

## **Document for the Annual General Meeting to be held on May 18, 2016**

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

- 1. Submission of the adopted individual financial statements 2015, directors' report and corporate governance report, the consolidated financial statements 2015 and group directors' report, the proposal of the appropriation of the profit and the report of the Supervisory Board for the financial year 2015.**

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 2015.**

"The annual financial statements as of December 31, 2015 show a profit of EUR 438,563,165.

The Executive Board and the Supervisory Board recommend that the profit shown in the financial statements of OMV Aktiengesellschaft as of December 31, 2015, shall be appropriated/allocated as follows:

Dividend distribution of EUR 1.00 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 2015.**

"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 2015 with respect to this period."

- 4. Resolution on the discharge of the Supervisory Board members for the financial year 2015.**

"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 2015 with respect to this period."

- 5. Resolution on the remuneration of the Supervisory Board members for the financial year 2015.**

"The Executive Board and the Supervisory Board propose setting the remuneration of the members of the Supervisory Board relating to the fiscal year 2015 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 2016.**

"The Supervisory Board proposes appointing Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H, Vienna, as auditor and group auditor for the financial year 2016."

## **7. Resolutions on (i) the Long Term Incentive Plan 2016 and (ii) the Matching Share Plan 2016.**

"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 2016**

#### **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. 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 granted only partly.

#### **Personal share ownership rules**

Executive Board members and senior managers are required to build up an appropriate volume of shares in the own 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 2016 gross base salary or gross base salary for the first month as participant):

- Chairman of the Executive Board: 200%
- Deputy Chairman of the Executive Board: 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 the calculation of the respective number of shares: Average share price over the three-month period January 1, 2016 – March 31, 2016 (= average of closing prices at Vienna Stock Exchange). The calculated number of shares is rounded up.

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 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 Chairman of the Executive Board
- 150% for the Deputy Chairman of the Executive Board
- 125% for other Executive Board Members
- 112.5% for senior managers

In case an Executive Board member is appointed later than January 1, 2016 the grant is calculated on a pro rata basis related to 2016. The same applies for an exit during 2016. The grant to Executive Board members is made by 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 three-month period January 1, 2016 – March 31, 2016. The number of shares will be rounded down.

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

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 2016 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 three-month period January 1, 2016 – March 31, 2016 of EUR 23.92 and current annual gross base salaries the maximum number of shares potentially transferred to the members of the Executive Board amounts to 262,959 shares (gross).

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, 2016, subject to AGM approval
- Performance period: 3 years (January 1, 2016 to December 31, 2018)
- Vesting date: March 31, 2019

#### **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)

70% 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".

### Cash flow elements

#### a) Free cash flow

10% of the award is based on the overall cash generation: Target is a positive free cash flow after dividends and before divestments over the three-year period.

#### b) Performance-element for divestment and acquisition projects

10% of the total award is based on the performance in divestment and acquisition projects during the three-year period. The target is to successfully complete major divestment and, if applicable, acquisition projects, in accordance with OMV's strategy as approved by the Supervisory Board. The most important criterion is the value maximization for the company (e.g. price vs. comparable transactions and companies). The following additional criteria also have to be applied for the evaluation:

- Adherence to planned timeframe for signing,
- Adherence to planned timeframe for closing,
- Achievement of at least current market terms and conditions,
- Performance of project compared with approved business plan (if applicable).

### Sustainability element

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

For both cash flow elements and the sustainability element a vesting as shown in the table below will be granted:

| <b>Performance</b> | <b>Vesting</b> |
|--------------------|----------------|
| Stretch            | 100%           |
| Target             | 70%            |
| Threshold          | 25%            |
| 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. However – in order to maintain the incentivizing character of the program – the Supervisory Board will have discretion to adjust the threshold/target/stretch levels (but not the criteria as such) in case of significantly changed market conditions and/or other special circumstances.

The compliance with the criteria and the degree of target achievement (including eventual adjustments, as described above) will always be evaluated by the Supervisory Board, considering whether the resulting awards are proportionate to the tasks and performance of the respective Executive Board member, to the situation of the company and to the usual remuneration and whether the criteria of a long-term performance incentive for sustainable development of the company is respected (Section 78 Para 1 Stock Corporation Act). This applies accordingly for the Executive Board when assessing the compliance with the criteria and the degree of target achievement with regard to awards for senior managers.

### 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
- Lundin Petroleum
- 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 as:

- 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 the share price the TSR is averaged over the period of three months before the start of the performance period (October 1, 2015 – December 31, 2015) and the three months before the end of the performance period (October 1, 2018 – December 31, 2018). 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. A vesting percentage for OMV is then calculated based on the relative position of OMV between the two quartiles immediately above and below the TSR of OMV. The vesting between the two quartiles is calculated on a straight line basis.

| <b>Performance</b>   | <b>Vesting</b> |
|--|----------------|
| Stretch: at or above upper quartile<br>( $\geq 75^{\text{th}}$ percentile) | 100%           |
| Target: at median<br>( $= 50^{\text{th}}$ percentile)                      | 25%            |
| Threshold: at lower quartile<br>( $= 25^{\text{th}}$ 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. In addition, senior managers can opt for cash payment in instalments. Participants must make this decision by quarter three 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 the Vesting Date or earlier, transfer of bonus shares will be executed on the next business day after the 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 average share price (= average of closing prices at the Vienna Stock Exchange) of the time period 14 working days (where the Vienna Stock Exchange is open) prior to the Vesting Date until the Vesting Date (if this day is not a business day, then the respective business 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 Para 4 Stock Corporation Act or Section 27 Employees Act or termination by the participant without good cause) | Unvested awards are forfeited.  |
| b) Good Leavers (leaver termination other than (a) or (c) to (e))   | Unvested plans continue.  |
| 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/Mid-Term-Planning numbers for the remaining time.  |
| e) Change of control in the ownership structure   | In case of early termination of the appointment as Executive Board member and/or the related employment contract declared by the Company following a "Change of Control" (that means more than 50% of the share capital of and/or of the voting rights in OMV Aktiengesellschaft having been obtained by a person or corporate body (acting alone or in coordination with others)) any award under the LTIP shall vest on the date of the Change of Control 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 (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>  |
|--|---|
| Adjustment of approved financial statements due to a mistake.  | The LTIP amount attributable to the relevant year is reduced / forfeited in full. |
| 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.  |

### **(ii) Approval of the Matching Share Plan (MSP) 2016**

#### **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.

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 NOPAT (means <b>Clean Current Cost of Supplies Net Operating Profit After Tax</b> and denotes the operating result after taxes and before financing costs, adjusted for special items and current cost of supplies)  | 20%           |
| Free cash flow after dividends and before divestments  | 30%           |
| RONA (means <b>Return On Net Assets</b> and denotes the operating result after taxes and before financing costs, adjusted for special items and current cost of supplies as a percentage of net assets)  | 10%           |
| Major capital projects 1:<br>Deviance regarding costs and schedule of the most important investment projects, which are separately defined by the Supervisory Board at the beginning of the performance period and assessed at the end of the performance period based on a pre-defined matrix.  | 10%           |
| Major capital projects 2:<br>Assessment of a selection of investment projects, which represent the major part of running investments exceeding EUR 20 mn based on the Net Present Value (NPV, capital value) (annual change).  | 10%           |
| Cost reduction:<br>Continuation and intensification of cost reduction and efficiency measures ("Fit4Future")   | 20%           |
| Sustainability multiplier:<br>The multiplier has a value between 0.9 and 1.1 (this is +/- 10%) which will be determined at discretion of the OMV Supervisory Board. For this discretionary decision the OMV Supervisory Board has to take into account the development of the Lost-Time Injury Rate (LTIR), work-related fatalities, the number and volume of oil spills and any other relevant accidents, as well as the general progress in terms of sustainability. |               |

Financial targets multiplier:  
 In both directions (through recalculation based on actual oil/gas price, fx-rate, etc. compared to assumptions) by OMV Supervisory Board.

For all performance measures except for the sustainability multiplier and the financial targets multiplier, vesting as shown in the table below, will be granted:

| <b>Performance</b> | <b>Vesting</b> |
|--------------------|----------------|
| Stretch            | 100%           |
| Target             | 70%            |
| Threshold          | 25%            |
| Below threshold    | 0%             |

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

The financial targets multiplier is applied to threshold/target/stretch levels of clean CCS NOPAT, free cash flow and RONA. In contrast, the sustainability multiplier is applied to the actual overall bonus achievement. The shares granted have to be reduced or have to be returned in the case of a clawback event. Furthermore, if the grant was based on incorrect calculations of the bonus, the Executive Board members are obligated to return 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. In this connection the Supervisory Board will, as for the other discretionary decisions (in particular with regard to the determination of the sustainability multiplier and the financial targets multiplier according to the above stated performance measures), in any case comply with Section 78 Para 1 Stock Corporation Act.

In each case (i.e. in particular after applying the multipliers) 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. 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, 2016 – January 31, 2017.
- The resulting number of shares will be rounded down.

The exact number of shares to be transferred under the MSP 2016 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 2016 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, 2016 – January 31, 2017. Based on an average closing price for OMV shares at the Vienna Stock Exchange over the three-month period January 1, 2016 – March 31, 2016 of EUR 23.92 and



current annual gross base salaries, the maximum number of shares to be transferred under the MSP 2016 would amount to 131,434 shares (gross).

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, 2016 as an integral part of the annual bonus agreement subject to AGM approval
- Vesting Date: March 31, 2017, subject to Supervisory Board approval
- Holding period: 3 years from vesting

**Vesting/Payout**

If authorization for the share transfer has been given by the Supervisory Board on the Vesting Date or earlier, transfer of bonus shares will be executed on the next business day after the 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.

The payment will, subject to any legal restrictions, be made in the form of restricted shares (net after tax deduction), which have to be held three years from vesting.

**Rules for leavers**

The rules outlined above under the draft resolution 7 (i) for the LTIP 2016 apply, whereas 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. For this discretionary decision, the Supervisory Board especially has to comply with Section 78 Para 1 Stock Corporation Act.

**Plan termination and clawback**

The plan cannot be terminated.

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

| <b>Reason for clawback</b>   | <b>Adjustment by Supervisory Board</b>               |
|--|--|
| Adjustment of approved financial statements due to a mistake.  | 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). | MSP can be reduced / forfeited in full.              |
| Serious misconduct of individual Executive Board member which violates Austrian law.   | MSP can be reduced / forfeited in full."             |

**8. Elections to the Supervisory Board**

"The Supervisory Board proposes that the General Meeting elects

- a) Mr. Marc H. Hall pursuant to Section 9 Para 4 of the Articles of Association until the end of the term of office of the resigning Supervisory Board member Mr. Wolfram Littich – i.e. until the end of the Annual General Meeting voting on discharge for the financial year 2018 –,
- b) Mr. Peter Löscher pursuant to Section 9 Para 4 of the Articles of Association until the end of the term of office of the resigning Supervisory Board member Mr. Peter Oswald – i.e. until the end of the Annual General Meeting voting on discharge for the financial year 2019 –,

- c) Mr. Ahmed Matar Al Mazrouei pursuant to Section 9 Para 4 of the Articles of Association until the end of the term of office of the resigning Supervisory Board member Ms. Alyazia Ali Saleh Al Kuwaiti – i.e. until the end of the Annual General Meeting voting on discharge for the financial year 2018 –, and
- d) Mr. Karl Rose pursuant to Section 9 Para 4 of the Articles of Association until the end of the term of office of the resigning Supervisory Board member Mr. Herbert Stepic – i.e. until the end of the Annual General Meeting voting on discharge for the financial year 2018 –,

as Supervisory Board members.”

Explanation:

*Immediately after the last elections of Supervisory Board members by the Annual General Meeting on May 19, 2015, the Supervisory Board consisted of ten members elected by the Annual General Meeting. Due to the resignations of Mr. Wolfram Littich, Mr. Peter Oswald, Ms. Alyazia Ali Saleh Al Kuwaiti and Mr. Herbert Stepic as members of the Supervisory Board by the close of this General Meeting four 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 persons proposed have made a declaration pursuant to Section 87 Para 2 Stock Corporation Act and have in particular declared that*

1. *all the circumstances in connection with Section 87 Para 2 Stock Corporation Act have been disclosed, and according to the assessment of the proposed candidate no circumstances exist that could give a reason for concern to any bias,*
2. *the proposed candidate has not been legally convicted of any criminal offense punished by a court calling his professional reliability into question pursuant to Section 87 Para 2a Sentence 3 Stock Corporation Act, and*
3. *that no obstacles pursuant to Section 86 Para 2 and 4 Stock Corporation Act exist.*

*The Nomination Committee of the Supervisory Board has prepared these proposals, and when the Committee made these proposals pursuant to Section 87 Para 2a Stock Corporation Act the Committee has considered the professional and personal qualifications of the members and the balanced composition of expertise on the Supervisory Board and has given appropriate consideration to diversity aspects of the Supervisory Board with respect to the representation of both genders and the age structure as well as the internationalism of the members.*

- 9. Resolution on the authorization of the Executive Board, subject to the approval of the Supervisory Board, to utilize the Company’s treasury stock or dispose of it to grant treasury shares to employees, senior employees and/or members of the Executive Board/management boards of the Company or one of its affiliates including for purposes of share transfer programs, in particular long term incentive plans including matching share plans or other stock ownership plans, under exclusion of the general purchasing possibility of shareholders.**

“The Executive and Supervisory boards of OMV Aktiengesellschaft propose to authorize the Executive Board for a period of five years from the adoption of the resolution, therefore, until (including) May 17, 2021, upon approval of the Supervisory Board, to dispose of or utilize stock repurchased or already held by the Company to grant treasury shares to employees, senior employees and/or members of the Executive Board/management boards of the Company or one of its affiliates including for purposes of share transfer programs, in particular long term incentive plans including matching

share plans or other stock ownership plans, under exclusion of the general purchasing possibility of shareholders (exclusion of subscription rights).

The authorization can be exercised as a whole or in parts or even in several tranches by the Company, by a subsidiary (Section 189a Number 7 Commercial Code) or by third parties for the account of the Company.”