

## **Document for the Annual General Meeting to be held on May 14, 2014**

### **Agenda and draft resolutions:**

- 1. Submission of the adopted individual financial statements 2013, directors' report and corporate governance report, the consolidated financial statements 2013 and group directors' report, the proposal of the appropriation of the profit and the report of the Supervisory Board for the financial year 2013.**

No resolution shall be taken in respect of this agenda item.

- 2. Resolution on the appropriation of the balance sheet profit reported in the financial statements 2013.**

„The annual financial statements as of December 31, 2013 show a profit of EUR 421,923,969.

The Executive Board and the Supervisory Board recommend that the profit shown in the financial statements of OMV Aktiengesellschaft as of December 31, 2013, shall be appropriated/allocated as follows:

Dividend distribution of EUR 1.25 per share entitled to receive dividends and carrying forward the remaining amount to new account.“

- 3. Resolution on the discharge of the Executive Board members for the financial year 2013.**

„The Executive Board and the Supervisory Board propose granting discharge to the persons having served as members of the Executive Board during the financial year 2013 with respect to this period.“

- 4. Resolution on the discharge of the Supervisory Board members for the financial year 2013.**

„The Executive Board and the Supervisory Board propose granting discharge to the persons having served as members of the Supervisory Board during the financial year 2013 with respect to this period.“

- 5. Resolution on the remuneration of the Supervisory Board members for the financial year 2013.**

„The Executive Board and the Supervisory Board propose setting the remuneration of the members of the Supervisory Board relating to the fiscal year 2013 as follows:

Chairman: EUR 29,200.--

Deputy Chairperson: EUR 21,900.--

Member: EUR 14,600.--

Chairman of a Committee: EUR 12,000.--

Deputy Chairperson of a Committee: EUR 10,000.--

Member of a Committee: EUR 8,000.--

Members of the Supervisory Board who are not residents of Austria shall in addition be reimbursed the withholding tax by the company.

Meeting fee: EUR 365.--“

**6. Appointment of the auditor and Group auditor for the financial year 2014.**

„The Supervisory Board proposes appointing ERNST & YOUNG Wirtschaftsprüfungsgesellschaft m.b.H., Vienna, as auditor and group auditor for the financial year 2014.“

**7. Resolutions on (i) the Long Term Incentive Plan 2014 and (ii) the Matching Share Plan 2014.**

The Executive Board and the Supervisory Board recommend the approval, by separate resolutions, of the following share based and performance related incentive and compensation plans:

**(i) Approval of the Long Term Incentive Plan 2014**

**Plan type**

Performance share plan

**Plan purpose and objectives**

The performance share plan (Long Term Incentive Plan – LTIP) is a long-term compensation instrument for the Executive Board and selected senior managers that promotes mid and long-term value creation at OMV.

The plan seeks to align the interests of management and shareholders by providing management with the ability to receive company shares subject to performance against key measures linked to the medium-term strategy and shareholder return. The plan also seeks to prevent inadequate risk-taking.

**Eligibility**

Executive Board members are obliged to participate, selected senior managers of Group companies may participate in the LTIP. Further nominated employees out of the group of identified Potentials according to the Career & Succession Planning process within the whole OMV Group may participate. The nomination of senior managers is yearly confirmed by the OMV Executive Board based on the performance level of the respective senior managers and may be also either not granted or partly granted for a respective plan year.

**Personal share ownership rules**

Executive Board members and senior managers are required to build up an appropriate volume of shares in the company and have to hold these shares until retirement or departure from the company. The shareholding requirement is defined as a percentage of the annual gross base salary (calculated on the basis of the January 2014 gross base salary or gross base salary for the first month as participant):

- CEO: 200%
- Deputy CEO: 175%
- Other Executive Board members: 150%
- Senior managers: 75%

To reflect the appropriateness of the required shareholding, this percentage of salary must be developed and maintained in shares until departure from the company. Executive Board members must achieve the required shareholding within 5 years after the start of their respective current contract as Executive Board member.

Base for calculation of respective number of shares: Average share price over the 3-month period January 1, 2014 – March 31, 2014 (= average of closing prices at Vienna Stock Exchange).

Subsequent changes in the share price do not influence the number of shares required. In case and to the extent of a salary increase of Executive Board members the number of shares has to be adapted.

Shares granted to Executive Board members under the Matching Share Plan (MSP) and vesting for Executive Board members under this LTIP and former LTIPs as well as investments made for previous LTIPs and/or Stock Option Plans count towards this shareholding requirement, provided that they are held on an OMV trustee deposit. Private shares may be transferred to the OMV trustee deposit to be counted towards the shareholding requirement.

Dividends for the shares held on OMV trustee deposits will be paid out in cash.

Senior managers are not obliged to hold shares if the holding of the company's shares is prohibited by law in the countries where the respective senior managers work.

#### **Grant levels**

The maximum grant is expressed as a percentage of the annual gross base salary:

- 175% for the CEO
- 150% for the Deputy CEO
- 125% for other Executive Board Members
- 112.5% for senior managers

In case an Executive Board member is appointed later than January 1, 2014 the grant is calculated on a pro rata basis related to 2014. The same applies for an exit during 2014. The grant to Executive Board Members is made by the Supervisory Board or the Remuneration Committee of the Supervisory Board. The grant to senior managers is made by the Executive Board.

The maximum grant of the shares attributable to the participant at the Vesting Date shall be calculated as follows: The relevant amount for each participant (percentage as mentioned above) divided by OMV's average share price (= closing price at the Vienna Stock Exchange) over the 3-month period January 1, 2014 – March 31, 2014. The number of shares will be rounded down.

Before Vesting Date the potential shares are "virtual", i.e. the participants do not hold the shares and have no voting or dividend rights.

Only after the performance period the definite number of shares shall be calculated based on the achievement of the performance criteria and then made available to the participant at the Vesting Date.

The exact number of shares to be transferred under the LTIP 2014 can only be calculated after the performance period based on the achievement of the performance criteria. Based on OMV's average share price (= closing price at the Vienna Stock Exchange) over the 3-month period January 1, 2014 – March 31, 2014 of EUR 33.33 and current annual gross base salaries the maximum number of shares potentially transferred to the members of the Executive Board amounts to 141,387 shares (gross).

This plan complies with the rules of the Austrian Corporate Governance Code and in any case, the total number of shares paid out under this plan or other share incentive plans of the OMV Group shall amount to less than 5% of outstanding share capital. The actual number of shares is expected to be far below 5%.

#### **Effective dates and term**

- Plan commencement: January 1, 2014, subject to AGM approval
- Performance period: 3 years (January 1, 2014 to December 31, 2016)
- Vesting date: March 31, 2017

### **Performance measures and weightings**

The number of shares is calculated by multiplying the maximum grant of shares by the overall percentage of performance achievement. Performance criteria focus on sustained value creation across the following three areas of performance:

#### Total Shareholder Return (TSR)

50% of the total award is based on TSR (Total Shareholder Return) relative to a group of peer companies. The performance is calculated as set out below under 'Calculation of relative TSR outcome'.

#### Return on Average Capital Employed (RoACE)

40% of the award is based on absolute Reported RoACE adjusted for acquisitions that are not reflected in the mid-term planning 2014-2016 over the three year performance period.

#### Sustainability element

10% of the total award is based on safety performance over the three year period, which itself is based equally on the Action Item Response Rate (AIRR) and contractor management.

The RoACE and sustainability performance measure will equal a vesting for that element as shown in the below table:

| <b>Performance</b> | <b>Vesting</b> |
|--------------------|----------------|
| Stretch            | 100%           |
| Target             | 70%            |
| Threshold          | 50%            |
| Below threshold    | 0%             |

Awards will vest on a straight line basis between these points.

The defined performance criteria must not be amended during the performance period of the LTIP.

#### Calculation of relative TSR outcome

Performance of the relative TSR measure is calculated by comparing the TSR of OMV over the three year performance period against the TSR of a peer group of companies. The relative TSR peer group was determined by the Supervisory Board and includes the following companies:

- Shell
- BP
- Total
- Eni
- Statoil
- BG Group
- Repsol
- Galp Energia
- MOL
- Tupras
- Neste Oil
- PKN

TSR is the percentage change in the value of an investment in a company over a given period and is calculated by:

- the growth in share price over a given period; plus
- the value of dividends paid out over the period, assuming they are reinvested in company shares.

To reduce the effect of volatility in share price the TSR is averaged over the 3 months before the start of the performance period (October 1, 2013 – December 31, 2013) and the 3 months before the end of the performance period (October 1, 2016 – December 31,

2016). In case there are corporate events either within the company or in the peer group, such as mergers and acquisitions, share splits, or the issuance of bonus shares, the TSR is calculated for each period independently prior to and after the corporate event.

The TSR of each of the companies in the peer group will be assessed over the three year performance period and ranked in order of performance with the highest TSR at the top and the lowest at the bottom (note OMV is not included in this initial ranking). For the ranking the quartiles (lower quartile, median and upper quartile) are calculated. The TSR of OMV is then placed into the rankings between the two companies with TSR immediately above and below that of OMV. A vesting percentage for OMV is then calculated based on the relative position of OMV between the two companies immediately above and below. The vesting between the results for these two companies is calculated on a straight line basis.

| <b>Performance</b>   | <b>Vesting</b> |
|--|----------------|
| Stretch: at or above upper quartile<br>( $\geq$ 75 percentile) | 100%           |
| Target: at median  | 50%            |
| Threshold: at lower quartile                                   | 25%            |
| Below Threshold: below lower quartile<br>( $<$ 25 percentile)  | 0%             |

The shares granted have to be reduced or have to be returned in the case of a clawback event. Furthermore, if the shares or cash equivalents were based on incorrect calculations of the bonus, the Executive Board members are obligated to return or pay back benefits obtained due to such wrong figures.

### **Vesting/payout**

To the extent the shareholding requirement is not fulfilled, the payment will be automatically made in the form of shares until the requirement is reached. Otherwise the Executive Board members and senior managers can opt for (i) single payment in shares, or (ii) single payment in cash, or (iii) cash payment in instalments. Participants must make this decision by quarter 3 of the year the plan starts. If such a decision cannot be taken because of compliance relevant information the payment will automatically be made in cash (single payment). The delivery of shares or cash payment to the participants is generally made net after deduction of taxes (in Austria payroll tax deduction).

If authorization for the share transfer has been given by the Supervisory Board on Vesting Date or earlier, transfer of bonus shares will be executed on the next business day after Vesting Date, otherwise the transfer takes place with the beginning of the next month following the authorization, in each case subject to legal restrictions, if any. The company does not cover any share price risk caused by the delay or by transfer.

If the payment is made in cash, the amount will be calculated by using the OMV's closing price at the Vienna Stock Exchange on Vesting Date, if this day is not a business day, then the respective day before.

In case any payout in cash or transfer of shares is based on incorrect data, the amounts will be corrected accordingly.

### **Plan management for leavers**

| <b>Reasons</b>   | <b>Entitlement before Vesting Date</b> |
|--|--|
| a) Bad Leavers (Section 75 Paragraph 4 Stock Corporation Act or Section 27 Employees Act ("AngG") or termination by the participant) | Unvested awards are forfeited.         |
| b) Good Leavers (leaver)   | Unvested plans continue.               |

|   |  |
|---|--|
| termination other than (a) or (c) to (e))       |  |
| c) Retirement, permanent disability             | Unvested plans continue.   |
| d) Death  | Unvested plans are valued and settled in cash per date of death. The value shall be calculated based on actual performance until the date of death plus budget/MTP numbers for the remaining time.   |
| e) Change of control in the ownership structure | In case of early termination of the appointment as an Executive Board member and/or the related employment contract declared by the company following a change of control in OMV, the full amount of the granted award is paid out in cash immediately subject to the projected target achievement at that time.<br>All other early terminations following a change of control in OMV result in the application of the leaver concept (bad leaver or good leaver, see above) |

#### **Plan termination and clawback**

The plan cannot be terminated in principle.

In a situation where a participating senior manager wants to terminate the LTIP participation, a written approval by the competent Executive Board Member is necessary. As a consequence of termination all benefits and rights are lost. Termination applies to all plans not yet vested.

Under circumstances as detailed below, the Supervisory Board may reduce the number of shares or the amount of cash payments for the Executive Board or may request retransfer of the shares or repayment of the cash payments.

| <b>Reason for clawback</b>   | <b>Adjustment by Supervisory Board</b>                                    |
|--|---|
| Reopening of audited financial statements due to miscalculation.   | The LTIP amount attributable to the relevant year is reduced / forfeited. |
| Material failure of risk management which leads to significant damages (like Deep Water Horizon accident, Texas City Refinery accident). | LTIP can be reduced / forfeited in full.                                  |
| Serious misconduct of individual Executive Board member which violates Austrian law.   | LTIP can be reduced / forfeited in full.                                  |

#### **LTIP for Potentials**

For the LTIP for potentials certain deviations from the LTIP as described above apply. In particular there is no requirement for an own shareholding. The maximum grant for each participating person amounts to EUR 35,000. Payment is made in the form of shares.

#### **(ii) Approval of the Matching Share Plan (MSP) 2014**

##### **Plan purpose and objectives**

The Matching Share Plan (MSP) is restricted to Executive Board Members. The MSP as an integral part of the annual bonus agreement is a long-term incentive and compensation vehicle for the Members of the Executive Board that promotes retention and shareholder alignment in OMV, combining the interests of management and shareholders via a long-term investment in restricted shares. The plan also seeks to prevent inadequate risk-taking. The MSP provides for an award of shares which are counted towards the shareholding requirements under existing and future Long Term Incentive plans until the requirements are reached (please see Vesting/Payout).

For Executive Board members, an award of shares will be made to match 100% of their gross annual cash bonus. The maximum gross annual cash bonus can amount to 100% of the annual gross base salary and is based on the following performance criteria:

**Performance criteria and weightings:**

| <b>Measure</b>                                    | <b>Weight</b>   |
|---|---|
| Clean CCS EBIT                                    | 25%   |
| Clean CCS RoACE                                   | 25%   |
| Production  | 15%   |
| 1Y RRR  | 15%   |
| Energize OMV                                      | 5%  |
| Strategy Turkey+Region and Gas Strategy Black Sea | 5%  |
| Top projects                                      | 10%   |
| Sustainability                                    | Multiplier<br>+/- 10%<br>At discretion of Supervisory Board |
| Financial multiplier (EBIT, RoACE)                | +/- 5%<br>At discretion of Supervisory Board                |

The shares granted have to be reduced or have to be returned in the case of a clawback event. Furthermore, if the shares or cash equivalents were based on incorrect calculations of the bonus, the Executive Board members are obligated to return or pay back benefits obtained due to such wrong figures.

The performance criteria defined for the annual bonus must not be amended during the term of the MSP. However, significant changes in the tax-, legal- or royalty-situation might require target adjustments. A cap of 100% of the base salary is applicable.

**Plan mechanisms**

On determination of the annual cash bonus by the Remuneration Committee of the Supervisory Board, an equivalent matching bonus grant will be made net (after deduction of taxes) in company shares which shall be transferred to a trustee deposit, managed by the company, to be held for three years. Executive Board can choose between cash payment or shares if and to the extent that they have already fulfilled the shareholding requirements for the LTIP 2014 applicable to Executive Board members. Dividends, if any, earned from the vested shares are paid out to the Executive Board members in cash.

**Grant levels**

Executive Board members are awarded shares of up to 100% of their annual gross base salary.

**Determining the number of shares at the point of award grant**

On determination of the gross annual cash bonus an award of 100% of the gross annual cash bonus earned in the previous year is made in company shares.

The number of shares awarded is calculated as follows:

- Gross annual cash bonus amount divided by the average closing price for OMV shares at the Vienna Stock Exchange over the three-month period November 1, 2014 – January 31, 2015.
- The resulting number of shares will be rounded down.

The exact number of shares to be transferred under the MSP 2014 can only be calculated after the performance period based on the achievement of the performance criteria. Moreover, the maximum amount of shares to be granted under the MSP 2014 cannot be determined at this point of time because it depends on the average closing price for OMV shares at the Vienna Stock Exchange over the three-month period November 1, 2014 –

January 31, 2015. Based on an average closing price for OMV shares at the Vienna Stock Exchange over the three-month period January 1, 2014 – March 31, 2014 of EUR 33.33 and current annual gross base salaries, the maximum number of shares to be transferred under the MSP 2014 would amount to 96,832 shares (gross).

This plan complies with the rules of the Austrian Corporate Governance Code and in any case, the total number of shares paid out under this plan or other share incentive plans of the Group shall amount to less than 5% of outstanding share capital. The actual number of shares is expected to be far below 5%.

**Effective dates & term**

- Plan start: January 1, 2014 as an integral part of the annual bonus agreement subject to AGM approval
- Vesting Date: March 31, 2015, subject to Supervisory Board approval
- Holding period (if applicable): 3 years from vesting.

**Vesting/Payout**

If authorization for the share transfer has been given by the Supervisory Board on Vesting Date or earlier, transfer of bonus shares will be executed on the next business day after Vesting Date, otherwise the transfer takes place with the beginning of the next month following the authorization. The company does not cover any share price risk caused by the delay or by transfer.

To the extent the shareholding requirement under the LTIP 2014 for Executive Board members is not fulfilled, the payment will, subject to any legal restrictions, be automatically made in the form of shares (net after tax deduction) until the requirement is reached. As far as the shareholding requirement is fulfilled, the payout can be made also in cash. The Executive Board members can then opt for single payment in shares or single payment in cash. Executive Board members must make this decision by quarter 3 of the year the plan starts. If such a decision cannot be taken because of compliance relevant information the payment will automatically be made in cash.

If the payment is made in cash, the amount will be calculated by using the OMV's closing price at the Vienna Stock Exchange on Vesting Date, if this day is not a business day, then the respective day before.

The delivery of shares or cash payment to the participants is made net after deduction of taxes (payroll tax deduction).

**Rules for leavers**

The rules outlined above under the draft resolution 7 (i) for the LTIP 2014 apply, provided that for good leavers and in the case of retirement and permanent disability the vesting of unvested awards remains subject to a decision to be made by the Supervisory Board in its discretion.

**Plan termination and clawback**

The plan cannot be terminated.

Under circumstances as detailed below, the Supervisory Board may reduce the number of shares or the amount of cash payments vesting under the MSP or may request retransfer of the shares or repayment of the cash payments.

| <b>Reason for clawback</b>   | <b>Adjustment by Supervisory Board</b>               |
|--|--|
| Reopening of audited financial statements due to miscalculation.   | MSP granted in relevant year is reduced / forfeited. |
| Material failure of risk management which leads to significant damages (like Deep Water Horizon accident, Texas City Refinery accident). | MSPs can be reduced / forfeited in full.             |
| Serious misconduct of individual Executive Board member which violates Austrian law.   | MSPs can be reduced / forfeited in full.             |



## **8. Elections to the Supervisory Board**

Currently the Supervisory Board consists of ten members elected by the General Meeting. Due to the expiration of the terms of all these members of the Supervisory Board by the close of this Annual General Meeting, ten members are to be elected by the General Meeting in order for the Supervisory Board to consist again of the same number of elected members. The Supervisory Board therefor proposes that the Annual General Meeting elects the following people as members of the Supervisory Board according to Section 87 Paragraph 7 of the Stock Corporation Act for the longest time permitted, i.e. until the close of the General Meeting voting on discharge for the fourth fiscal year after the election, not counting the fiscal year in which the election is held, thus until the close of the General Meeting voting on the fiscal year 2018:

- Mr. Murtadha Al Hashmi
- Ms. Alyazia Ali Saleh Al Kuwaiti
- Mr. Wolfgang C. Berndt
- Ms. Elif Bilgi Zapparoli
- Mr. Helmut Draxler
- Mr. Roy Franklin
- Mr. Rudolf Kemler
- Mr. Wolfram Littich
- Mr. Herbert Stepic
- Mr. Herbert Werner

Declarations pursuant to Section 87 Paragraph 2 Stock Corporation Act regarding these persons' academic qualifications and professional or similar experience, and stating that there are no concerns with regard to potential conflicts of interest, are posted on our website.

## **9. Authorization of the Executive Board to increase the share capital according to Section 169 Stock Corporation Act with the possibility to exclude the subscription right (i) to adjust fractional amounts or (ii) to satisfy stock options or long term incentive plans including matching share plans or other employee stock ownership plans (authorized capital) and amendment of the Articles of Association in Section 3 and authorization of the Supervisory Board to adopt amendments to the Articles of Association resulting from the issuance of shares according to the authorized capital.**

With regard to the expiration on the May 13, 2014 of the existing authorized capital decided upon by the Annual General Meeting on May 13, 2009, the Executive Board and the Supervisory Board propose that the AGM decides as follows:

"The Executive Board is authorized, subject to the approval of the Supervisory Board, by May 14, 2019 to increase, once or in several tranches, also by way of indirect offer for subscription after taking over by one or several credit institutions according to Section 153 Paragraph 6 Stock Corporation Act, against cash contributions, the share capital by not more than EUR 32,727,272 by issuing up to 32,727,272 new no-par value common voting shares in bearer form. Subject to the approval of the Supervisory Board, the Executive Board is authorized to exclude in this connection the subscription right of the shareholders (i) to adjust fractional amounts or (ii) to satisfy stock options or long term incentive plans including matching share plans for employees, senior employees and members of the Executive Board/ management boards of the Company or one of its affiliates, or other employee stock ownership plans and subject to the approval of the Supervisory Board, to set the issue price and conditions of issuance (authorized capital).

The Supervisory Board is entitled to adopt amendments to the Articles of Association resulting from the issuance of shares according to the authorized capital.

The Articles of Association will accordingly be amended in Section 3 (share capital and shares) (4) as follows:

Section 3 (4) a) of the Articles of Association is as follows:

*"The Executive Board is authorized, by authorization of the Annual General Meeting of May 14, 2014, subject to the approval of the Supervisory Board, by May 14, 2019 to increase, once or in several tranches, also by way of indirect offer for subscription after taking over by one or several credit institutions according to Section 153 Paragraph 6 Stock Corporation Act, against cash contributions, the share capital by not more than EUR 32,727,272 (EUR thirtytwomillionsevenhundredandtwentyseventhousandtwohundredandseventytwo) by issuing up to 32,727,272 (thirtytwomillionsevenhundredandtwentyseventhousandtwohundredandseventytwo) new no-par value common voting shares in bearer form. Subject to the approval of the Supervisory Board, the Executive Board is authorized to exclude in this connection the subscription right of the shareholders (i) to adjust fractional amounts or (ii) to satisfy stock options or long term incentive plans including matching share plans for employees, senior employees and members of the Executive Board/management boards of the Company or one of its affiliates, or other employee stock ownership plans and subject to the approval of the Supervisory Board, to set the issue price and conditions of issuance (authorized capital). The Supervisory Board is authorized to adopt amendments to the Articles of Association which result from the issuance of shares according to the authorized capital."*

Sections 3 (4) b) and c) of the Articles of Association are deleted."