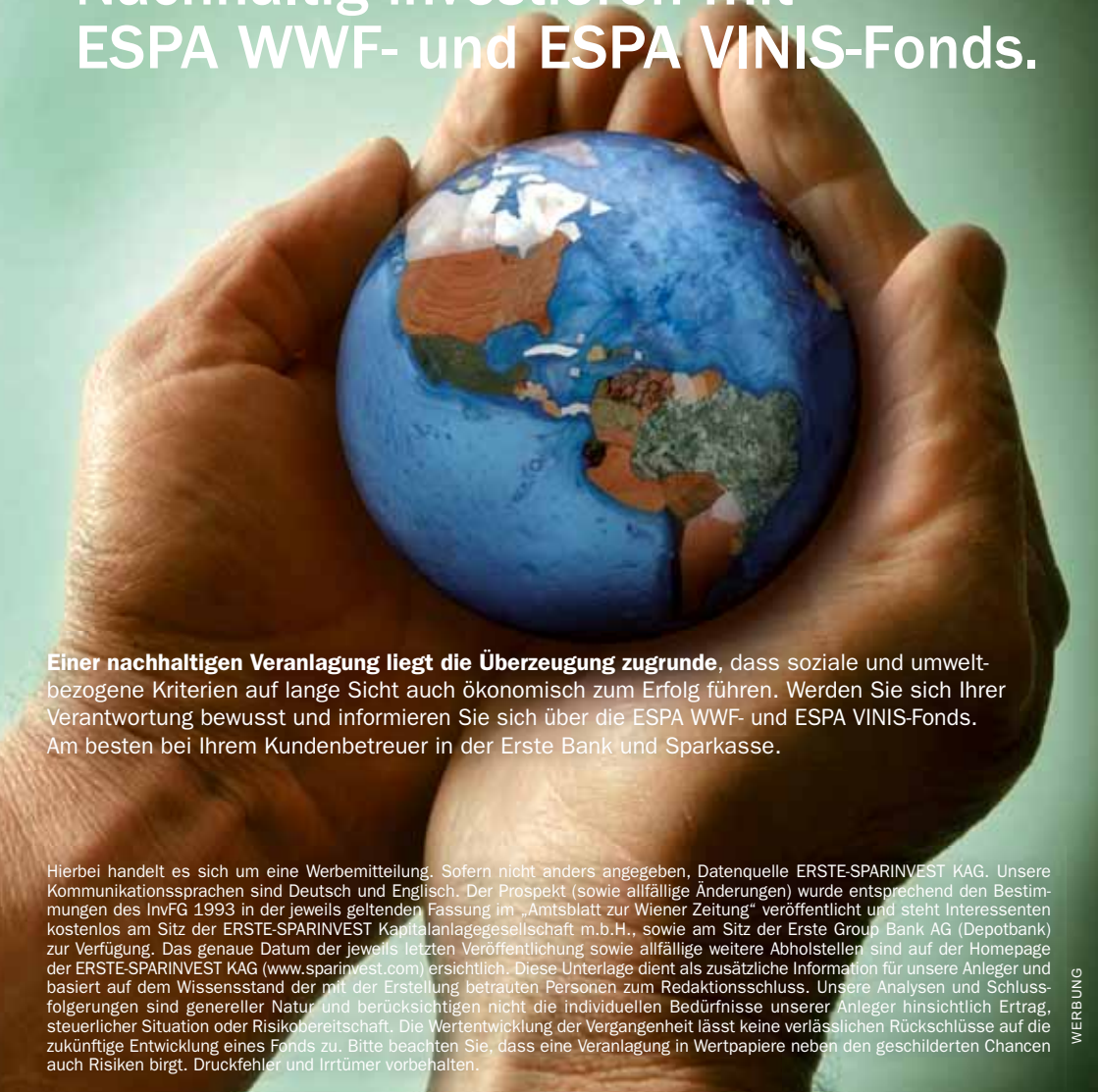


Dr. Alfred Strigl

Is Direct of plenum – gesellschaft für ganzheitlich nachhaltige entwicklung (www.plenum.at). He teaches at the University of Natural Resources and Applied Life Sciences, Vienna, New Design University, St. Pölten and the Asia Pacific University in Beppu, Japan.



Nachhaltig investieren mit ESPA WWF- und ESPA VINIS-Fonds.

A pair of hands is shown from the bottom, cupping a small, realistic-looking globe of the Earth. The globe shows continents in brown and green and oceans in blue. The background is a soft, light green gradient.

Einer nachhaltigen Veranlagung liegt die Überzeugung zugrunde, dass soziale und umweltbezogene Kriterien auf lange Sicht auch ökonomisch zum Erfolg führen. Werden Sie sich Ihrer Verantwortung bewusst und informieren Sie sich über die ESPA WWF- und ESPA VINIS-Fonds. Am besten bei Ihrem Kundenbetreuer in der Erste Bank und Sparkasse.

Hierbei handelt es sich um eine Werbemitteilung. Sofern nicht anders angegeben, Datenquelle ERSTE-SPARINVEST KAG. Unsere Kommunikationssprachen sind Deutsch und Englisch. Der Prospekt (sowie allfällige Änderungen) wurde entsprechend den Bestimmungen des InvFG 1993 in der jeweils geltenden Fassung im „Amtsblatt zur Wiener Zeitung“ veröffentlicht und steht Interessenten kostenlos am Sitz der ERSTE-SPARINVEST Kapitalanlagegesellschaft m.b.H., sowie am Sitz der Erste Group Bank AG (Depotbank) zur Verfügung. Das genaue Datum der jeweils letzten Veröffentlichung sowie allfällige weitere Abholstellen sind auf der Homepage der ERSTE-SPARINVEST KAG (www.sparinvest.com) ersichtlich. Diese Unterlage dient als zusätzliche Information für unsere Anleger und basiert auf dem Wissensstand der mit der Erstellung betrauten Personen zum Redaktionsschluss. Unsere Analysen und Schlussfolgerungen sind genereller Natur und berücksichtigen nicht die individuellen Bedürfnisse unserer Anleger hinsichtlich Ertrag, steuerlicher Situation oder Risikobereitschaft. Die Wertentwicklung der Vergangenheit lässt keine verlässlichen Rückschlüsse auf die zukünftige Entwicklung eines Fonds zu. Bitte beachten Sie, dass eine Veranlagung in Wertpapiere neben den geschilderten Chancen auch Risiken birgt. Druckfehler und Irrtümer vorbehalten.

Model Austria!

“The new-look indemnity scheme is the European textbook example of flexibility in the field of work.”

“Flexibility is promoted among employees through the monthly payments. The loss of employee entitlements when switching to a new employer is avoided. The ability to receive a lifelong, tax-free pension upon retirement significantly supports pension schemes within Austria.”

Vladimir Spidla, former EU Social Affairs Commissioner

Internationally unique

Austria's social partners achieved great results in 2002: every year the new-look indemnity scheme creates greater justice for hundreds of thousands of employees and gives employers simple, clearly defined funding without risk.

The unanimous law passed by the Nationalrat demonstrated the common philosophy and in 2008 led to expansion of the scheme to include the self-employed, freelancers and liberal professions.

Austria is a model within the European Union.

Also because the new-look indemnity scheme can be transformed into a supplementary company pension with tax incentives. This reinforces the second pillar of pension provisions. This makes Austria a model in turbulent times.



Sustainable risk management for your secure future!

Sustainable Risk Management



Ing. Mag.
Martin A. Vörös,

Member of the Management Board

In order to optimise the quality of the stakeholders constantly and sustainably (observation of the economic, social and ecological marginal conditions), we have several control mechanisms. Risk management at VBV means more security for our customers.

With the fundamental decision for a sustainable management system we have set clear objectives. We do not wish to later rectify undesirable developments, instead we want to anticipate critical developments. It is therefore important to know the needs and expectations of our interest groups in order to continue to be pioneers. Every year groups who may have claims against us are surveyed.

These stakeholder surveys of clients, works councils and decision-makers allow us to see the provident fund from the point of view of the stakeholders and learn from the varied feedback.

For our objectives – from secure investment, open communication, through the latest risk management to ecological office procurement – we have initiated process in which we take our steps with commitment.

Naturally the core area of investment is also constantly monitored. In addition to the statutory supervisory bodies (e.g. supervisory board, auditors, financial market authority, Austrian national bank) an ongoing control process is in effect within the VBV. The investment strategies are monitored and the statutory requirements exceeded daily – to the benefit of our clients.

Lots of benefits for you

- **Our size:** The VBV – Vorsorgekasse has become the leading provident fund in Austria.
- **Strong partners:** We collaborate with Austria's leading banks and insurance companies.
- **Sustainability & security:** We invest your money sustainably – with the aim of achieving long-term returns. |
- **Service quality, openness and transparency:** National and international awards also confirm our high standards here.
- **Guaranteed income:** Investor compensation is also available for this.

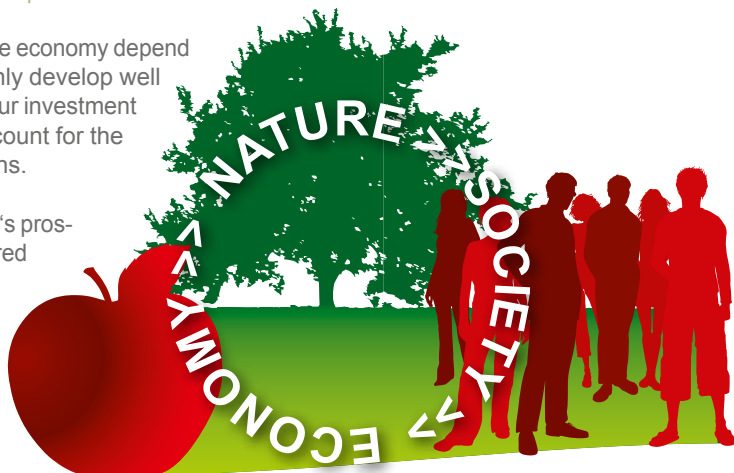


Sustainable investment: Investment with responsibility

Investing capital responsibly and sustainably: That is the VBV – Vorsorgekasse's investment philosophy. This strategy is also worthwhile for you: For years our investment results have been greater than those of our competitors.

Environment, society and the economy depend on one another and can only develop well in the long term together. Our investment strategy takes this into account for the benefit of future generations.

The resources for tomorrow's prosperity must not be endangered through profit optimisation. We also spread assets the assets such that you retain the maximum security and stability.



Ethically chosen – with support from our ethics committee

As far back as its foundation in 2002, as the first provident fund the VBV established an ethics committee. There you will find leading personalities from the fields of ecology, health, social affairs and ethics. All of our investments must first be approved by the ethics committee – an additional guarantee of true honest sustainability.

Only the best

The best-in-class system supplements our criteria. This system identifies companies that best meet ecological or ethical standards within their field.

Sustainability criteria The VBV – Vorsorgekasse's

exclusion criteria are nuclear energy, child labour, pornography, arms production, the tobacco industry, avoidable animal testing and the death penalty – for this reason nor do we work with any US American government bonds.

Positive criteria are ecological and social benefits. These include, for example, eco-efficiency, environmental management, outstanding contact with staff or open reporting.

Negative criteria are authoritarian governments, restriction of media freedom and diversity of opinion, genetic engineering, any type of exploitation or discrimination against women or minorities.

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Regional health insurance fund branch offices

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Landesstelle Vorarlberg

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Fax (05522) 766 42 - 7810

Glossary

New-look indemnity scheme: Applies to all employment starting after 31 December 2002.

Investor compensation: In addition to the legally stipulated provident fund gross capital guarantee, each individual member with accrued rights is also safeguarded by means of investor compensation. As an Austrian bank the VBV – Vorsorgekasse AG is unreservedly subject to the Austrian provisions on investor compensation (sections 93 and subsequent of the Austrian Banking Law). For the statutory deposit protection scheme, the VBV – Vorsorgekasse AG is a member of Banken und Bankiers GmbH. Individual members' accrued indemnity entitlements or pension rights in a provident fund for the self-employed are therefore secured up to a maximum sum of 20,000 Euros. See also "Deposit Guarantee".

Pension rights: Your entitlement under the company provident fund as an employee or freelancer. It consists of the contributions paid in and/or any transferred entitlement. This amount is increased by the investment results.

Member with accrued entitlement: Employee or freelancer in the company provident fund system for which contributions are paid into a provident fund.

Contribution account: Your contributions to the company provident fund are kept here.

Assessment basis: Amount of your health, accident and pension insurance contributions calculated by the social insurance carrier. You can find the current figures for the maximum contribution basis on our homepage www.vorsorgekasse.at.

Austrian Industrial Employee and Self-Employed Persons' Pension Plan Act (BMSVG): Statutory basis for company provident fund.

Company provident fund: Company provident funds manage contributions to employee provision schemes and provision schemes for the self-employed. Legally a company provident fund is regarded as a bank and is subject to the Austrian Banking Act. They are controlled by the financial market authority (FMA) and the Austrian National Bank (OeNB).

Gross capital guarantee: You will receive at the very least the total of all contributions paid into the fund. This guarantee is governed by section 24 of the Austrian Industrial Employee and Self-Employed Persons' Pension Plan Act (BMSVG).

Corporate Social Responsibility (CSR): Social responsibility of companies. This value-oriented management system provides companies with the basis for incorporating social and environmental issues into their activities voluntarily.

Deposit guarantee: The VBV – Vorsorgekasse AG is a member of the Banken und Bankiers deposit protection system. As a result your credits are safeguarded. For more information see www.einlagensicherung.at.

Total fictional entitlement: The severance and pension entitlement accrued under the old indemnity scheme by a specific qualifying date. Fictitious since the actual severance and pension entitlement depends on the nature of termination of the employment.

Financial Market Authority (FMA): Independent and autonomous supervisory body for Austria's financial market.

Account information: This will be sent to you once a year at your home address with details as at the qualifying date of 31 December in the previous year. It shows all contributions, a detailed cost breakdown and the assigned investment result by this qualifying date.

Exception: if no contributions are made to your account for more than 12 months and account activity is less than 30€ since the last account information was sent, you will only have account information sent every third year.



Estate: The entire assets belonging to a deceased person or their legacy. The heirs do not automatically acquire the estate but only through court proceedings (probate proceedings).

Rucksack principle: Your severance pay entitlement is non-lapsable even if you resign from your employment. The contributions paid in will not be paid out however but will remain in the provident fund. You take this entitlement with you “in a rucksack”.

Self-employed provident scheme: Pension scheme with tax incentives. Compulsory for all self-employed persons since 01.01.2008. Freelancers can voluntarily join this scheme.

Social partners: Austria has a particularly distinctive system of voluntary collaboration of interest groups. The four major groups are the Austrian Federation of Trade Unions (ÖGB), the Austrian Federal Economic Chamber (WKO), the Federal Chamber of Labour (BAK) and the Presidential Conference of the Austrian Chambers of Agriculture.

Social Insurance Authority: The social insurance service for commerce and industry (SVA) is responsible for health and pension insurance for companies and the self-employed. The SVA manages health insurance and pension insurance for tradesmen and the self-employed and freelance nationwide. It is therefore the regional health insurance fund's counterpart.

Transfer: You can transfer old style severance entitlement to new severance entitlement.

Entitlement claim: The ability to access entitlements under the company provident fund. The relevant information is passed on by the employer to the provident fund through the health insurance carrier. You will be informed of your entitlement claim automatically.

Allocation process: Applies to companies/self-employed who still have not chosen a company provident fund six months after employment of the first employee or after starting the self-employment. They are then asked in writing to rectify this within three months. If this period also passes without any company provident fund being chosen, the company/self-employed person is allocated a provident fund. Imprint

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Note: Where personal terms are used in this brochure, they shall refer to both men and women equally.

- ✓ Mitarbeiter
- ✓ Freie Dienstnehmer
- ✓ Selbständige

Mit Nachhaltigkeit zum Erfolg.

Die VBV – Vorsorgekasse betreut mittlerweile jeden dritten Arbeitnehmer und jedes dritte Unternehmen in Österreich – und ist damit Marktführer.

Auf lange Sicht ... vorausschauend



www.vorsorgekasse.at