

Report of the Supervisory Board

Dear shareholders,

The oil and gas industry faced an extremely challenging year, as the oil price dropped from USD 57/bbl to USD 37/bbl during 2015. Reflecting this macro environment, OMV generated a negative free cash flow after dividends of EUR 569 mn in 2015. Going forward, OMV's key target is to achieve a positive free cash flow after dividends. Reserves life has declined from 9.7 years at year-end 2014 to 9.3 years at year-end 2015. OMV will continue to focus its investments in Upstream in order to maintain a sustainable reserves portfolio. OMV's share price rose by 19% in 2015, representing a strong outperformance of the FTSE Global Energy Index with a EUR price performance of (15)%. OMV extended its strong safety improvement record in 2015, which is demonstrated by a further reduction in the Lost-Time Injury Rate from 0.44 in 2014 to 0.27 in 2015. Sadly, the Group suffered two work-related fatalities during 2015.

New Executive Board members

In 2015, the Supervisory Board focused on the identification and appointment of new Executive Board members. As had been agreed in 2014, Gerhard Roiss resigned as Chairman of the Executive Board and CEO on June 30, 2015. He was succeeded on July 1, 2015 by Rainer Seele. Jaap Huijskes, Executive Board member responsible for Upstream, resigned from his position on August 31, 2015. The Supervisory Board appointed Johann Pleininger as his successor as of September 1, 2015. Furthermore, we conducted a process for the identification of a suitable successor for the CFO position, which was ongoing at year-end 2015 and led to the decision on January 19, 2016 that Reinhard Florey will become the new CFO later in the year.

Strategy

On December 15, 2015, the Supervisory Board unanimously approved the new strategy of OMV. The key elements of this strategy are as follows: OMV will remain an integrated oil and gas group, focusing on a sustainable Upstream portfolio with investments in low-cost assets. Capital expenditure, exploration activities and operating expenses will be aligned with the goal of ensuring a positive free cash flow after dividends.

Work of the Supervisory Board

Throughout 2015, the Supervisory Board thoroughly monitored the conduct of OMV's business by the Executive Board and advised the Executive Board in the decision-making process on the basis of detailed oral and written reports and constructive discussions between the Supervisory Board and the Executive Board. The Executive Board has regularly provided us with timely and comprehensive information on business operations, the overall economic situation in the company's core markets and the operating environment as well as business opportunities and risks for OMV. Numerous open discussions in an atmosphere of trust form the foundation for our deliberations and our communication with the Executive Board at all times. Particular attention was given to OMV's plan to participate in the Nord Stream 2 pipeline and in the development of Areas IV and V of the Achimov formation of the Urengoy oil, gas and condensate field in Russia, the latter in exchange for a participation by Gazprom in assets of OMV. A decision about this transaction will only be taken once the swapped assets, their valuation and the contractual arrangements have been determined. Furthermore, the Supervisory Board discussed and approved Upstream investment projects in Norway, the United Kingdom, New Zealand and Abu Dhabi. In Downstream, key topics were the intended divestment of a minority stake in Gas Connect Austria in order to both optimize the portfolio and strengthen cash flow and balance sheet as well as the full takeover of EconGas, which represented a significant step in restructuring OMV's gas business. On the Group's financing, we supported the issuance of hybrid notes in the total amount of EUR 1.5 bn to improve financial flexibility. Other focus areas included the annual planning process for the medium-term period (2016-2018), the budget for the financial year 2016 and the investment program going forward. Especially in the context of the plunge in oil prices, the Supervisory Board maintained that a positive free cash flow after dividends remains a core target even in a very difficult market environment. Finally, we performed our annual self-evaluation aimed at continuously improving both the efficiency and the effectiveness of our work as well as to ensure

The **Corporate Governance Report** contains additional information on the activities of the Supervisory Board and its committees

that the Supervisory Board is capable of fulfilling its responsibilities towards shareholders and other stakeholders.

Supervisory Board committees

The Presidential and Nomination Committee steered the search process for the positions of CEO, CFO and Executive Board member for Upstream. In this role, it proposed the above-mentioned appointments of Rainer Seele and Johann Pleininger to the Supervisory Board in 2015. It also recommended the candidates for election to the Supervisory Board to the Annual General Meeting. Finally, the Presidential and Nomination Committee also discussed OMV's strategy. The Remuneration Committee negotiated the employment contracts with Rainer Seele and Johann Pleininger and approved the termination of the employment contract of Jaap Huijskes. For contracts concluded after July 2015, settlement payments in the event of termination within the contract period have been reduced to 18 months' pay and have been limited to fixed salary only. Furthermore, the Remuneration Committee worked on the improvement of the variable compensation system for the Executive Board, which will serve as the basis for the upcoming management incentive programs. The Audit Committee dealt with key issues relating to accounting processes, internal audit, risk management and the Group's internal control and management systems. The Audit Committee examined in detail the procedures and calculation methods used in determining write-downs of assets (impairment tests). OMV's Group auditor, Ernst & Young, participated in every meeting of the Audit Committee, and we also took the opportunity at meetings to exchange views with the auditor without the presence of the members of the Executive Board on a regular basis. In order to keep up with the latest developments in corporate governance, financial reporting and auditing standards, we held a special workshop with OMV's Group auditor again this year. In line with international best practice, the Audit Committee has not been chaired by the Supervisory Board Chairman any longer since May 19, 2015. The Project Committee analyzed OMV's planned Upstream investments in

Russia and the participation in the Nord Stream 2 pipeline project.

Composition of the Supervisory Board

Following the resignation of Chairman Rudolf Kemler and of Roy Franklin, Peter Oswald and Gertrude Tumpel-Gugerell were elected for the first time as members of the Supervisory Board at OMV's Annual General Meeting on May 19, 2015. Peter Oswald was elected as the new Chairman of the Supervisory Board.

Annual financial statements and dividend

After comprehensive review and discussions with the auditors at the Audit Committee and plenary meetings, which did not give rise to any qualifications, the Supervisory Board approved the directors' report, prepared in accordance with section 96 (1) Stock Corporation Act, and the financial statements of OMV Aktiengesellschaft for 2015, which were thereby approved pursuant to section 96 (4) of the Act. The same applies to the consolidated financial statements. The Supervisory Board likewise approved the Corporate Governance Report following its consideration by the Audit Committee. The Supervisory Board accepted the Executive Board's proposal to the Annual General Meeting to pay a dividend of EUR 1.00 per share and to carry forward the remainder of the profit for the year to new account. Finally, we sincerely thank the Executive Board and the entire staff of the Group for their commitment and support in the financial year 2015 as well as all shareholders, customers and partners for their trust. Our thanks also go to Rudolf Kemler as Chairman of the Supervisory Board until May 2015, Gerhard Roiss as CEO until June 2015 and Jaap Huijskes as Executive Board member responsible for Upstream until August 2015.

Vienna, March 22, 2016
For the Supervisory Board



Peter Oswald

OMV, as a publicly listed company with its headquarters in Austria, is dedicated to the principles of sound corporate governance. Austrian law, the articles of association, the internal rules for the corporate bodies and the Austrian Code of Corporate Governance (ACCG) provide the core legal framework for OMV's corporate governance. OMV has always sought to comply with best practice in corporate governance in order to ensure responsible management and control of the OMV Group, a high level of transparency for every stakeholder and, ultimately, the sustainable and long-term creation of value. OMV therefore also complies with the non-compulsory, best practice recommendations of the ACCG ("R-rules").

OMV adheres to the ACCG issued by the Austrian Working Group for Corporate Governance. The code is publicly accessible on www.corporate-governance.at. OMV's compliance with the ACCG in 2015 was evaluated externally by independent advisors. The report on the evaluation is available on www.omv.com and confirms that OMV conformed to all the C- and R-rules. As for C-rules 27 and 28, explanations concerning the variable remuneration plans are provided in the corresponding sections in the remuneration report.

Executive Board



From left to right: Johann Pleininger, David C. Davies, Rainer Seele, Manfred Leitner

Rainer Seele, *1960

Date of initial appointment: July 1, 2015

End of the current period of tenure:
June 30, 2018

Chairman of the Executive Board and
Chief Executive Officer (since July 1, 2015).

Responsible for the overall management
and coordination of the Group.

He received his PhD in Chemistry at the University of Göttingen and subsequently had senior appointments at the BASF group, where, in 2000 he first became member of the executive board and then later chairman of the executive board at WINGAS GmbH. From 2009 until 2015, he was chairman of the board of directors of Wintershall Holding GmbH.

Deputy chairman of the supervisory board
of Borealis AG.

Gerhard Roiss, *1952

Date of initial appointment: September 17, 1997
As of June 30, 2015, Gerhard Roiss resigned as Chairman of the Executive Board and Chief Executive Officer with the responsibility for the overall management and coordination of the Group.

He studied business at Vienna, Linz and Stanford universities and subsequently had senior appointments at various companies in the consumer goods industry. In 1990, he was appointed to the board of PCD Polymere GmbH. In 1997, he joined the OMV Executive Board, heading Exploration and Production and Plastics until the end of 2001. From 2002 to 2011, he was Deputy Chairman of the Executive Board and responsible for Refining and Marketing.

David C. Davies, *1955

Date of initial appointment: April 1, 2002
End of the current period of tenure: March 31, 2017 (On January 19, 2016, OMV's Supervisory Board decided that Reinhard Florey will be appointed as Chief Financial Officer, at the latest with effect from August 1, 2016. David C. Davies will resign from his position one month after the start date of Reinhard Florey's mandate.)
Chief Financial Officer (since April 1, 2002) and Deputy Chairman of the Executive Board (since April 1, 2011). Responsible for Finance and OMV Solutions GmbH.

Deputy chairman of the supervisory board of Borealis AG (until September 13, 2015). Member of the supervisory boards of Wiener Börse AG and CESEAG Aktiengesellschaft as well as member of the board of directors of Xella International SA (until November 20, 2015).

He graduated from the University of Liverpool, UK, with a degree in economics in 1978 and began his working life as a chartered accountant. He subsequently held positions with international corporations in the beverage, food and health industries. Before joining OMV, he was finance director at a number of British companies.

Johann Pleininger, *1962

Date of initial appointment: September 1, 2015
End of the current period of tenure: August 31, 2018.
Responsible for the Business Segment Upstream since September 1, 2015.

He started his professional career at OMV in 1977 and later studied mechanical and economic engineering. In his time at OMV, he held various senior functions. From 2007 to 2013, he was Executive Board member of OMV Petrom in Bucharest, responsible for Exploration and Production. Most recently he has been the Senior Vice President responsible for the Upstream countries Romania and Austria as well as the development of the Black Sea region.

Jaap Huijskes, *1965

Date of initial appointment: April 1, 2010
As of August 31, 2015, Jaap Huijskes resigned as member of the Executive Board responsible for Upstream.

He studied mechanical engineering and started his professional career with Shell. There he held a number of engineering, petroleum engineering and economic roles and, most recently, held the position of executive vice president, responsible for major worldwide upstream projects. He has worked and lived in the UK, Norway, Oman, Australia and Russia, among other countries.

Manfred Leitner, *1960

Date of initial appointment: April 1, 2011
End of the current period of tenure: December 31, 2017
Responsible for the Business Segment Downstream and for OMV Group's plastic and chemical interests.

Member of the supervisory board of Borealis AG and chairman of the supervisory board of Erdöl-Lagergesellschaft m.b.H (until November 20, 2015).

After graduating in commerce at the Vienna University of Economics and Business Administration, he joined OMV in 1985. After working for two years in the finance department of the E&P business unit, he became head

of finance at OMV's branch in Tripoli, Libya. Following his return to Austria, he was in charge of the controlling department within E&P until 1997. He then moved to the R&M Business Segment, where he led the Planning & Controlling Department until 2002, and was Senior Vice President for Downstream Optimization and Supply from 2003 until 2011.

Working practices of the Executive Board

The approval requirements, responsibilities of individual Executive Board members, decision-making procedures and the approach to conflicts of interest are governed by the Internal Rules of the Executive Board. The Executive Board holds at least bi-weekly meetings in order to exchange information and take decisions on all matters requiring plenary approval.

Remuneration report

The remuneration report provides an overview of the remuneration package for the Executive Board members. It outlines the principles of the remuneration policy and details of the different elements of remuneration including incentives and other benefits.

Executive Board remuneration policy

The Executive Board members are employed under local Austrian terms and conditions, and the salaries are therefore set in EUR (gross). Their employment contracts are concluded with OMV Aktiengesellschaft and governed by Austrian law. Reflecting additional responsibilities in Group companies, Gerhard Roiss had an additional employment contract with OMV Exploration & Production GmbH until June 30, 2015, and David C. Davies has an additional employment contract with OMV Solutions GmbH.

The remuneration of OMV's Executive Board members is at competitive levels for the relevant industry and has a strong performance-related component. Competitive rates are maintained through regular external benchmarking against peer groups such as European oil and gas companies and relevant Austrian and European industrial companies. PricewaterhouseCoopers LLP (PwC) acted as advisors to the Remuneration Committee throughout the year.

The performance-related component includes both short- and long-term elements. The measures used are based on financial and non-financial metrics. Specific projects related to the implementation of OMV's strategy are also taken into account.

Annual remuneration

Base salary

The fixed base remuneration of Executive Board members is paid monthly as a salary. The employment contracts stipulate 14 payments per year to be paid on the last banking day of a month.

Non-cash benefits

Executive Board members receive a company car and are eligible for accident insurance. Health coverage is only provided under the Austrian public social insurance system.

Bonus

The annual bonus consists of two integrated elements: a cash element (the Cash Bonus) and a share element (the Matching Share Plan). Both elements are equal and subject to the same performance criteria.

The **Cash Bonus** for the year 2015 was approved by the Remuneration Committee of the Supervisory Board. Depending on the achievement, a maximum of 100% of the base salary may be paid as variable cash remuneration in the following financial year.

The **Matching Share Plan (MSP)** for the year 2015 was approved by the Annual General Meeting in 2015 and serves as a long-term 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 reduce inappropriate risk-taking. For Executive Board members, an award of shares will be made in the same amount of their realized gross annual cash bonus. The **performance criteria** for the annual bonus may not be amended during the term of the MSP. On determination of the annual cash bonus by the

Remuneration Committee, the MSP 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 members can choose between cash payment or shares if and to the extent that they have already fulfilled the minimum shareholding requirements for the Long Term Incentive Plan.

Performance measures are agreed and then assessed at the end of the performance year. The performance criteria for the performance year 2015 are made up of the four areas set out below.

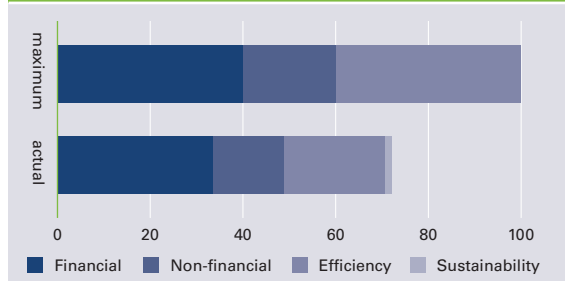
Area	Criteria
Financial	Clean CCS NOPAT; Free cash flow after dividends and before divestments
Non-financial	Production; Reserve Replacement Rate
Efficiency	Includes for example the execution of capital projects in time and in budget and cost savings
Sustainability	General progress

The achievement of targets shall be determined by comparing agreed targets with achieved results. The actual achievements are reviewed by an independent expert. The award of the Cash Bonus is conditional upon the relative achievement of the performance criteria against agreed threshold, target and stretch levels entitling to an award of 50%, 70% or 100% of the annual base salary, respectively.

The actual achievements in 2015 result in a payment of 72.1% of the base salary to be paid in 2016, and the same percentage also applies to the payments under the MSP in 2016.

The challenging market environment burdened the performance of financial targets, partly compensated by the successful implementation of the cost program and other efficiency measures. The positive LTIR development and successful sustainability projects led to a positive adjustment of the bonus achievement.

2015 bonus achievements in % of base salaries



In the case of a **clawback** event, shares granted will be reduced or may be clawed back upon request from the Supervisory Board. The following reasons are considered to be clawback events: reopening of audited financial statements due to miscalculation, material failure of risk management which leads to significant damages and serious misconduct of individual Executive Board members which violates Austrian law. Furthermore, if the shares or cash equivalent were based on incorrect calculations of the bonus, the Executive Board members are obliged to return or pay back benefits obtained due to such wrong figures.

Summary of annual remuneration

Based on the assumption that the performance criteria for the Cash Bonus and the MSP are reached at target level, the total annual remuneration corresponds to 240% of the base salaries of the Executive Board members.

Long-term remuneration and incentives

Long Term Incentive Plan

The Long Term Incentive Plan (LTIP) has operated since its introduction in 2009 and has been granted on an annual basis since then. The LTIP 2015, as approved by the Annual General Meeting in 2015, is a long-term compensation vehicle for the members of the Executive Board that promotes mid- and long-term value creation in OMV. The plan seeks to align the interests of management and shareholders by granting OMV shares to management subject to performance against key measures linked to the medium-term strategy and shareholder return.

Executive Board remuneration ¹							EUR 1,000
Remuneration 2015	Roiss ² until 6/30/2015	Seele from 7/1/2015	Davies ³	Huijskes until 8/31/2015	Pleininger from 9/1/2015	Leitner	Total
Fixed (base salary)	478	451	880	464	183	700	3,155
Variable (Cash Bonus) ⁴	414	0	361	323	0 ⁵	261	1,359
Benefits in kind (company car, accident insurance and reimbursed expenses)	5	71 ⁶	10	6	3	10	106
Total	896	522 ⁷	1,252	793	187	971	4,620
Variable (Matching Share Plan; in shares) ⁸	18,129 ⁹	0	15,845	14,161	0	11,424	59,559
Fixed/variable ratio ¹⁰	36/64	100/0	54/46	41/59	100/0	56/44	53/47
LTIP 2012 (in shares) ¹¹	14,536 ⁹	0	10,902	6,489	0 ¹²	6,489	38,416

¹ There are discrepancies between individual items and totals due to rounding differences. The variable components relate to target achievement in 2014, for which the bonuses were paid in 2015 (accordingly, no bonus payments were made to Rainer Seele and Johann Pleininger in 2015). The base salary for David C. Davies includes an annual accommodation allowance. The base salaries for Gerhard Roiss and David C. Davies were adjusted as of April 1, 2015. The base salary for Manfred Leitner was adjusted as of January 1, 2015. These adjustments are linked to the inflation index

² Partly paid out under the employment contract with OMV Exploration & Production GmbH

³ Partly paid out under the employment contract with OMV Solutions GmbH

⁴ Hans-Peter Floren received a cash bonus in the amount of EUR 272 thousand related to target achievement in 2014

⁵ Johann Pleininger received a cash bonus in the amount of EUR 93 thousand related to his target achievement as a senior manager in 2014

⁶ Including rent, parking, home flights, rental car, relocation costs and related taxes

⁷ In addition, Rainer Seele received a one-time payment in the amount of EUR 1,517 thousand which is linked to an obligation to buy OMV shares for the LTIP shareholding requirements

⁸ Hans-Peter Floren was entitled to 11,921 shares related to target achievement in 2014

⁹ Paid out in cash

¹⁰ Fixed includes base salary and benefits in kind; variable includes Cash Bonus and Matching Share Plan

¹¹ Hans-Peter Floren was entitled to 6,489 shares related to target achievement in 2012-2014

¹² Johann Pleininger was entitled to 3,504 shares based on the senior manager LTIP 2012 (partly paid out in cash)

The maximum share grant for each Executive Board member 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.

The performance period is three years (January 1, 2015 until December 31, 2017). At the start of the program, weightings were established for key indicators:

Measure	Weighting
Relative Total Shareholder Return (Relative TSR)	70%
Free cash flow after dividends over three years	20%
Sustainability element	10%

Relative TSR is measured against a well-balanced peer group of twelve oil and gas companies (i.e. Shell, BP, Total, Eni, Statoil, BG Group, Repsol, Galp Energia, MOL, Tupras, Neste Oil and PKN).

The achievement of targets shall be determined by comparing agreed indicators with actually achieved results.

To the extent the shareholding requirement is not fulfilled, the payment will be automatically made in the form of shares (net after tax deduction). As far as the shareholding requirement is already fulfilled, the payout can be made in cash. The base for the calculation of the respective number of shares is the average closing price on the Vienna Stock Exchange of the OMV share over the three-month period from January 1, 2015 to March 31, 2015 (EUR 23.75). The LTIP 2015 vests on March 31, 2018. The vesting levels for each performance metric are shown in the tables.

Free cash flow and Sustainability: Level of vesting	
Performance	Vesting
Stretch	100%
Target	70%
Threshold	50%
Below threshold	0%

Relative TSR: Level of vesting	
Performance	Vesting
Stretch: at or above upper quartile (≥75 th percentile)	100%
Target: at median (=50 th percentile)	50%
Threshold: at lower quartile (=25 th percentile)	25%
Below threshold: below lower quartile (<25 th percentile)	0%

Awards will vest on a straight line basis between the performance levels/quartiles.

Based on the assumption that all performance criteria of the LTIP 2015 are reached at target level, the awards will be 98%, 84% and 70% of the base salary for the Chairman of the Executive Board, the Deputy Chairman of the Executive Board, and the other Executive Board members, respectively.

Executive Board members are required to **accumulate an appropriate shareholding** in OMV 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: 200% for the Chairman of the Executive Board, 175% for the Deputy Chairman of the Executive Board, 150% for other Executive Board members. The shareholding must be accumulated and achieved within five years after start of the current employment contract as Executive Board member. All Executive Board members have already fulfilled at least a part of their minimum shareholding requirement through MSP payouts, previous LTIP investments and/or transfer of private shares (see table).

The degree of fulfillment of the LTIP 2013 goals is 34.5%, and the corresponding allocation of shares or cash payment will be made in 2016.

LTIP 2013-2015 achievements		in %
Measure	Weighting	
Relative TSR vs. peers	50%	
ROACE	40%	
Sustainability: Action Item Response Rate	5%	
Sustainability: Contractor Management	5%	
Total vesting percentage	34.5%	

Strategic Incentive Plan

The Strategic Incentive Plan (SIP) is a long-term compensation scheme for Executive Board members (as well as for members of the executive management and selected Upstream experts) promoting a combined focus on the achievement of OMV's strategic objectives. It is based on virtual share grants that are paid out in cash equivalent, subject to achievement of defined performance measures, at the end of the plan period.

Each Executive Board member has to declare at the beginning of the program or at the beginning of the employment contract if he or she wants to participate in the SIP. Furthermore, each participating Executive Board member has to declare if he or she will participate with an additional personal investment. These declarations are then effective for the entire term of the plan.

Each participating Executive Board member receives a grant from OMV ("OMV Grant") in virtual shares that reflect the performance of the underlying OMV shares (the "Phantom Shares") in up to five consecutive annual tranches between 2014 and 2018, amounting to 22.5% of the annual gross base salary per year. Every year, Executive Board members having declared to make a personal investment in the form of OMV shares ("Investment Shares") must do

	Shareholding requirement		Fulfillment	
	In shares	As % salary	In shares (on Company trustee deposit)	As % requirement
Roiss	80,600	200%	80,600	100.00%
Seele	75,790	200%	32,200	42.49%
Davies	61,770	175%	54,626	88.43%
Huijskes	45,879	150%	38,419	83.74%
Pleininger	34,737	150%	8,462	24.36%
Leitner	44,211	150%	37,163	84.06%

so in an amount of 11.25% of the annual gross base salary. Shares on OMV trustee deposits relating to previous share incentive programs will not be counted towards the personal investment component under the SIP. However, vested shares granted under existing share incentive programs that exceed the shareholding requirements of those programs may be counted as Investment Shares. If Investment Shares are contributed, the OMV Grant will be supplemented by OMV with a complementary grant (the "Complementary Grant") in a ratio of 1:2 (i.e. each Phantom Share of the OMV Grant will be supplemented with two additional Phantom Shares under the Complementary Grant).

The performance measures are

(for further details, as for example the performance period, see the table "Key facts"):

- ▶ Average daily production of oil and oil equivalents in barrels on a yearly basis (440 kboe/d – 520 kboe/d, no payout in case production is <440 kboe/d) with vesting levels as shown in the table:

Production	
Performance	Vesting
Stretch	130%
Target	100%
Threshold	70%
Below threshold	0%

- ▶ Relative ROACE: Depending on the ROACE in relation to the production growth (compared to a peer group of Shell, BP, Total, Eni, Statoil, BG Group, Repsol, Galp Energia and MOL) over the performance period, the achievement will be adjusted as shown in the table:

Relative ROACE ranking	
Performance	Adjustment factor
Stretch: at or above upper quartile (≥75 th percentile)	150%
Target: at median (=50 th percentile)	100%
Threshold: at lower quartile (=25 th percentile)	50%
Below threshold: below lower quartile (<25 th percentile)	0%

For both performance measures, there is a straight line vesting between threshold and stretch levels.

Further conditions applying in combination as a prerequisite for any payout:

- ▶ The target achievement has to be sustainable – minimum of eight years 1P reserves life
- ▶ The average ROACE must exceed the average WACC (Weighted Average Cost of Capital) over a three-year period prior to vesting of the SIP. If ROACE falls below WACC after 2021 (or earlier), future payments may be adjusted downwards (sole discretion of the Remuneration Committee of the Supervisory Board)
- ▶ No capital increase during the performance period of the SIP

Under certain circumstances, the Supervisory Board may reduce or forfeit in full the payout under the SIP or may request repayment ("**clawback**"). The clawback provision will apply in defined cases of gross misconduct.

The **cash payout** of the equivalent of the OMV Grant and the Complementary Grant is subject to the fulfillment of the performance criteria as mentioned above and will be paid out at the end of the performance period after calculation of the final performance. Any awards will be released over a period of three years. A payment in the amount of dividend equivalents for the OMV Grant and the Complementary Grant – both adjusted for the level of the final performance achievement – will be paid out in cash as part of the three installments. All payments will be made net of taxes and contributions. If the defined production threshold is not reached or the relative ROACE ranking is below the lower quartile, no payout will be effected at all.

According to C-rule 27 of the ACCG, maximum limits shall be fixed in advance for the variable remuneration component. The SIP is dependent on the development of the share price of OMV, and future maximum payouts therefore cannot be calculated in advance.

Key facts	
Plan start	July 1, 2014
Grant period	2014-2018 (five annual tranches)
Performance period	July 1, 2014 – December 31, 2021 (only in case the production target of 520 kboe/d is already achieved in 2019 or 2020, the performance and payout periods will be brought forward correspondingly)
Vesting date	Last day of the month following the official performance confirmation
Payout period	2022-2024 (or earlier, analogous to the performance period; share price changes will impact the amounts)
Holding period (for Investment Shares)	Until the end of the payout period

The achievement of all performance criteria will be confirmed by an external expert.

Further, pursuant to C-rules 27 and 28 of the ACCG, for the variable remuneration components, measurable performance criteria shall be fixed in advance. Given the industry-inherent volatility of commodity prices and market conditions, political country risks as well as an increased safety exposure, the variable remuneration plans (Cash Bonus, MSP, LTIP and SIP) give the Supervisory Board respectively the Remuneration Committee, in line with the general practice in the oil and gas industry, certain room for discretion to amend individual components in case of significant changes in the underlying circumstances as well as to determine the achievement of individual criteria, always in line with relevant factors and within maximum limits.

Stock Option Programs

Up to and including 2008, long-term incentives took the form of Stock Option Programs. These plans provided for a holding period of two years followed by an exercise period of five years. The 2008 plan was not exercised as the conditions (increase in the OMV share price set as a target when the plan was approved by the Annual General Meeting) were not met. No further stock options were issued after 2008.

Pensions

Gerhard Roiss is entitled to a defined benefit pension payment. The Company pays the contributions, calculated in accordance with discounted cash flow methods, into a pension fund (APK Pensionskasse AG). Rainer Seele, David C. Davies, Jaap Huijskes, Johann Pleininger and Manfred Leitner are entitled to defined contribution pension payments. The Company pays the contributions into a pension fund (APK Pensionskasse AG). The amount of the company pension depends on the amount of available capital in the pension fund. The annuitization is made in accordance with the pension fund's approved business plan. The retirement age for all Executive Board members is the Austrian statutory retirement age.

Pension fund contribution	EUR 1,000
Seele	113
Davies	321
Huijskes	181
Pleininger	49
Leitner	175
Floren	300
Total	1,138

Termination-related benefits

Gerhard Roiss and Jaap Huijskes resigned as members of the Executive Board effective June 30, 2015 and August 31, 2015, respectively. Hans-Peter Floren resigned effective December 31, 2014. They continued to receive payments (including benefits in kind) under their employment contracts.

Termination-related payments	EUR 1,000		
	Roiss	Huijskes	Floren
Applicable period	July – Dec. 2015	Sept. – Dec. 2015	Jan. – Dec. 2015
Remuneration	485	372	902
Settlement payments	736 ¹	–	750
Total	1,220	372	1,652
Accruals for outstanding fixed payments	2,173	220 ²	–

¹ Including upfront salary payments for the period January 2016 to March 2017 less pension benefits

² Including accruals for pension

Based on their employment contracts, they will receive additional payments in subsequent years. Gerhard Roiss is entitled to bonus payments for

the period January 2016 to March 2017, which have been agreed as a lump-sum payment. LTIP and SIP payments will be settled according to the plan terms for good leavers effective March 31, 2017. Jaap Huijskes is entitled to salary and bonus payments until March 31, 2016. LTIP payments will be settled according to the plan terms for good leavers effective March 31, 2016. For Hans-Peter Floren, LTIP and SIP payments will be settled according to the plan terms for good leavers effective December 31, 2015 and June 30, 2015, respectively.

In accordance with C-rule 27a of the ACCG, the employment contracts with members of the Executive Board provide that settlement payments in the event of premature termination of such contracts without a material breach shall not exceed the amount set forth in the ACCG. For contracts concluded after July 2015, settlement payments in the event of termination within the contract period have been reduced to 18 months' pay and have been limited to fixed salary only. No settlement payment is made if the Executive Board member terminates the contract prematurely.

Directors' and officers' (D&O) insurance

OMV has concluded a Directors' and Officers' liability insurance (D&O insurance) on a group-wide basis. The expenses are borne by the Company. This insurance covers Executive Board members, Supervisory Board members and other OMV employees (officers). Coverage is provided for the personal legal liability of insured persons for financial losses out of wrongful acts committed while acting within the scope of their function. For the actual insurance period, the yearly premium (including taxes) for the entire OMV Group D&O insurance amounts to approximately EUR 550,000.

Indemnity

The Executive Board and officers of direct and indirect subsidiaries of OMV Aktiengesellschaft, to the extent legally possible, are also indemnified against claims by third parties in respect of their actions in exercise of their duties, except in cases of willful intent or gross negligence.

Policy principles for the remuneration of senior management and expert levels

The basic salaries of such employees are set in accordance with internationally accepted methods for determining market levels of remuneration and with the relevant legal regulations and collective agreements. The principles applicable to the Executive Board are applied to these employees in adapted form.

Consequently, some employees at senior management levels of the Group (98 people) are eligible for membership of the Long Term Incentive Plan. They are also eligible for bonus agreements, as discussed below.

In 2015, a total of some 3,900 managers and experts participated in a graduated Management by Objectives (MbO) program entitling them to bonuses for fulfilling objectives. There are also bonus schemes for other employees, which vary from country to country. Employee representatives are involved in designing these incentive schemes. In all these systems, payments are conditional on the attainment of financial and non-financial corporate targets as well as individually agreed objectives.

Participants in MbO programs can inspect their goal-setting agreements using the Group-wide Performance and Development System (PDS). This enables them to take account of each other's targets.

Supervisory Board

OMV's Supervisory Board consists of ten members elected by the General Meeting (shareholders' representatives) and five members delegated by the Group works council. Eight of the current shareholders' representatives were elected at the 2014 Annual General Meeting (AGM), and two were elected at the 2015 AGM, each for the maximum period as foreseen by the Aktiengesetz (AktG, Stock Corporations Act). The members of OMV's Supervisory Board in 2015 and their appointments to supervisory boards of other domestic or foreign listed companies are shown below.

Note 31 provides additional information on the Long Term Incentive Plan, the Matching Share Plan and the Strategic Incentive Plan (valuation and exercise in previous years)

More detailed information about all members of OMV's Supervisory Board, including their professional careers, can be downloaded from OMV's website at www.omv.com > [About OMV](#) > [Corporate Governance & Organization](#) > [Supervisory Board](#)

Peter Oswald, *1962 (from May 19, 2015; on March 4, 2016, Peter Oswald declared his resignation as member of the Supervisory Board with effect from the close of the Annual General Meeting on May 18, 2016)
(Chief Executive Officer: Europe & International Division, Mondi Group), Chairman
Seats: Mondi plc (UK), Mondi Ltd (South Africa), Miba Aktiengesellschaft (until June 25, 2015).

Rudolf Kemler, *1956 (until May 19, 2015)
(Managing Director, Österreichische Bundes- und Industriebeteiligungen GmbH (ÖBIB; former Österreichische Industrieholding AG))
(until June 8, 2015), Chairman
Seats: Österreichische Post AG (chairman) (until April 15, 2015) and Telekom Austria AG (chairman) (until May 27, 2015).

Wolfgang C. Berndt, *1942
Deputy Chairman
Seats: GfK SE and Miba Aktiengesellschaft (chairman).

Murtadha Al Hashmi, *1966
(Chief Financial Officer, International Petroleum Investment Company (IPIC)), Deputy Chairman
Seat: Banvit Bandirma Vitaminli Yem Sanayii A.Ş.

Alyazia Ali Saleh Al Kuwaiti, *1979
(Head of Midstream, Power & Utilities Investments, IPIC).

Elif Bilgi Zapparoli, *1967
(Co-Head of Emerging Markets (Ex-Asia) Investment Banking, Country Executive for Turkey and Head of Global Sovereign Wealth Funds Coverage, Bank of America Merrill Lynch).

Helmut Draxler, *1950
Seat: RHI AG (deputy chairman).

Roy A. Franklin, *1953 (until May 19, 2015)
Seats: Keller Group plc. (non-executive chairman) and SANTOS Group Ltd. and Boart Longyear Ltd. (until February 25, 2015).

Wolfram Littich, *1959
(Chairman of the executive board of Allianz Elementar Versicherungs-AG).

Herbert Stepic, *1946
(Consultant).

Gertrude Tumpel-Gugerell, *1952
(from May 19, 2015)
Seats: Commerzbank AG, Vienna Insurance Group AG.

Herbert Werner, *1948
Seats: Ottakringer Getränke AG (deputy chairman).

Delegated by the Group works council (employee representatives)

Christine Asperger, *1964,
Wolfgang Baumann, *1958,
Herbert Lindner, *1961,
Alfred Redlich, *1966,
Martin Rossmann, *1970.

Diversity

The main considerations in selecting the members of the Supervisory Board are relevant knowledge and experience in executive positions. Furthermore, aspects of diversity of the Supervisory Board with respect to the internationality of the members, the representation of both genders and the age structure are taken into account. The Supervisory Board includes four women and three non-Austrian nationals. The members of the Supervisory Board are aged between 36 and 73.

Independence

The Supervisory Board has defined the criteria that constitute independence (resolutions dated March 21, 2006 and March 25, 2009). In addition to the guidelines set out in Annex 1 of the ACCG, the Supervisory Board has established the following criteria with regard to its members elected by the General Meeting:

- ▶ A Supervisory Board member shall not serve on the executive board of an OMV Group company
- ▶ A Supervisory Board member shall not hold stock options issued by the Company or any affiliated company or receive any other performance-related remuneration from an OMV Group company
- ▶ A Supervisory Board member shall not be a shareholder with a controlling interest

in the meaning of EU Directive 83/349/EEC (i.e. a shareholder's interest of 50% or a dominant influence, e.g. through the right to appoint board members) or represent such a shareholder

All of the members elected by the General Meeting except (i) Rudolf Kemler, regarding the representation of a shareholder with controlling interest, and (ii) Helmut Draxler and Herbert Werner, regarding the duration of their terms, have declared their independence from the Company and its Executive Board during the 2015 financial year and up to the time of making such declarations (C-rule 53 of the ACCG). Under C-rule 54 of the ACCG, Peter Oswald, Wolfgang Berndt, Elif Bilgi Zapparoli, Helmut Draxler, Roy Franklin, Wolfram Littich, Herbert Stepic, Gertrude Tumpel-Gugerell and Herbert Werner have made declarations to the effect that they were not shareholders with a stake of more than 10% or represented such shareholders' interests during the financial year 2015 and up to the time of making such declarations. In the cases of Rudolf Kemler and Roy Franklin, their respective declarations relate to the period up to their leaving office as members of the Supervisory Board on May 19, 2015. Peter Oswald and Gertrude Tumpel-Gugerell were nominated for the election as Supervisory Board members by the nomination committee of the Österreichische Bundes- und Industriebeteiligungen GmbH and, subsequently (after being so proposed by the Presidential and Nomination Committee and the Supervisory Board), they were elected as Supervisory Board members on May 19, 2015.

Working practices of the Supervisory Board

The Supervisory Board fulfills its duties – in particular supervising the Executive Board and advising it on strategy – by discussing the Company's situation and objectives during board meetings. Decisions are also taken at these meetings, except in cases of urgency where decisions can be taken by circular vote. The set-up of four committees ensures that best possible use is made of the Supervisory Board members' expertise. Brief descriptions of these committees are given below.

In 2015, the Supervisory Board held seven meetings. In two of these meetings, the Executive Board and the Supervisory Board thoroughly discussed OMV's future strategy. No member of the Supervisory Board attended fewer than half of the meetings.

The Supervisory Board performed a self-evaluation and discussed the efficiency of its activities, in particular its organization and work procedures.

Presidential and Nomination Committee

This committee is empowered to take decisions on matters of urgency. The Supervisory Board may transfer other duties and powers of approval to the Presidential and Nomination Committee on an ad hoc or permanent basis. In its capacity as the Nomination Committee, this body makes proposals to the Supervisory Board for the appointment or replacement of Executive Board members and deals with succession planning. It also makes recommendations to the General Meeting for appointments to the Supervisory Board. There were five meetings of the Presidential and Nomination Committee in 2015, in which discussions focused on OMV's strategy as well as Executive and Supervisory Board matters.

Audit Committee

This committee performs the duties established by section 92 (4a) Stock Corporation Act. The committee held six meetings during the year. It predominantly dealt with preparations for the audit of the annual financial statements, assessment of the auditors' activities, internal audit, internal control and risk management systems as well as the presentation of the annual financial statements.

Auditors

The Supervisory Board monitors the auditors' independence and reviews a breakdown of the audit fees and fees for additional services besides auditing activities. In 2015, the auditors Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H. (including their network in the meaning of section 271b Code of Commerce) received EUR 2.6 mn for the annual audit, EUR 1.25 mn for other assurance services and EUR 0.13 mn for other engagements.

See also the **Report of the Supervisory Board** for an overview of the individual committees' main activities in 2015

Name (current members in bold)	Position and committee memberships in 2015 ¹	Remuneration (in EUR, for 2014) ⁶	Term of office ¹
Peter Oswald	Chairman; Chairman of the Pres. Com., Proj. Com. and Remun. Com.; Audit Com.	—	May 19, 2015 to 2016 AGM ⁵
Rudolf Kemler	Chairman; Chairman of the Pres. Com., Proj. Com., Audit Com. and Remun. Com.	77,200 ²	Nov. 1, 2012 to May 19, 2015
Wolfgang C. Berndt	Deputy Chairman; Chairman of the Audit Com. (from May 19, 2015 until Sept. 29, 2015); Deputy Chairman of the Pres. Com., Proj. Com., Audit Com. and Remun. Com.	61,900	May 26, 2010 to 2019 AGM
Murtadha Al Hashmi	Deputy Chairman; Deputy Chairman of the Pres. Com., Proj. Com., Audit Com. and Remun. Com.	61,900	May 10, 2012 to 2019 AGM
Alyazia Ali Saleh Al Kuwaiti	Pres. Com. and Proj. Com.	30,600	May 14, 2008 to 2016 AGM ⁵
Elif Bilgi Zapparoli		14,600	May 13, 2009 to 2019 AGM
Helmut Draxler	Audit Com and Remun. Com.	30,600	Oct. 16, 1990 to 2019 AGM
Roy A. Franklin	Proj. Com.	22,600	May 14, 2014 to May 19, 2015
Wolfram Littich	Proj. Com. and Audit Com.	30,600	May 23, 2001 to 2016 AGM ⁵
Herbert Stepic		14,600	May 18, 2004 to 2019 AGM
Gertrude Tumpel-Gugerell	Chairwoman of the Audit Com. (as of Sept. 29, 2015)	—	May 19, 2015 to 2020 AGM
Herbert Werner	Audit Com.	22,600	June 4, 1996 to 2019 AGM
Christine Asperger		— ³	since Jan. 1, 2013 ⁴
Wolfgang Baumann	Pres. Com., Proj. Com. and Audit Com.	— ³	Dec. 16, 1998 to Apr. 1, 1999 and again since Nov. 11, 2004 ⁴
Herbert Lindner	Proj. Com. and Audit Com.	— ³	since June 1, 2013 ⁴
Alfred Redlich		— ³	since June 1, 2013 ⁴
Martin Rossmann	Pres. Com., Proj. Com. and Audit Com.	— ³	since May 5, 2011 ⁴

¹ Abbreviations: Pres. Com. = Presidential and Nomination Committee; Proj. Com. = Project Committee; Audit Com. = Audit Committee; Remun. Com. = Remuneration Committee; AGM = Annual General Meeting

² In accordance with the employment contract with ÖIAG (and subsequently ÖBIB), Rudolf Kemler transferred his remuneration to ÖIAG/ÖBIB.

³ Members delegated to the Supervisory Board by the Group works council do not receive remuneration but just attendance expenses

⁴ Delegation by the Group works council is for an indefinite period of time; however, the employee representatives may be recalled at any time by the delegating body

⁵ Declared resignation with effect from the close of the Annual General Meeting on May 18, 2016

⁶ Does not include meeting fees in the amount of EUR 365/meeting

Project Committee

This committee supports the Executive Board in preparing complex decisions on key issues, where necessary, and reports on these decisions and any recommendations to the Supervisory Board. In 2015, one meeting of the Project Committee was held.

Remuneration Committee

This committee deals with all aspects of the remuneration of Executive Board members and with their employment contracts. The committee's membership does not include employee representatives. The committee is empowered to conclude, amend and terminate Executive Board members' employment contracts and to take decisions on the award of

bonuses (variable remuneration components) and other such benefits to the latter. The Remuneration Committee met nine times during 2015. Executive Board members were invited to attend parts of the meetings of the Remuneration Committee. PwC provided remuneration advice to the Committee, which included market information drawn from published data, advice on the appropriate structure of short-term and long-term incentives as well as information on peer group performance and remuneration systems. They were appointed by the Remuneration Committee and did not advise the OMV Executive Board, ensuring independence with respect to the Austrian Code of Corporate Governance. Besides, PwC provided tax advice and valuation services to the Company in 2015.

Conflicts of interest and dealings by members of the Supervisory Board requiring approval

There were no transactions requiring approval in accordance with section 95 (5) (12) Stock Corporation Act. The Internal Rules of the Supervisory Board contain detailed procedures for the treatment of conflicts of interest on the part of Supervisory Board members.

Remuneration

In accordance with the articles of association, the AGM resolves the remuneration of the Supervisory Board members elected by the General Meeting for the previous financial year. The 2015 AGM adopted the following remuneration scale for the 2014 financial year:

Remuneration for Supervisory Board members	EUR
Chairman	29,200
Deputy Chairman	21,900
Ordinary member	14,600
Committee Chairman	12,000
Committee Deputy Chairman	10,000
Ordinary Committee member	8,000

The amounts for the financial year 2014 were disbursed to the Supervisory Board members concerned in 2015; these were exclusive of expenses (travel and attendance expenses). The total expenditure incurred by the Supervisory Board in 2015 was EUR 1,275,107, of this, members' remuneration (for the 2014 financial year) accounted for EUR 367,200, attendance expenses for EUR 81,468, travel expenses for EUR 757,826 (including retroactive reimbursement for the years 2012 to 2014), and conference equipment, organization and translation for EUR 68,614.

Employee participation

The Group works council holds regular meetings with the Executive Board in order to exchange information on developments affecting employees. Furthermore, the Group works council has made use of its right to delegate members to the Supervisory Board (one employee representative for every two members elected by the General Meeting). Therefore, out of the 15 Supervisory Board members, five members are employee representatives.

Rights of minority shareholders

- ▶ General Meeting: An Extraordinary General Meeting must be convened at the request of shareholders holding not less than 5% of the shares
- ▶ Agenda items must be included at the request of shareholders holding not less than 5% of the shares
- ▶ Shareholders holding not less than 1% of the shares may submit resolution proposals on all agenda items. Such resolution proposals must be posted on the website upon request of the respective shareholders
- ▶ Shareholders holding not less than 10% of the shares may require an extraordinary audit in the event of grounds for suspicion of irregularities or gross violations of the law or the articles of association
- ▶ All shareholders having duly provided evidence of their shareholding are entitled to attend General Meetings, ask questions and vote
- ▶ Election of the Supervisory Board: If elections to two or more positions on the Supervisory Board are held at the same General Meeting, separate votes must be held for each position. If elections to three or more seats on the Supervisory Board are held at the same General Meeting and if prior to the vote on the last position to be assigned it is found that at least one-third of all the votes have been cast in favor of the same person but he or she has not been elected, then this person must be declared as Supervisory Board member

Women's advancement

Being active in an industry with a strong technical focus, it is particularly challenging for the Company to achieve a satisfactory gender balance in all fields of business activity. Therefore, gender diversity is one of two major focus areas of OMV Group's diversity strategy. OMV is committed to supporting women's advancement to managerial positions. The strategic objective is to achieve the best diversity mix at senior management level, with the target of having 30% female Senior Vice Presidents by 2020. Mariana Gheorghe is the chairwoman of the executive board of OMV Petrom SA and Lacramioara Diaconu-Pințea is a member of

OMV Petrom's Executive Board since April 2015. Gülsüm Azeri is the chairwoman of the executive board of OMV Petrol Ofisi. There are four female members in the OMV Supervisory Board; this corresponds to about 27% of the members. At the end of 2015, women held 17% of the Senior Vice President positions. The proportion of women in the Group as a whole is about 24%. Within OMV's leadership development programs, the proportion of women reached 35% in 2015. Within OMV's integrated graduate development program, the proportion of women has increased to 35% in 2015. So far, a variety of measures to foster diversity at OMV has been initiated and implemented successfully. A group-wide educational program – the diversity e-learning program – has been introduced to improve organizational capabilities and raise awareness. In addition, the topic of diversity has been incorporated in all Leadership Development Programs. OMV promotes talents from different backgrounds, thus ensuring the best mix in diverse teams. OMV especially supports the recruitment and development of women in technical positions. Through implementing gender neutral language in OMV's job advertisements and internal communication, OMV is contributing to equal opportunities among men and women. Gender diversity measures include scholarships for female students in technical fields and the


"Technikqueens" project designed to spark girls' interest in technical careers early. Furthermore, OMV participated in Vienna's Girls' Day and the FIT (Frauen in die Technik) initiative. Through new flexible working time models such as job-sharing, flexible working time and home office options, OMV helps to improve the individual work-life balance and supports parents who would like to continue their careers while working part time. OMV also supports minor employment during periods of parental leave. The OMV head office in Vienna has two company kindergartens attended by children of OMV employees. OMV constantly monitors salary equality to ensure fair treatment and equal opportunities at all career stages.

External Evaluation of Corporate Governance

An external evaluation of OMV's compliance with the provisions of the ACCG is being performed each year. Regarding the evaluation for 2015, OMV engaged Mathias Ettl of the law firm Berger Ettl Rechtsanwälte. The official questionnaire of the Austrian Working Group for Corporate Governance was used for the evaluation, and the result was that OMV is in full compliance with the Austrian Corporate Governance Code including all non-compulsory recommendations. The report of the evaluation is available on OMV's website (www.omv.com).

Vienna, March 22, 2016

The Executive Board



Rainer Seele



David C. Davies



Johann Pleininger



Manfred Leitner