Re-Design of Executive Board Compensation
Supporting Information
April 2018
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Objectives and guiding principles of compensation re-design

The compensation system shall …

- be intuitive, simple and easy to understand.
- be derived from OMV’s strategy, be in line with market practice and conform to shareholders’ and investors’ expectations.
- include a strong performance-related component allowing for outstanding rewards for outstanding performance and shall foster an equity culture.
- consist of ambitious, objective and transparent performance criteria.
## Overview of compensation design

<table>
<thead>
<tr>
<th>Component</th>
<th>Max. opportunity</th>
<th>Outline</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Performance related remuneration</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>LTIP</td>
<td>200% of Target LTI</td>
<td>Share payout; optional payout in cash after fulfillment of share ownership guideline</td>
</tr>
<tr>
<td>Annual Bonus</td>
<td>150% of Target Annual Bonus&lt;sup&gt;1&lt;/sup&gt;</td>
<td>2/3 cash payout 1/3 equity deferral</td>
</tr>
<tr>
<td></td>
<td>Performance period</td>
<td>End of holding period</td>
</tr>
<tr>
<td><strong>Non-performance related remuneration</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Base salary</td>
<td>Set at a competitive level</td>
<td></td>
</tr>
</tbody>
</table>

1 Sustainability Multiplier of +/- 20% on top of target achievement but within overall payout cap; within Remuneration Committee’s judgement based on criteria such as Reserve Replacement Rate, extraordinary events, HSSE issues - including fatalities, Lost Time Injury Rate, oil spills

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## Most significant changes

<table>
<thead>
<tr>
<th>Objectives</th>
<th>Measures taken</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Reduce complexity</strong></td>
<td>▶ Significantly reduced number of performance criteria to provide clear focus</td>
</tr>
<tr>
<td></td>
<td>▶ Caps for Annual Bonus and LTIP(^1) defined in relation to target values, thereby decoupling variable remuneration from base salary changes</td>
</tr>
<tr>
<td><strong>Increase transparency</strong></td>
<td>▶ Target setting and achievement of each performance criteria disclosed ex-post in compensation report</td>
</tr>
<tr>
<td></td>
<td>▶ Criteria applied for determining Sustainability Multiplier and HSSE(^2) Malus disclosed ex-post in compensation report</td>
</tr>
<tr>
<td><strong>Align with international best practice</strong></td>
<td>▶ Payout cap for annual total direct remuneration(^3) introduced</td>
</tr>
<tr>
<td></td>
<td>▶ In addition, payout cap (300% of Target LTI) in case of LTIP payout in cash</td>
</tr>
<tr>
<td></td>
<td>▶ HSSE Malus allows for reduction of LTIP payout to zero</td>
</tr>
</tbody>
</table>

\(^1\) Long-term incentive plan  \(^2\) Health, Safety and Security or Environmental  \(^3\) Including base salary, Annual Bonus and LTI
## Alignment with shareholder interests

<table>
<thead>
<tr>
<th>Objectives</th>
<th>Measures taken</th>
</tr>
</thead>
</table>
| **Objective and ambitious performance criteria** | ▶ Performance criteria with clear link to OMV strategy and focus on value creation  
▶ Performance criteria and target achievement disclosed ex-post, thereby increasing transparency  
▶ Criteria applied for determining Sustainability Multiplier and HSSE Malus disclosed ex-post |
| **In line with international market practice** | ▶ Performance criteria focus on financial performance and allow comparison to Oil and Gas peers  
▶ HSSE Malus and Sustainability Multiplier allow reexamination of payout level and account for unforeseeable events  
▶ Caps for annual total direct remuneration and LTIP payout in cash avoid excessive payouts |
| **Strong focus on equity culture** | ▶ Two compensation components (Equity Deferral and LTIP) linked to share price development  
▶ 1/3 of Annual Bonus deferred in real shares  
▶ 50% of LTIP target achievement based on Relative TSR  
▶ Share Ownership Guidelines remain in place for Executive Board members |
### Maximum opportunities and payout caps

#### Alignment with international market practice and reduction of complexity

- Maximum opportunities defined in relation to target values independent from base salary changes
- Same caps for all Executive Board members
- Cap on LTIP cash payout to incentivize sustainable value creation and avoid inappropriate payouts
- Additional cap on annual total direct remuneration for each Executive Board member

<table>
<thead>
<tr>
<th></th>
<th>Current system</th>
<th>New system</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Annual Bonus:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Max. opportunity in % of target</td>
<td>143%</td>
<td>150%¹</td>
</tr>
<tr>
<td><strong>LTIP:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Max. opportunity in % of target</td>
<td>233%</td>
<td>200%</td>
</tr>
<tr>
<td><strong>LTIP payout cap</strong></td>
<td>none</td>
<td>300% of Target LTI for cash payout</td>
</tr>
<tr>
<td><strong>Overall payout cap</strong></td>
<td>none</td>
<td>Individual cap per Executive Board member²</td>
</tr>
</tbody>
</table>

¹ Sustainability Multiplier of +/- 20% on top of target achievement but within overall payout cap; within Remuneration Committee’s judgement based on criteria such as Reserve Replacement Rate, extraordinary events, HSSE issues - including fatalities, Lost Time Injury Rate, oil spills; in current system multipliers capped at 143% of target

² Overall payout cap amounts to base salary, 150% of Target Annual Bonus and 200% of Target LTI; applicable as of 2020 (last performance period of LTIP 2018-2020)
Annual Bonus: Performance Criteria in detail

Alignment with international market practice and reduction of complexity

✓ Number of performance criteria reduced from 6 to 3
✓ Weighting of financial performance targets increased from 60% to 80%
✓ Target setting and achievement disclosed ex-post

60% Financial targets
- 20% Clean CCS NOPAT
- 30% Free Cash Flow\(^1\)
- 10% Reported ROACE\(^2\)

80% Future targets
- 40% Reported Net Income\(^3\)
- 40% Clean CCS ROACE (3y average)\(^3\)

40% Operational targets
- 10% Major Capital Projects 1
- 10% Major Capital Projects 2
- 20% Cost Reduction

20% Current targets
- 20% Net Present Value change of major investment and M&A projects

1 Free cash flow before dividends and excluding divestments and acquisitions
2 Excl. Special Items related to the sale of OMV Petrol Ofisi A.S.
3 Adjustments will be made in case of acquisitions / divestments approved by the Supervisory Board of OMV and not included in the mid-term plan

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LTIP: Performance Criteria in detail

Emphasis on equity culture and pay for performance culture

- Number of performance criteria reduced from 5 to 2
- Relative TSR measured against Oil and Gas peer group
- Payout made in shares, as long as Share Ownership Requirements not fulfilled
- Target setting and achievement disclosed ex-post

Financial targets

- 70% Relative TSR
- 10% Free Cash Flow

Other targets

- 30% Performance in M&A projects
- 10% Reserve Replacement Rate
- 10% Lost-Time Injury Rate

Future targets

- 100% Relative TSR
- 50% Free Cash Flow

1 Free cash flow before dividends and excluding divestments and acquisitions