

COUNTRY GUIDE – Austria

(January 2019, updated in January 2022)

Important notes: *This guide does not override the Listing Rules (“Rules”) and is not a substitute for legal, regulatory, tax, financial or any other advice from qualified professional advisers. If there is any conflict or inconsistency between this guide and the Rules, the Rules prevail. You may consult the Listing ~~Department~~Division on a confidential basis for an interpretation of the Rules, or this guide.*

The information contained in this guide on foreign laws, regulations and market practices is based on that provided to us by potential listing applicants, listing applicants, listed issuers, their respective advisers or officials from the relevant jurisdiction. We have not separately verified this information nor have we updated this information since its receipt. ~~We will revise this guide to reflect changes in this information only when notified of these changes.~~

~~*A new applicant for listing that is incorporated in Austria must confirm to the Exchange, with its initial application for listing, that Austrian laws, regulations and market practices contained in this guide are still applicable, or provide us with details of any changes that are relevant to its circumstances together with a confirmation that these changes will not affect the applicant's compliance with the shareholder protection standards under the Joint Policy Statement.*~~

Subsequent Development (Updated in January 2022)

In November 2021, the Exchange introduced a new listing regime for overseas issuers which covers, among other things, that all issuers are required to comply with the core shareholder protection standards under the revised Appendix 3 of the Main Board and GEM Listing Rules (where applicable) (the “Core Shareholder Protection Standards”). The amended Listing Rules are effective as from 1 January 2022. Information in this country guide may be outdated upon the introduction of such listing regime. Issuers and their advisers are advised to exercise caution when reading the guidance in this country guide.

A new applicant that is incorporated in the jurisdiction of this country guide should refer to the revised Appendix 3 of the Main Board and GEM Listing Rules (where applicable) for the expected Core Shareholder Protection Standards required by the Exchange.¹ Should there be any changes in the laws, regulations and market practices described in this country guide which might or would adversely affect a new applicant’s compliance with the expected Core Shareholder Protection Standards or any applicable

¹ *Including codification with modification of certain requirements under the Joint Policy Statement regarding the Listing of Overseas Companies, which was superseded and no longer effective as from 1 January 2022.*

Listing Rules, such new applicant should inform the Exchange of any such changes. A new applicant is also encouraged to consult the Exchange at the earliest opportunity if there is any enquiry on the guidance or requirements in this country guide.

Purpose of this Guide

This guide is one of a series that gives guidance on our treatment of listing applications from overseas issuers incorporated in a particular jurisdiction. The aim of this guide is to enhance applicants' understanding of our expectations, practices, procedures and the criteria we consider when applying the Rules for overseas issuers.

This guide should be read in conjunction with the ~~Joint Policy Statement Regarding Listing of Overseas Companies (published on 27 September 2013 and amended on 30 April 2018)~~², Listing Rules, in particular, the Core Shareholder Protection Standards, Chapter 19 of the Main Board Rules (Chapter 24 of the GEM Rules) (for primary listing applicants) and Chapter 19C of the Main Board Rules (for secondary listing applicants). All issuers incorporated in Austria in the form of either a stock corporation or a Societas Europaea and are not and will not (a) offer any shares to the public in, or (b) listed or seek a listing of its shares (whether on a primary or secondary basis) on stock exchanges within, the European Economic Area (“Eligible Austrian Companies”) can apply for one or more “common waivers”³ and those with, or seeking, a secondary listing⁴ do not need to apply for waivers of certain Rules which are automatically waived for them⁵. *(Updated in January 2022)*

Summary of our Approach

~~Subject to Eligible Austrian Companies meeting the conditions set out in this guide, we do not consider Austrian shareholder protection standards to be materially different to our own~~ must demonstrate how the Austrian laws and regulations and their constitutional documents, in combination, provide the Core Shareholder Protection Standards. *(Updated in January 2022)*

~~This Country Guide gives guidance on the Exchange’s treatment of listing application from The Exchange’s acceptance of Austria as an Acceptable Jurisdiction is limited to~~ Eligible Austrian Companies. No analysis on the acceptability of an Austrian company that is not organised in the form of a stock corporation or Societas Europaea, or offers its shares to the public in or its shares are listed (whether on a primary or secondary basis) on stock exchanges within the European Economic Area is hereby provided *(Updated in January 2022)*.

The statutory securities regulator in Austria, namely the Austrian Financial Markets Authority (Finanzmarktaufsicht), is a full signatory to the IOSCO

² Available on the HKEX website at: <https://www.hkex.com.hk/-/media/HKEX-Market/Listing/Rules-and-Guidance/Other-Resources/Listing-of-Overseas-Companies/A-List-of-Acceptable-Overseas-Jurisdictions/jps-20180430.pdf?la=en>

³ Primary Listing: Main Board Rule 19.58 (GEM Rule 24.25); Secondary Listing: Main Board Rule 19C.11B

⁴ JPS, Section 5.

⁵ JPS, paragraph 94. Main Board Rule 19C.11

MMOU⁶ and Austria meets our international regulatory co-operation requirements because it already has adequate measures in place with the Securities and Futures Commission of Hong Kong *(Updated in January 2022)*.

⁶ IOSCO Multilateral Memorandum of Understanding Concerning Consultation and Cooperation and the Exchange of Information

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1. Background

- 1.1 The Austrian company law equivalent to the Hong Kong Companies Ordinance (Cap. 622) and the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) is the Austrian Stock Corporation Act (“SCA”) and the Austrian Commercial Code, which sets out requirements for Austrian incorporated stock corporations. Under Austrian law, any Austrian company incorporated in the form of a stock corporation pursuant to the SCA or a *Societas Europaea* is eligible to obtain a listing of its shares or depositary receipts on an overseas stock exchange.
- 1.2 The Austrian Financial Markets Authority (*Finanzmarktaufsicht*, the “FMA”) regulates and supervises, among other things, compliance with securities laws by listed companies.

2. Application of this Country Guide

- 2.1 This Country Guide applies to primary and secondary Main Board listing applicants, incorporated in Austria in the form of a stock corporation or a *Societas Europaea*, and are not and will not (a) offer any shares to the public in, or (b) listed or seek a listing of their shares (whether on a primary or secondary basis) on stock exchanges within the European Economic Area (“EEA”) (“**Eligible Austrian Companies**”).
- 2.2 The Exchange expects an Eligible Austrian Company seeking a listing in Hong Kong will list by way of depositary receipts (“DRs”). As GEM does not currently accept listing of DRs, an Eligible Austrian Company can only list its DRs on the Main Board (see paragraphs 5.12 to 5.15 below).

3. International Regulatory Co-operation Measures

- 3.1 ~~The Joint Policy Statement Regarding the Listing of Overseas Companies jointly published by The Stock Exchange of Hong Kong Limited (“Exchange”) and the Securities and Futures Commission (“SFC”) on 27 September 2013 and amended on 30 April 2018 (“JPS”) states that the statutory securities regulator of an overseas issuer’s jurisdiction of incorporation must have adequate arrangements with the SFC for regulatory co-operation⁷. Main Board Rule 8.02A states that each of the statutory securities regulator of an issuer’s jurisdiction of incorporation and the statutory securities regulator of the place of central management and control must be a full signatory to the IOSCO MMOU. This is to enable the Securities and Futures Commission (the “SFC”) to seek regulatory assistance and information from overseas statutory securities regulators to facilitate the SFC’s investigations and enforcement actions where an issuer has its records, business operations, assets and management outside Hong Kong. This requirement is met for issuers incorporated in Austria as the FMA, the statutory~~

⁷—JPS, paragraphs 47 to 50.

securities regulator in Austria, is a full signatory ~~of to~~ the IOSCO MMOU⁸. In addition, the FMA has an arrangement concerning mutual assistance and exchange of information with the SFC⁹. *(Updated in January 2022)*

- 3.2 If a listing applicant is incorporated in Austria but its place of central management and control¹⁰ is elsewhere, the statutory securities regulator of that jurisdiction must also be a full signatory to the IOSCO MMOU (Updated in January 2022) ~~similar international cooperation arrangements must generally also be in place with that jurisdiction.~~

4. JPS-Core Shareholder Protection Standards

- 4.1 ~~Subject to the~~ Eligible Austrian Companies ~~demonstrating how their practices with respect to the matters set out below, where applicable, conform to the JPS requirements¹¹, we do not consider the Austrian shareholder protection standards to be materially different to those in Hong Kong¹².~~ must demonstrate how the domestic laws, rules and regulations to which they are subject and their constitutional documents, in combination, provide the Core Shareholder Protection Standards set out in Appendix 3 of the Main Board Rules (Appendix 3 of the GEM Rules).

Based on submissions by a potential applicant, we have set out below details of the differences between Austrian laws, rules and practices and the then requirements in the Joint Policy Statement Regarding the Listing of Overseas Companies (“JPS”) (repealed as of 1 January 2022). Where we have in the past accepted a practice and it is still relevant for assessment under the new listing regime for overseas issuers, we have stated this below. Austria incorporated applicants should amend their constitutional documents to address the shortfall in compliance with the Core Shareholder Protection Standards. (Updated in January 2022)

The information contained in this guide on Austrian laws, regulations and market practices is based on submissions by a potential applicant. We have neither separately verified this information nor have we updated this information since its receipt. Issuers and their advisers are advised to exercise caution when reading the guidance in this country guide. Should there be any changes in the laws, regulations and market practices described in this country guide which might or would adversely affect the new applicant’s compliance with the expected Core Shareholder Protection Standards or any applicable Listing Rules, such new

⁸ ~~The International Organisation of Securities Commission’s Multilateral Memorandum of Understanding Concerning Consultation and Cooperation and the Exchange of Information.~~

⁹ The arrangement is under a Memorandum of Understanding Concerning Consultation and Cooperation and the Exchange of Information signed by SFC and FMA in July 2013, which is available at the SFC’s website.

¹⁰ JPS, paragraph 50; Main Board Rule 8.02A

¹¹ ~~We list the key shareholder protection standards with which applicants must demonstrate equivalence in Section 1 of the JPS.~~

¹² ~~Notes to Main Board Rules 19.05(1) and 19.30(1), and JPS, paragraphs 32 and 33.~~

applicant should inform the Exchange of any such changes. (Added in January 2022)

Matters requiring a super-majority vote

- 4.2 The then JPS requires the following resolutions of an overseas company to be approved by a super-majority vote of members or by a simple majority vote of members plus a significantly higher quorum:
- (a) changes to the rights attached to any class of shares (votes by members of that class);
 - (b) material changes to an overseas company's constitutive documents, however framed; and
 - (c) voluntary winding up of an overseas company.
- 4.3 Under Austrian law, the resolutions referred to in paragraph 4.2 above are required to be approved by a special resolution at its general meeting by at least a qualified majority vote (i.e. a majority of the share capital present at the general meeting and at least 75% of votes cast, the "**Qualified Majority Vote**"). However, with regard to paragraph 4.2(b), except for certain matters as specified in the SCA, an Austrian company is allowed to change the Qualified Majority Vote requirement.

Our Approach prior to 1 January 2022

- 4.4 To conform to the then JPS requirements, Eligible Austrian Companies can modify their constitutional documents to specify that material changes to the company's constitutional document must be approved by a super-majority vote of members or by a simple majority vote of members plus a significantly higher quorum.

Subsequent Development since 1 January 2022

- 4.5 The requirements comparable to the then JPS requirements were codified with modification in paragraphs 15, 16 and 21 of the revised Appendix 3 of the Listing Rules. As regards variation of rights, paragraph 15 of Appendix 3 also requires that the quorum for such meeting shall be holders of at least one third of the issued shares of the class. (Updated in January 2022).

Appointment, removal and remuneration of auditors

- 4.6 Under the then JPS, the appointment, removal and remuneration of auditors must be approved by a majority of an overseas company's members or other body that is independent of the board of directors.
- 4.7 Under Austrian law:
- (a) auditors are appointed by a resolution of the shareholders at the company's annual general meeting by ordinary majority (i.e., a majority of more than

50% of participating (present or represented) votes, excluding abstentions, “**Ordinary Majority**”) on the basis of a recommendation by the audit committee (which is a subcommittee of the supervisory board) for one fiscal year;

- (b) appointed auditors can only be removed by court based on material cause. The removal request can be requested by the management board, the supervisory board or shareholders with an aggregate shareholding of 5% of the share capital (or an aggregate share capital of EUR 350,000); and
- (c) the audit agreement between the auditor and the Austrian company includes the auditor’s remuneration and is concluded by the supervisory board on behalf of the Austrian company.

Our Approach prior to 1 January 2022

- 4.8 Although the management board is able to request removal of an auditor, such request will be assessed by the court and the auditor will only be removed by the court based on material cause. We consider there is sufficient safeguard provided to shareholders of an Eligible Austrian Company.

Subsequent Development since 1 January 2022

- 4.9 The requirement comparable to the then JPS requirement was codified in paragraph 17 of the revised Appendix 3 of the Listing Rules. (Updated in January 2022).

Timing of an annual general meeting

- 4.10 Under the then JPS, an overseas company is required to hold a general meeting each year as its annual general meeting (“**AGM**”), and generally no more than 15 months should elapse between the date of one AGM and the next.
- 4.11 Under Austrian law, an Austrian company must hold its AGM in the first eight months of each fiscal year, and a fiscal year may not be longer than 12 months. There is no statutory requirement on the time interval between AGMs. As such, more than 15 months could have elapsed between the date of one AGM and the next for an Austrian company.

Our Approach prior to 1 January 2022

- 4.12 To conform to the then JPS requirement, Eligible Austrian Companies can modify their constitutional documents to achieve an outcome substantially equivalent to that under the then JPS.

Subsequent Development since 1 January 2022

- 4.13 This then JPS requirement was codified with modification in paragraph 14(1) of the revised Appendix 3 of the Listing Rules, which provides that an issuer must hold a general meeting for each financial year as its annual general meeting and

generally, an issuer must hold its annual general meeting within six months after the end of its financial year. (Updated in January 2022).

Right to Speak and Vote at General Meetings

- 4.14 The then JPS requires that all members must have the right to speak and vote at a general meeting, except in cases where members having material interest in a transaction or arrangement are required, by the Listing Rules, to abstain from voting to approve the transaction or arrangement.
- 4.15 Under Austrian law, all shareholders of an Austrian company have the right to attend and vote in the general meeting. Shareholders are also entitled to ask questions and speak in a general meeting and to demand the management board to provide information regarding affairs of the company, insofar as it is necessary for the sufficient understanding of the matters on the agenda. A shareholder is not entitled to exercise the voting right only if the resolution relates to the discharging of such shareholder's liability or a claim asserted against such shareholder.

Our Approach prior to 1 January 2022

- 4.16 To conform to the then JPS requirement, Eligible Austrian Companies can modify their constitutional documents to provide for a voting mechanism to achieve an outcome substantially equivalent to that under the then JPS and Listing Rules.

Subsequent Development since 1 January 2022

- 4.17 The requirement comparable to the then JPS requirement was codified in paragraphs 14(3) and 14(4) of the revised Appendix 3 of the Listing Rules. (Updated in January 2022).

Other Core Shareholder Protection Standards

- 4.18 Compared to JPS and the previous Appendix 3¹³ to the Listing Rules, two new shareholder protection standards, namely, members' right to appoint proxies and corporate representatives¹⁴ and inspect Hong Kong Branch Register¹⁵ are added to require the applicants to demonstrate conformity. Applicants incorporated in Austria might not meet these two new Core Shareholder Protection Standards and may have to amend their constitutional documents accordingly. Issuers and their advisors should refer to the revised Appendix 3 of the Main Board and GEM Listing Rules for the complete set of Core Shareholder Protection Standards (Added in January 2022).

4.17—

¹³ The previous version of Appendix 3 of the Listing Rules that was in effective on or prior to 31 December 2021

¹⁴ Appendix 3, paragraph 18

¹⁵ Appendix 3, paragraph 20

5. Practical and Operational Matters

- 5.1 Reference is made to the Guidance for Overseas Issuers HKEX-GL111-22~~Section 4 of the JPS~~ which contains guidance on an overseas company's ability to comply with Hong Kong's rules and regulations; the eligibility of securities; cross-border clearing and settlement; Hong Kong depositary receipts; taxation; and stock name identifications. Applicants are encouraged to notify the Listing ~~Department~~Division if they envisage difficulties in complying with such matters, where applicable (Updated in January 2022).

Appointment of independent non-executive directors ("INEDs")

- 5.2 Main Board Rule 3.10 requires, among other things, that an issuer's board of directors to include at least three INEDs.
- 5.3 Austrian law does not have the concept of non-executive directors. As discussed in paragraph 5.10 below, the role of the management board is to manage the company's day-to-day business, and it is against Austrian law for an Austrian company to appoint any management board member who does not take on management roles (i.e. non-executive director). As such, no INEDs may be appointed to a company's management board. However, the roles and responsibilities of INEDs under the Listing Rules are similar to those of the supervisory board of an Austrian company under Austrian law.

Our Approach

- 5.4 Given the above, we will grant a waiver to Eligible Austrian Companies from strict compliance with Main Board Rule 3.10, subject to these companies appoint to the supervisory board three independent supervisors which satisfy the independence requirement of Main Board Rule 3.13 to take up the ~~principle~~principal duties and obligations of INEDs as required under the Main Board Listing Rules.

Cancellation of shares

- 5.5 Main Board Rule 10.06(5) provides that the listing of all shares which are purchased by an issuer (whether on the Exchange or otherwise) shall be automatically cancelled upon purchase and the issuer shall ensure that the documents of title of purchased shares are cancelled and destroyed as soon as reasonably practicable following settlement of any such purchase. Similarly, Main Board Rule 19B.21 provides that an issuer shall surrender the depositary receipts it purchased to the depositary, which shall then cancel the surrendered depositary receipts and transfer the underlying shares to the issuer, and such shares shall be cancelled by the issuer.
- 5.6 Under Austrian law, an Austrian company may buy-back own shares up to an amount of 10% (i.e. treasury shares) for certain purposes (e.g. servicing of employee participation schemes, capital reduction) or unspecified purposes over a period not exceeding 30 months, subject to the approval by the general meeting.

The shares repurchased do not carry any rights, including voting rights and dividend rights.

- 5.7 Austrian law allows an Austrian company to provide in its constitutional documents for a compulsory cancellation of its own shares executed in analogous application of the regulations concerning ordinary capital reduction. However, if for whatever reason, an Austrian company has purchased shares unlawfully (e.g. exceeded the threshold of 10% of the company's share capital or held longer than a specified period) ("**Relevant Shares**"), the cancellation of the Relevant Shares will require a Qualified Majority Vote at a general meeting. If such approval is not obtained, an Austrian company will have to resell the Relevant Shares.

Our Approach

- 5.8 To comply with Main Board Rules 10.06(5) and 19B.21, Eligible Austrian Companies can modify their constitutional documents to provide measures to ensure (a) shares and depositary receipts will only be repurchased for the purpose of cancellation; (b) all purchases will be made lawfully such that there will not be any Relevant Shares; and (c) the repurchased shares and depositary receipts will be cancelled as soon as practicable. We will consider, on a case by case basis, granting a waiver from strict compliance with Main Board Rules 10.06(5) and 19B.21 to an Eligible Austrian Company that holds treasury shares which it is unable to cancel (i.e. the resolution for the cancellation of the Relevant Shares is not approved) or sell prior to listing.

Shareholders' approval of Directors' service contracts

- 5.9 Main Board Rule 13.68 requires an issuer to obtain the prior approval of its shareholders in a general meeting (at which the relevant director and his associates shall not vote on the matter) for certain service contracts to be granted to any director or proposed director of the issuer or its subsidiaries.
- 5.10 Under Austrian law, members of the management board are appointed by the supervisory board. The management board is, collectively and individually, responsible for managing the Austrian company's business and represents the Austrian company in transactions with third parties. It reports to the supervisory board regularly. The supervisory board supervises and monitors the management board but is not authorised to make day-to-day management decisions. It is responsible for appointing and removing members of the management board and is authorised to represent the Austrian company in transactions with members of the management board. Accordingly, an Austrian company is represented by its supervisory board in entering into transactions with its management board with the exception of routine daily business transactions. As such, all service contracts with the management board, including those under Main Board Rule 13.68, are approved by the supervisory board.

Our Approach

- 5.11 To conform to the Rule requirement, Eligible Austrian Companies can modify their constitutional documents to ensure compliance with the Listing Rules.

Eligibility of securities

- 5.12 The then JPS provides that all listing applicants must make arrangement with Hong Kong Securities Clearing Company Limited (“HKSCC”) to ensure their securities are accepted as eligible for deposit, clearance and settlement in Central Clearing and Settlement System (“CCASS”) in accordance with the General Rules of CCASS.
- 5.13 Under HKSCC’s existing model, HKSCC, in its capacity as the central securities depository, holds the legal title to shares of a company listed on the Exchange as the shareholder on record in a branch register held in Hong Kong. HKSCC’s clearing participants hold the beneficial interest in such shares in their CCASS stock accounts opened with HKSCC in its capacity as central securities depository. When a sale/ purchase transaction in respect of such share is made on the Exchange, a transfer of title in such shares amongst HKSCC’s clearing participants is effected by way of book entry transfer amongst CCASS stock accounts.
- 5.14 Austrian law does not explicitly recognise the concept of “beneficial title” in shares of Austrian incorporated companies. Based on HKSCC’s existing model, HKSCC clearing participants would not acquire proprietary rights as shareholders of Austrian incorporated companies if the shares of such companies were to be listed on the Exchange.

Our Approach

- 5.15 The Exchange expects an Eligible Austrian Company seeking a listing in Hong Kong will list by way of DRs. As GEM does not currently accept listing of DRs, Eligible Austrian Companies seeking listings in Hong Kong can only seek listing of DRs on the Main Board.

Subsequent Development since 1 January 2022

- 5.16 Such requirement is now relocated to paragraph 17 of the Guidance Letter HKEX-GL111-22 (Guidance for Overseas Issuers). (Updated in January 2022)

6. Constitutional Documents

- 6.1 Austrian laws and regulations do not have equivalent provisions ~~for all of our Rules on the contents of constitutional documents¹⁶ to comply with all Listing Rules relating to the relevant shareholder protection.~~ We have set out in the Appendix our approach on each of the items required to be included in the Eligible Austrian Company’s constitutional documents in order for it to meet ~~our~~ the Listing Rule requirements (Updated in January 2022).

¹⁶ ~~Appendix 3 to the Main Board Rules.~~

7. Accounting and Auditing Related Requirements

- 7.1 We normally require the accountants' reports and financial statements of overseas issuers seeking a primary or a secondary listing on the Exchange to conform to the Hong Kong Financial Reporting Standards ("HKFRS") or the International Financial Reporting Standards ("IFRS")¹⁷. ~~As set out in the JPS, IFRS as endorsed by the European Union ("EU-IFRS") is acceptable to the Exchange for use by European Union companies¹⁸ (Updated in January 2022).~~

Our Approach

- 7.2 We are prepared to accept financial statements that conform to IFRS as endorsed by the European Union ("EU-IFRS")¹⁹ for use by European Union companies²⁰. We ~~may~~ are prepared to consider allowing an Eligible Austrian Company to use EU-IFRS for its accountants' reports and all subsequent financial statements to be audited to a standard comparable to that required by Hong Kong Institute of Certified Public Accountants or the International Auditing and Assurance Standards Board. However, this is on the condition that the issuer includes a reconciliation statement ~~of setting out~~ the financial effect of the material differences (if any) from either HKFRS or IFRS, in its accountants' reports and subsequent financial statements²¹ (Updated in January 2022).

8. Status as an Eligible Austrian Company

- 8.1 This guide gives guidance on the Exchange's treatment of listing application from The Exchange's acceptance of Austria as an Acceptable Jurisdiction is limited to Eligible Austrian Companies. No analysis on the acceptability of any other form of Austrian corporations has been made (Updated in January 2022).
- 8.2 An Eligible Austrian Company must provide an undertaking in its listing document and constitutional document that it is not and will not (a) offer shares to the public in, or (b) listed or seek a listing of its shares (whether on a primary or secondary basis) on stock exchanges, within the EEA without the prior written consent of the Exchange.

~~8.3—An Eligible Austrian Company is also required to:~~

¹⁷ Main Board Rules 4.11 to 4.13, 19.13, 19.25A, 19C.10D and 19C.23 and Note 2.1 to paragraph 2 of Appendix 16 (GEM Rules 7.12, 18.04 and 24.18A), 19.39 and Notes 2.1 and 2.4 to paragraph 2 of Appendix 16. See also JPS, paragraphs 61 to 67.

¹⁸ ~~The Guidance for Overseas Issuers HKEX-GL111-22, paragraph 29 JPS, paragraph 64.~~

¹⁹ A list of alternative overseas financial reporting standards that are considered comparable to HKFRS and IFRS is published on the Exchange's website, as amended from time to time.

²⁰ ~~The Guidance for Overseas Issuers HKEX-GL111-22, paragraph 29~~

²¹ Primary Listing: Main Board Rule 19.14 and GEM Rule 7.14 (accountants' reports) and Main Board Rule 19.25A and GEM Rule 24.18A (annual/ interim/ quarterly financial statements). Secondary Listing: Main Board Rules 19C.10D (accountants' reports) and 19C.23 (annual/ interim financial statements).

- ~~(a) provide relevant and adequate disclosure in its listing document the major jurisdictional or regulatory differences between Austria and Hong Kong shareholder protection requirements, especially those set out in the JPS;~~
- ~~(b) upon submission of its listing application, (i) confirm to the Exchange, that the Austrian laws, regulations and market practices contained in this Country Guide are still applicable and if not, provide us with details of any relevant changes; and (ii) inform the Exchange of any other Austrian laws, regulations and market practices not detailed in this Country Guide that are relevant to their circumstances; and~~
- ~~(c) throughout the vetting process and after listing, inform the Exchange in a timely manner on any material changes in Austrian laws and regulations that significantly lower shareholder protection standards in Austria compared with those in Hong Kong. The Exchange will impose further conditions on the issuer, and/or reconsider the conditions for accepting future listing applicants incorporated in Austria.~~

9. Taxation

9.1 We expect an Eligible Austrian Company to prominently disclose the following in its listing document:

- (a) tax rate that investors in its securities will have to pay (including any taxes that a shareholder may be subject to, e.g. withholding tax on distributions entitlements or capital gains and income derived from shares);
- (b) details of any treaty between Austria and Hong Kong that may affect the tax payable;
- (c) the effect of holding its securities through CCASS or outside CCASS on any tax payable (where applicable); and
- (d) the procedure for claiming any tax relief or exemptions.

9.2 We expect appropriate disclosure of taxation to be made at least in the “Summary” and “Risk Factors” sections of the applicant’s listing document and any sections summarising the applicable Austrian laws and regulations.

Please note the important notes on the front page of this country guide regarding Austrian laws, regulations and practices.

Our Approach to Differences between Our Constitutional Document Requirements ^(note) under Appendix 3 of the Listing Rules and Austrian Laws, Regulations and Practices

Note: Some of the Constitutional Document Requirements stated herein were either (i) repealed on 1 January 2022 because they are not considered to be fundamental to shareholder protection or they overlapped with the requirements in the Listing Rules; or (ii) codified with modification as Core Shareholder Protection Standards in the Listing Rules. For details, please see the column headed “Subsequent Development since 1 January 2022”. New applicants shall assess whether it can comply with the relevant Listing Rules or seek waiver from compliance. (Added in January 2022)

Rule Paragraph	Rule Requirement	Austrian Laws, Regulations and Practices	Our Approach <u>Prior to 1 January 2022</u>	<u>Subsequent Development Since 1 January 2022</u>
<u>(not effective after 31 December 2021)</u>				
Appendix 3, 4(2)	Any person appointed by the directors to fill a casual vacancy on or as an addition to the board shall hold office only until the next following annual general meeting of the issuer, and shall then be eligible for re-election	Under Austrian law, re-election for members of the supervisory board is not required but such requirement can be provided for in the Articles. However, members of the company’s management board are only appointed and revoked by the supervisory board, and an Austrian company is not allowed to limit the discretion of the supervisory board in determining the terms of office of members of the management board, who are entitled to stay in office for up to five years.	To conform to the Rule requirement, Eligible Austrian Companies can modify their constitutional documents to ensure compliance with the Listing Rules with respect to the re-election for members of the supervisory board. With regards to the members of the management board, considering the shareholders may (a) request the supervisory board to exercise its power and dismiss members of the management board; and (b) remove members of the supervisory board (see below), we consider sufficient safeguard can be provided to shareholders of an Eligible Austrian Company and will grant a waiver from strict compliance with paragraph 4(2) of Appendix 3 with respect to re-	<u>This article provision was retained with modification. Please refer to Appendix 3 of the Listing Rules for the full text of the requirement.</u> <u>Secondary listing applicants shall apply to the Exchange for a waiver of compliance from the relevant Listing Rule if it considers necessary.</u>

Please note the important notes on the front page of this country guide regarding Austrian laws, regulations and practices.

Rule Paragraph	Rule Requirement	Austrian Laws, Regulations and Practices	Our Approach <u>Prior to 1 January 2022</u>	<u>Subsequent Development Since 1 January 2022</u>
<u>(not effective after 31 December 2021)</u>				
			<p>election for members of the management board, subject to the Eligible Austrian Company disclosing in the listing document details of the procedure of appointments of members of the management board and the relevant terms of office.</p> <p>Under the JPS, an eligible secondary listing applicant is entitled to an “automatic waiver” for this Rule.</p>	
Appendix 3, 4(3)	Where not otherwise provided by law, the issuer in general meeting shall have power by ordinary resolution to remove any director (including a managing or other executive director, but without prejudice to any claim for damages under any contract) before the expiration of his period of office.	Under Austrian law, members of the supervisory board may be revoked by a resolution of the general meeting with an Ordinary Majority. However, whilst the supervisory board may revoke the appointment of members of the management board for cause, such as gross negligence or deliberate breach of duties, member of the management board may not be dismissed by the shareholders. Nevertheless, the shareholders may approve a resolution of no-confidence in relation to members of the management	Considering the shareholders may remove members of the supervisory board, we consider sufficient safeguard can be provided to shareholders of an Eligible Austrian Company. We will grant a waiver from strict compliance with paragraph 4(3) of Appendix 3 with regards to the removal of members of the management board, subject to the Eligible Austrian Company undertaking and disclosing in the listing document that the supervisory board will carefully consider the Resolution of No-confidence and make relevant announcements and disclose in the annual reports reasons for deviating therefrom.	<u>This article provision was retained with modification. Please refer to Appendix 3 of the Listing Rules for the full text of the requirement.</u>

Please note the important notes on the front page of this country guide regarding Austrian laws, regulations and practices.

Rule Paragraph	Rule Requirement	Austrian Laws, Regulations and Practices	Our Approach <u>Prior to 1 January 2022</u>	<u>Subsequent Development Since 1 January 2022</u>
<u>(not effective after 31 December 2021)</u>		board (“ Resolution of No-confidence ”) with an Ordinary Majority at a general meeting, which allows (but not legally requires) the supervisory board to use as an basis to revoke the appointment of the relevant member(s) of the management board before expiration of their term for cause.	Under the JPS, no “automatic waiver” is available to a secondary listing applicant for this item.	
Appendix 3, 4(4)	The minimum length of the period, during which notice to the issuer of the intention to propose a person for election as a director and during which notice to the issuer by such person of his willingness to be elected may be given, will be at least seven days.	Under Austrian law, members of the supervisory board may be nominated to be elected at an Austrian company’s general meeting provided that the period to convene such meeting (i.e. 28 days for AGMs and 21 days for other meetings) is observed. However, members of an Austrian company’s management board are appointed by the supervisory board. Accordingly, no notices or resolutions will be made with regards to the appointment of	We will grant Eligible Austrian Companies waivers from strict compliance with paragraph 4(4) of Appendix 3 with respect to the election of a person as a member of the management board. Under the JPS, an eligible secondary listing applicant is entitled to an “automatic waiver” for this Rule.	<u>This articles provision was repealed on 1 January 2022.</u>

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Rule Paragraph	Rule Requirement	Austrian Laws, Regulations and Practices	Our Approach <u>Prior to 1 January 2022</u>	<u>Subsequent Development Since 1 January 2022</u>
	(not effective after 31 December 2021)			
		members of the management board at a general meeting.		
Appendix 3, 4(5)	The period of lodgment of the notices referred to in subparagraph 4(4) will commence no earlier than the day after the dispatch of the notice of the meeting appointed for such election and end no later than seven days prior to the date of such meeting.	Under Austrian law, members of an Austrian company's management board are appointed by the supervisory board. Accordingly, no notices or resolutions will be made with regards to the appointment of members of the management board at a general meeting.	We will grant Eligible Austrian Companies waivers from strict compliance with paragraph 4(5) of Appendix 3 with respect to the election of a person as a member of the management board. Under the JPS, an eligible secondary listing applicant is entitled to an "automatic waiver" for this Rule.	<u>This articles provision was repealed on 1 January 2022. The note to Rule 13.70 contains the comparable requirement.</u> <u>Secondary listing applicants shall apply to the Exchange for a waiver of compliance from the relevant Listing Rule if it considers necessary.</u>
Appendix 3, 8	Where the issuer has the power to purchase for redemption redeemable shares: (1) purchases not made through the market or by tender shall be limited to a maximum price; and	Under Austrian law, an Austrian company is prohibited from issuing redeemable shares.	We will grant Eligible Austrian Companies waivers from strict compliance with this Rule. Under the JPS, an eligible secondary listing applicant is entitled to an "automatic waiver" for this Rule.	<u>This articles provision was repealed on 1 January 2022. Please refer to the Code on Share Buy-backs for protection for redeemable shareholders.</u>

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Rule Paragraph	Rule Requirement	Austrian Laws, Regulations and Practices	Our Approach <u>Prior to 1 January 2022</u>	<u>Subsequent Development Since 1 January 2022</u>
	(2) if purchases are by tender, tenders shall be available to all shareholders alike.			
Appendix 3, 13(1)	Where power is taken to cease sending dividend warrants by post, if such warrants have been left uncashed, it will not be exercised until such warrants have been left uncashed on two consecutive occasions. However, such power may be exercised after the first occasion on which such a warrant is returned undelivered.	Under Austrian law, dividend warrants will not be certificated.	We will grant Eligible Austrian Companies waivers from strict compliance with this Rule. Under the JPS, an eligible secondary listing applicant is entitled to an “automatic waiver” for this Rule.	<u>This articles provision was repealed on 1 January 2022.</u>
Appendix 3, 13(2)	Where power is taken to sell the shares of a member who is untraceable it will not be exercised unless: (a) during a period of 12 years at least	Under Austrian law, an Austrian company is not allowed to sell the shares of an untraceable member.	We will grant Eligible Austrian Companies waivers from strict compliance with this Rule. Under the JPS, no “automatic waiver” is available to a secondary listing applicant for this Rule.	<u>This articles provision was repealed on 1 January 2022.</u>

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Rule Paragraph	Rule Requirement	Austrian Laws, Regulations and Practices	Our Approach <u>Prior to 1 January 2022</u>	<u>Subsequent Development Since 1 January 2022</u>
<u>(not effective after 31 December 2021)</u>				
	<p>three dividends in respect of the shares in question have become payable and no dividend during that period has been claimed; and</p> <p>(b) on expiry of the 12 years the issuer gives notice of its intention to sell the shares by way of an advertisement published in the newspapers and notifies the Exchange of such intention.</p>			