

# Consolidated Corporate Governance Report

**OMV, as a publicly listed company with its headquarters in Austria, is dedicated to the principles of sound corporate governance and has always sought to comply with best practice in corporate governance to ensure responsible management and control of the OMV Group, a high level of transparency for every stakeholder and, ultimately, the sustainable and longterm creation of value.**

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 adheres to the ACCG issued by the Austrian Working Group for Corporate Governance. The code is publicly accessible at [www.corporate-governance.at](http://www.corporate-governance.at). OMV's compliance with the ACCG in 2017 was evaluated externally by independent advisors. The report on the evaluation is available at [www.omv.com](http://www.omv.com) and confirms that OMV conformed to all the compulsory "comply or explain" rules (the "C-rules") and also all of the recommended rules (the "R-rules"). As for C-rules 27 and 28, explanations concerning the variable remuneration plans are provided in the remuneration report.

For OMV Petrom SA, a company consolidated within the OMV Group and the shares of which are publicly listed on the Bucharest Stock Exchange as well as on the London Stock Exchange, the relevant Corporate Governance Report can be found at [www.omvpetrom.com](http://www.omvpetrom.com) > OMV Petrom > Investor Relations.

## Executive Board

### Rainer Seele, \* 1960

Date of initial appointment: July 1, 2015  
End of the current period of tenure: June 30, 2020  
Chairman of the Executive Board and Chief Executive Officer

Responsible for the overall management and coordination of the Group

Rainer Seele 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 a 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 Winterhall Holding GmbH.

### Functions in major subsidiaries of the OMV Group

Company	Function
OMV Petrom SA	President of the Supervisory Board
Borealis AG	Deputy Chairman of the Supervisory Board
OMV Exploration & Production GmbH	Chairman of the Supervisory Board
OMV Refining & Marketing GmbH	Chairman of the Supervisory Board
OMV Gas & Power GmbH	Chairman of the Supervisory Board
OMV Solutions GmbH	Chairman of the Supervisory Board (until January 31, 2018)

**Johann Pleininger, \* 1962**

Date of initial appointment: September 1, 2015

End of the current period of tenure: August 31, 2020

Deputy Chairman of the Executive Board

Responsible for the Business Segment Upstream

Johann Pleininger started his professional career at OMV in 1977 and later studied mechanical and economic engineering. During his time at OMV, he held various senior positions. From 2007 to 2013, he was an Executive Board member of OMV Petrom in Bucharest, responsible for Exploration and Production. Prior to his appointment as Executive Board member of OMV, he was the Senior Vice President responsible for the Upstream countries Romania and Austria as well as for the development of the Black Sea region.

Member of the supervisory board of FK Austria Wien AG

**Functions in major subsidiaries of the OMV Group**

Company	Function
OMV Petrom SA	Member of the Supervisory Board
OMV Petrom Global Solutions SRL	Member of the Supervisory Board
OMV PETROM GAS SRL	Member of the Supervisory Board
OMV Exploration & Production GmbH	Managing Director
OMV Austria Exploration & Production GmbH	Chairman of the Supervisory Board
OMV Gas & Power GmbH	Deputy Chairman of the Supervisory Board
OMV Refining & Marketing GmbH	Deputy Chairman of the Supervisory Board
OMV Solutions GmbH	Member of the Supervisory Board (until January 31, 2018)

**Reinhard Florey, \* 1965**

Date of initial appointment: July 1, 2016

End of the current period of tenure: June 30, 2019

Chief Financial Officer

Responsible for Finance

Reinhard Florey graduated with a degree in mechanical engineering and economics from the Graz University of Technology while also completing his music studies at the University of Fine Arts. He started his career in corporate consulting and strategy consulting. From 2002 to 2012, he worked in different positions worldwide for Thyssen Krupp AG. Until June 2016, he was CFO and Deputy CEO of Outokumpu Oy.

Member of the supervisory boards of Wiener Börse AG and CEESEG Aktiengesellschaft (both since June 30, 2017)

**Functions in major subsidiaries of the OMV Group**

Company	Function
OMV Petrom SA	Member of the Supervisory Board
OMV Petrom Global Solutions SRL	President of the Supervisory Board
OMV Petrol Ofisi A.S.	Deputy Chairman of the Supervisory Board (until June 13, 2017)
OMV Petrol Ofisi Holding A.S.	Deputy Chairman of the Supervisory Board (until June 13, 2017)
OMV Gaz ve Enerji Holding A.S.	Deputy Chairman of the Supervisory Board (until July 28, 2017)
Central European Gas Hub AG	Deputy Chairman of the Supervisory Board
OMV Solutions GmbH	Managing Director (until January 31, 2018)
OMV Exploration & Production GmbH	Deputy Chairman of the Supervisory Board
OMV Gas & Power GmbH	Deputy Chairman of the Supervisory Board
OMV Refining & Marketing GmbH	Deputy Chairman of the Supervisory Board
OMV Trading GmbH	Deputy Chairman of the Supervisory Board (until May 31, 2017)

**Manfred Leitner, \* 1960**

Date of initial appointment: April 1, 2011  
End of the current period of tenure: December 31, 2019

Responsible for the Business Segment Downstream and the OMV Group's plastic and chemical interests

After receiving a degree in commerce from the Vienna University of Economics and Business Administration, Manfred Leitner joined OMV in 1985. After working for two years in the Finance Department of the Exploration and Production 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 Exploration and Production until 1997. He then moved to the Refining and Marketing Business Segment, where he led the Planning & Controlling Department until 2002, and he was Senior Vice President for Downstream Optimization and Supply from 2003 until 2011.

**Functions in major subsidiaries of the OMV Group**

<b>Company</b>	<b>Function</b>
OMV Petrom SA	Member of the Supervisory Board
OMV Petrol Ofisi A. S.	Deputy Chairman of the Supervisory Board (until June 13, 2017)
OMV Petrol Ofisi Holding A.S.	Deputy Chairman of the Supervisory Board (until June 13, 2017)
OMV Gaz ve Enerji Holding A.S.	Deputy Chairman of the Supervisory Board (until July 28, 2017)
Borealis AG	Member of the Supervisory Board
OMV Supply & Trading Limited	Chairman of the Supervisory Board
OMV Gas & Power GmbH	Managing Director
OMV Refining & Marketing GmbH	Managing Director
OMV Exploration & Production GmbH	Deputy Chairman of the Supervisory Board
OMV Solutions GmbH	Deputy Chairman of the Supervisory Board (until January 31, 2018)
Central European Gas Hub AG	Chairman of the Supervisory Board
GAS CONNECT AUSTRIA GmbH	Chairman of the Supervisory Board
OMV Gas Storage GmbH	Chairman of the Supervisory Board
OMV Trading GmbH	Chairman of the Supervisory Board (until May 31, 2017)
OMV Samsun Elektrik Üretim Sanayi ve Ticaret A.S.	Chairman of the Board of Directors (since August 14, 2017)
OMV Gaz İletim A.S.	Chairman of the Board of Directors (since August 14, 2017)
OMV Enerji Ticaret A.S.	Chairman of the Board of Directors (since August 14, 2017)

**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 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**

Compensation Element	Functionality	Purpose & Link to Strategy	Shareholder Alignment
<b>Base Salary</b>	Salary levels take into account the responsibilities and performance of each member of the Executive Board, the situation of OMV, and common levels of remuneration in European Oil & Gas companies of comparable size as well as comparable Austrian companies. Compensation is set at a competitive level.	Provide a fixed level of earnings reflecting the scale and complexity of the business and the roles and responsibilities of each Executive Board member, ensuring competitiveness with the market.	Competitive compensation to attract and retain the most qualified Oil & Gas managers who lead the company in the shareholders' best interest.
<b>Benefits</b>	Executive Board members receive a company car and are eligible for accident insurance. No additional health coverage aside from the Austrian public health system.	Provide benefits comparable to those for other employees within OMV to attract and retain Executive Board members.	Part of a competitive compensation package to attract and retain the most qualified Executive Board members, aligned with internal rules & procedures for the whole workforce.
<b>Retirement Benefits</b>	Defined contribution pension schemes are granted using a pension fund. Available capital in the pension fund determines the level of pension. Retirement age is the Austrian statutory retirement age.	Retirement benefits are in line with those offered to other OMV employees, ensuring that compensation packages are aligned with common market practice in Austria and in the Oil & Gas industry.	A pension fund is used to limit the risks borne by OMV. Pension benefits depend solely on the available capital in the pension fund. Any annuitization into a life-long pension is made in accordance with the pension fund's approved business plan.
<b>Annual Bonus (Cash Component and Equity Deferral previously designated as the Matching Share Plan respectively Share Part of the Bonus)</b>	Performance is measured based on annual metrics. 50% of annual bonus is paid in cash and 50% is mandatory deferred to be held in shares for three years. Award is capped at 200% of Base Salary.	Provide variable compensation based on annual financial and non-financial metrics that are relevant to OMV's strategy and the Oil & Gas industry. Metrics are determined by the Supervisory Board resp. the Remuneration Committee and ensure a balance of financial, efficiency and sustainability measures, including health, safety and environment measures.	Performance metrics are aligned with OMV's strategy, ensure pay for performance and foster an equity culture. Details on the performance metrics are reported in the annual report. Grants are subject to malus and clawback provisions.

**Executive Board remuneration policy**

Compensation Element	Functionality	Purpose & Link to Strategy	Shareholder Alignment
<b>Long-Term Incentive Plan</b>	A Performance Share Plan is employed. The number of shares that vest depends on financial and non-financial metrics as well as relative total shareholder return. Awards are capped at 175% of base salary for the Chairman of the Executive Board, 150% for the Deputy Chairman of the Executive Board, and 125% for other Executive Board members.	Promote mid- and long-term value creation at OMV. Performance is measured against key metrics linked to OMV's strategy and shareholder return.	Align interests of Executive Board and shareholders, ensure pay for performance and foster an equity culture by granting OMV shares subject to metrics focusing on financial and non-financial performance (weighting: 40%) and an increase in value compared to other European Oil & Gas companies (weighting: 60%). Details on the metrics are reported in the annual report. Grants are subject to malus and clawback provisions.
<b>Shareholding requirements</b>	Shares equal to 200% of the base salary for the CEO, 175% for the Deputy Chairman, 150% for other Executive Board members, which must be accumulated within five years.	Provide long-term alignment of interests by putting Executive Board members' personal assets at stake.	Alignment of interests by turning the Executive Board into shareholders. Potential impact on Executive Board members' personal assets creates an effect comparable to malus and clawback.

The Executive Board members of OMV are employed under local Austrian terms and conditions, and the salaries are therefore set in euros (gross). Their employment contracts are concluded with OMV Aktiengesellschaft and governed by Austrian law.

The remuneration of OMV's Executive Board members is aimed to be at competitive levels and includes a strong performance-related component. Competitive pay levels are ensured 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 advisor to the Remuneration Committee throughout the year 2017.

Long-term shareholder and stakeholder interests are reflected in performance-related pay, which includes both long- and short-term elements. The Executive Board's performance is assessed against financial and non-financial metrics. Specific projects related to the implementation of OMV's strategy are also taken into account.

Pursuant to C-rules 27 and 28 of the ACCG, measurable performance criteria are fixed in advance for the variable remuneration components. 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 give the Supervisory Board

and the Remuneration Committee, respectively, in line with the general practice in the oil and gas industry, certain room for adjustments to amend individual components in case of significant changes of major external factors (e.g. oil price) as well as to determine the achievement of individual criteria. Any adjustments are always in line with relevant factors and within disclosed maximum limits.

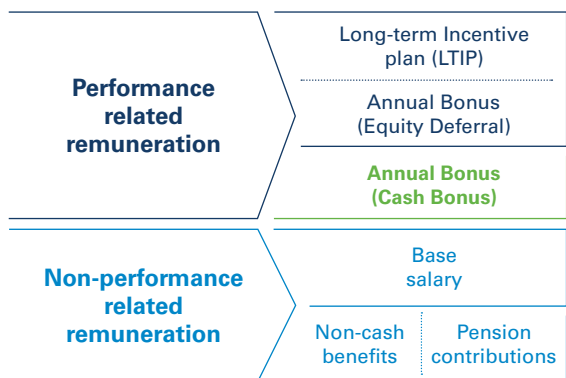
**Structure of Executive Board Remuneration**

The members of the Executive Board of OMV receive remuneration in the form of base salary, non-cash benefits, an annual bonus (a portion of which is deferred for three years and paid out in OMV shares), a Long-Term Incentive Plan (LTIP) and pension contributions.

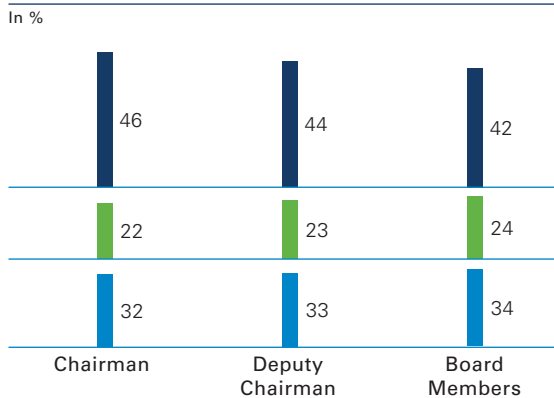
The majority of Executive Board members' target compensation is granted in the form of variable compensation elements. For the financial year 2017, variable elements comprised between 66% and 68% of Executive Board members' target compensation (variance is due to higher target LTIP levels for the Chairman and Deputy Chairman). In line with Austrian law and requirements set forth by the ACCG, a majority of variable compensation is based on multiyear performance. For financial year 2017, between 64% and 67% of the target variable compensation is oriented toward long-term performance, either through the LTIP or the deferred portion of the annual bonus.

**Overview of the Executive Board's compensation**

**Remuneration Component**



**Approximate Share of Total Target Remuneration**



**Non-performance-related remuneration**

**Base salary**

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

**Non-cash benefits**

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

**Pension contributions**

All members of the Executive Board are entitled to defined contribution pension payments, thus limiting the risks borne by OMV. The Company pays the contributions into a pension fund (APK-Pensionkasse 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.

**Performance-related remuneration**

**Annual bonus**

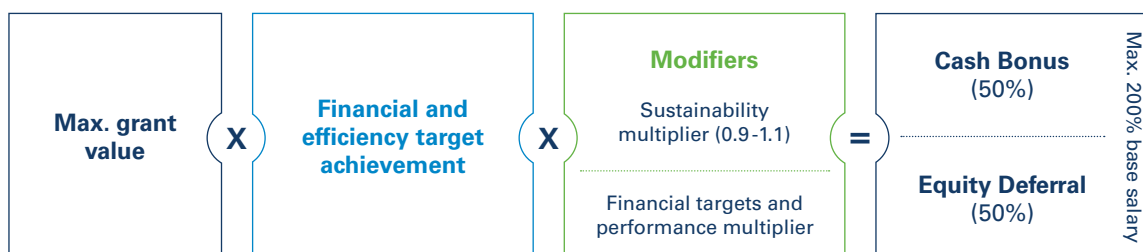
The annual bonus rewards operational excellence, financial performance and sustainable corporate development at OMV. For each financial year, the Supervisory Board and the members of the Executive Board agree on a set of performance criteria. At maximum, the payout can amount to 200% of annual gross base salary.

The payout is determined based on financial and operational targets and can be adjusted by the Supervisory Board to account for developments in the field of sustainability as well as major changes in external factors (e.g. oil price) and the Executive Board's overall performance. Performance criteria applied in the financial year 2017 are described in detail below.

The payout from the annual bonus is split evenly between a **Cash Bonus** (50%), which is paid in the following financial year, and an **Equity Deferral**<sup>1</sup> (50%), which is awarded in OMV shares to be held for a period of three years (holding period). The shares are awarded net of taxes in the following financial year and are to be transferred to a trustee deposit, managed by OMV, for the duration of the holding period. The Equity Deferral serves as a further long-term compensation vehicle for the members of the Executive Board, promoting retention and shareholder alignment at OMV.

<sup>1</sup> Until 2016 "Matching Share Plan" (MSP) and in 2017 "Share Part of the Annual Bonus"

Annual bonus 2017



**Performance criteria** are agreed at the outset of the performance year and then assessed after the close of that year. The performance criteria for the financial year 2017 are made up of the areas and adjustments set out in the table below.

**Performance criteria – 2017 annual bonus (Cash Bonus and Equity Deferral)**

Area	Criteria	Weighting
<b>Financial</b>	Clean CCS NOPAT	20%
	Free cash flow before dividends and excl. Divestments and Acquisitions	30%
	Reported ROACE	10%
<b>Efficiency</b>	Includes, for example, execution of capital projects in time and budget and cost savings	40%
<b>Sustainability</b>	General progress	+/- 10% multiplier
<b>Financial targets and performance multiplier</b>	Allows certain room for the Supervisory Board and Remuneration Committee to adjust individual components in case of major changes in external factors (e.g. oil price) and to assess the Executive's Board overall performance within disclosed maximum limits	discretionary

The payout is based on the **level of vesting**, which is in turn determined by comparing agreed targets with achieved results and expressed as a percentage of the maximum annual bonus grant value. The actual achievements are validated by Ernst & Young. Vesting occurs on a straight-line basis between the performance levels.

**Level of vesting**

Criteria	Performance	Vesting
<b>All criteria</b>	Stretch	100%
	Target	70%
	Threshold	25%
	Below threshold	0%

Assuming vesting levels of 70%, target annual bonus amounts for each Executive Board member are as follows:

**Target variable remuneration – annual bonus 2017**

In EUR	Seele	Florey	Pleininger	Leitner
Cash Bonus	630,000	420,000	402,500	490,000
Equity Deferral	630,000	420,000	402,500	490,000

The actual **achievements in 2017** result in a total annual bonus equal to 100% of the maximum grant value. The Cash Bonus component, 50% of the total, is to be paid in 2018. Under the Equity Deferral, the remaining 50% is to be awarded in the form of Company shares and deferred for a period of three years.

**Performance scorecard – 2017 annual bonus (Cash Bonus and Equity Deferral)**

Criteria		Threshold	Target	Stretch	Actual	Weighting	Vesting (% max. grant value)
Clean CCS NOPAT	in EUR mn	1,150	1,350	1,550	2,169	20%	20%
Free cash flow	in EUR mn	450	650	850	1,863	30%	30%
Reported ROACE		8.4%	9.6%	10.8%	14.1%	10%	10%
Major capital projects 1 – schedule/cost deviance		“Orange”	“Yellow”	“Green”	“Green”, “Yellow” and “Orange”	10%	9%
Major capital projects 2 – non-market NPV change	in EUR mn	(15)	No change	15	57	10%	10%
Cost reduction	in EUR mn	20	70	120	131	20%	20%
<b>Target achievement, financial and efficiency</b>						<b>100%</b>	<b>99%</b>
Sustainability multiplier/ Financial targets and performance multiplier						+/- 10%/ discretionary	1%
<b>Total vesting percentage</b>							<b>100%</b>

Although the market environment remained challenging, the targets for Clean CCS NOPAT, Free cash flow and Reported ROACE were fully achieved. The target achievement of 99% was supported by a good performance of project targets, as well as the successful completion of the cost savings program. The Remuneration Committee made use of its discretionary powers and lifted the target achievement from 99% to the maximum level of 100%. In its decision, the Remuneration Committee thoroughly considered OMV's safety and sustainability performance based on information provided by the Executive Board and reviewed by Ernst & Young. For the evaluation of the performance multiplier the Executive Board's achievements in 2017 were taken into account, in particular OMV's strategic progress and portfolio transformation, which translated into increased competitiveness and value of OMV. This resulted in a combined net effect of the sustainability multiplier and the performance multiplier of +1%.

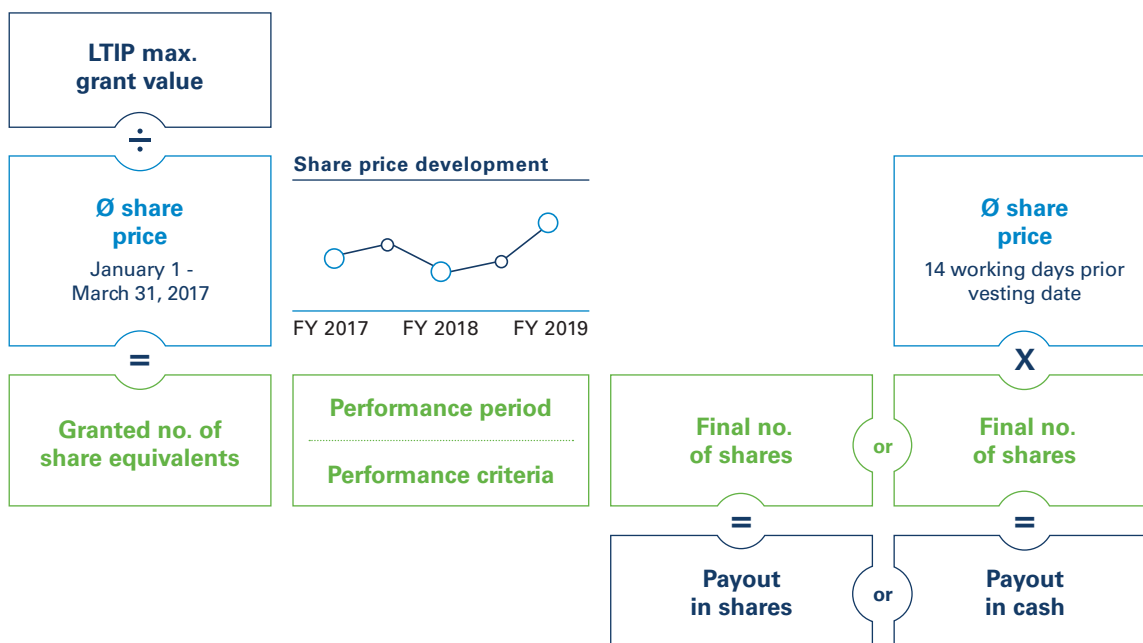
**Long Term Incentive Plan**

The Long-Term Incentive Plan (LTIP) is a long-term compensation instrument for the members of the Executive Board that promotes mid- and long-term value creation at 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. The plan also seeks to prevent inappropriate risk-taking. The maximum grant value is equal to 175% of annual gross base salary for the Chairman of the Executive Board, 150% for the Deputy Chairman of the Executive Board, and 125% for other Executive Board members.

Executive Board members have received an annual grant since the plan's introduction in 2009. The LTIP 2017 was approved by the Annual General Meeting 2017.



**Long-Term Incentive Plan (LTIP) 2017**



**Performance criteria** are agreed at the beginning of the three-year performance period and assessed after the close of this period. Weightings for the respective criteria are also established at the outset of the performance period. For the LTIP 2017 (performance period: January 1, 2017, until December 31, 2019), the following performance criteria apply:

**Performance criteria – LTIP 2017**

Criteria	Weighting
Relative Total Shareholder Return (TSR)	60%
Free cash flow before dividends and excl. Divestments and Acquisitions over three years	10%
Sustainability element	10%
Performance in Divestments and Acquisitions	10%
Reserve Replacement Rate (RRR) over three years	10%

The payout is based on the **level of vesting**, which is in turn determined by comparing agreed targets with achieved results and expressed as a percentage of the maximum LTIP grant value. The actual achievements are validated by Ernst & Young. Pay-

ments will vest on a straight-line basis between the performance levels/quartiles. The LTIP 2017 vests on March 31, 2020. The vesting levels for each of the performance criteria are shown in the table.

Relative TSR is measured against a well-balanced Upstream/Downstream peer group of twelve oil and gas companies (Shell, BP, Total, Eni, Statoil, Lundin Petroleum, Repsol, Galp Energia, MOL, Tupras, Neste Oil and PKN Orlen).

**Level of vesting**

Criteria	Performance	Vesting
<b>Free cash flow, RRR, performance in Divestments and Acquisitions and Sustainability</b>	Stretch	100%
	Target	70%
	Threshold	25%
	Below threshold	0%
<b>Relative TSR</b>	Stretch: at or above 3rd quartile (≥75th percentile)	100%
	Target: at median (=50th percentile)	25%
	Threshold: at or below 1st quartile (≤25th percentile)	0%

Assuming vesting levels of 43%<sup>1</sup>, target LTIP amounts for each Executive Board member are as follows:

**Target variable remuneration – LTIP 2017**

In EUR	Seele	Florey	Pleininger	Leitner
LTIP 2017	677,250	322,500	325,188	376,250

The **total vesting percentage for the LTIP 2015** is 100%, and the corresponding transfer of shares or cash payment will be made in 2018. The actual achievements are reviewed by an independent expert.

Note 32 provides additional information on the Long-Term Incentive Plan and the Equity Deferral (MSP).

**Performance scorecard – LTIP 2015**

Criteria	Threshold	Target	Stretch	Actual	Weighting	Vesting (% of max. grant value)
Relative TSR vs. peers	1st quartile	Median	3rd quartile	3rd quartile	70%	70%
FCF after dividends incl. divestments (average over three years)	in EUR mn (300)	0	300	454	20%	20%
Action Item Response Rate/Action Closure Rate: Incidents & Near Misses; Finding & Hazards (average over three years)	84%	88%	93%	94%	5%	5%
Contractor Management (average over three years)	75%	85%	95%	92%	5%	5%
<b>Total vesting percentage</b>					<b>100%</b>	<b>100%</b>

**Shareholding requirements for members of the Executive Board**

Executive Board members are required to accumulate an appropriate shareholding in OMV and 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 and 150% for other Executive Board members. The shareholding must be accumulated and achieved within five years after the respective initial appointment as an Executive Board member. All Executive Board members have already fulfilled at least a part of their minimum shareholding requirement.

To the extent the shareholding requirement is not fulfilled, payment from the LTIP will be automatically made in the form of shares (net after tax deduction). If the shareholding requirement is already fulfilled, the payout can be made either in cash or shares. 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, 2017, to March 31, 2017 (EUR 34.99).

<sup>1</sup> TSR target (25% vesting × 60% weighting) + other criteria target (70% vesting × 40% weighting) = 43%

**Shareholding requirement and fulfillment**

	Shareholding requirement		Fulfillment	
	In shares	As % salary	In shares <sup>1</sup>	As % requirement
Seele	75,790	200	48,435	63.91
Florey	37,626	150	8,335	22.15
Pleininger	37,895	150	19,333	51.02
Leitner	44,211	150	59,335	134.21

<sup>1</sup> on Company trustee deposits

**Clawback**

Both the Equity Deferral and the LTIP are subject to **clawback** regulations that, under certain circumstances, allow the adjustment of outstanding

remuneration and/or recovery of remuneration already paid out. In the case of a clawback event, cash or Company shares granted as part of the Equity Deferral or the LTIP will be reduced or may be clawed back upon request from the Supervisory Board. The following reasons are considered clawback events: adjustment of approved financial statements due to a mistake, material failure of risk management that leads to significant damages and serious misconduct of individual Executive Board members that 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.

**Remuneration levels in 2017****Executive Board remuneration<sup>1</sup>**

In EUR

Remuneration 2017	Seele	Florey	Pleininger	Leitner	Total
Fixed (base salary)	900,000	600,000	575,000	700,000	<b>2,775,000</b>
Variable (Cash Bonus 2016)	738,000	246,000	451,000	574,000	<b>2,009,000</b>
Benefits in kind (company car, accident insurance and reimbursed expenses)	12,842	56,425 <sup>2</sup>	12,420	12,724	<b>94,411</b>
<b>Total</b>	<b>1,650,842</b>	<b>902,425</b>	<b>1,038,420</b>	<b>1,286,724</b>	<b>4,878,411</b>
Variable (Equity Deferral 2016; in gross shares) <sup>3</sup>	23,105	7,701	14,120	17,971	<b>62,897</b>
Fixed/variable ratio <sup>4</sup>	36/64	55/45	38/62	35/65	<b>39/61</b>
LTIP 2014 (cash) <sup>5</sup>	0	0	0 <sup>6</sup>	69,159	<b>69,159</b>

<sup>1</sup> There are discrepancies between individual items and totals due to rounding differences. The variable components relate to target achievement in 2016, for which bonuses were paid in 2017

<sup>2</sup> Including schooling costs and related taxes

<sup>3</sup> The Equity Deferral from the annual bonus was at the time of grant referred to as the "Matching Share Plan" (MSP). The designation of the plan has since been amended for clarity. Corresponding EUR values as of March 31, 2017: Seele: EUR 852,228, Florey: EUR 284,051, Pleininger: EUR 520,816, Leitner: EUR 662,860

<sup>4</sup> Share of total compensation. Fixed includes base salary and benefits in kind; variable includes Cash Bonus, Equity Deferral (MSP) and LTIP 2014

<sup>5</sup> In 2017, no shares have been vested for LTIP 2014

<sup>6</sup> Johann Pleininger received a cash payment in the amount of EUR 42,307 based on the senior manager LTIP 2014

**Pension fund contributions**

In EUR

Seele	225,000
Davies	54,000
Florey	150,000
Pleininger	144,000
Leitner	175,000
<b>Total</b>	<b>748,000</b>

**Termination related benefits**

Gerhard Roiss resigned as member of the Executive Board effective June 30, 2015 with his contract in force until March 31, 2017. David C. Davies resigned as member of the Executive Board effective July 31, 2016, while his contract continued until March 31, 2017. David C. Davies received payments (including benefits in kind) under his employment contracts during this period.

Based on their former employment contracts as Executive Board Members, Gerhard Roiss, David C. Davies, Hans-Peter Floren and Jaap Huijskes received payments in 2017. David C. Davies and Jaap Huijskes received bonus and LTIP payments in April 2017. Gerhard Roiss and Hans-Peter Floren received LTIP payments in 2017.

#### Payments to former Executive Board members

In EUR	Davies <sup>1</sup>	Huijskes	Roiss	Floren
Remuneration entitlements for 2017 (bonus and LTIP) <sup>2</sup>	1,404,791	419,097	176,753	82,991
Payments for contractual obligations <sup>3</sup>	222,540	0	0	0
<b>Total</b>	<b>1,627,331</b>	<b>419,097</b>	<b>176,753</b>	<b>82,991</b>

<sup>1</sup> Applicable period: January–March 2017

<sup>2</sup> Cash Bonus and Equity Deferral (MSP) related to target achievement in 2016 and LTIP related to target achievement in 2014–2016

<sup>3</sup> Base salary and benefits in kind

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 (maximum of two years annual pay). 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 resulting from 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 with respect to their actions exercised within the scope of their duties, except in cases of willful intent or gross negligence.

#### Policy principles for remuneration within the OMV Group

OMV aims to ensure competitive compensation and benefits packages that best spur on and support the strategy. OMV continuously monitors market trends and international best practices in order to attract, motivate and retain the best-qualified talent from around the world. OMV strives for long-lasting employment relationships. 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. Also, the remuneration for the Executive Board of OMV Petrom is subject to OMV compensation standards. In general, OMV's compensation is designed to be highly competitive within relevant labor markets in the oil and gas business. This is ensured by conducting yearly salary reviews. Furthermore, the packages include a balanced and transparent mixture of fixed and variable, monetary and non-monetary components. The base salaries are market oriented, fair and based on the position and know-how of the employee. In addition, OMV uses a variety of compensation elements to strengthen the position as an attractive employer in the oil and gas business, for example:

- ▶ performance bonuses
- ▶ long-term incentive plans
- ▶ employee stock ownership plan
- ▶ company cars

Beyond that, the benefits portfolio is customized for each of the countries OMV operates in to meet the needs of the local employees. As an example, depending on local circumstances additional incentives may include the following:

- ▶ retirement plans
- ▶ subsidized canteen
- ▶ health centers
- ▶ kindergarten
- ▶ anniversary payments

Some employees at senior management levels of the Group (91 people) are eligible for membership in the Long-Term Incentive Plan. They are also eligible for bonus agreements, as discussed below. In addition, some employees at senior management levels of the Group are eligible for a Transformation Bonus, which is dependent on the fulfillment of predefined KPIs with a potential payout in 2018 and 2021.

In 2017, a total of some 3,600 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), which will be replaced with a new system (My Success Factors) in 2018. 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. Five of the current shareholders' representatives were elected at the 2014 Annual General Meeting (AGM), one was elected at the 2015 AGM and four were elected at the 2016 AGM. The members of OMV's Supervisory Board in 2017 and their appointments to supervisory boards of other domestic or foreign listed companies as well as any management functions held are shown below.

### **Peter Löscher, \* 1957**

Chairman

Seats: Deutsche Bank AG (until May 18, 2017), Sulzer AG (Chairman), and Telefonica, S. A.

### **Gertrude Tumpel-Gugerell, \* 1952**

Deputy Chairwoman

Seats: Commerzbank AG, Vienna Insurance Group AG

### **Murtadha Al Hashmi, \* 1966**

Deputy Chairman

(Chief Financial Officer, International Petroleum Investment Company (IPIC) (until February 11, 2017); Chief Financial Officer (no formal board member), Abu Dhabi National Oil Company (from February 12, 2017 to December 31, 2017); Senior Advisor, Mubadala Investment Company (from January 2, 2018))  
Seats: Banvit Bandirma Vitaminli Yem Sanayii A. Ş. (until May 25, 2017)

### **Wolfgang C. Berndt, \* 1942**

Seats: no seats in domestic or foreign listed companies

### **Helmut Draxler, \* 1950**

Seats: RHI AG (Deputy Chairman) (until October 27, 2017)

### **Marc H. Hall, \* 1958**

(Managing Director, R&EM – Restructuring & Energy Management e.U. (since November 2, 2017); Senior Manager, Wagner, Elbling & Company GmbH (since August 1, 2017))  
Seats: no seats in domestic or foreign listed companies

**Ahmed Matar Al Mazrouei, \* 1972**

(CEO, Emirates Liquefied Natural Gas L. L. C.)

Seats: no seats in domestic or foreign listed companies

**Karl Rose, \* 1961**

(Managing Partner, Strategy Lab GmbH;  
Managing Partner, PV-Photovoltaics Styria GmbH  
(until November 3, 2017);  
Managing Partner, PDM GmbH  
(until February 17, 2017),  
Group Chief Strategist, Abu Dhabi National Oil  
Company (since February 26, 2017))

Seats: no seats in domestic or foreign listed companies

**Herbert Werner, \* 1948**

(Managing Partner, HCW Verkehrsbetriebe GmbH;  
Managing Partner, HCW Vermögensverwaltungs  
GmbH)

Seats: Ottakringer Getränke AG (Deputy Chairman)

**Elif Bilgi Zapparoli, \* 1967**

(Co-Head of Asia Pacific Global Investment and  
Corporate Banking, Bank of America Merrill Lynch)

Seats: no seats in domestic or foreign listed companies

**Delegated by the Group works council  
(employee representatives)**

**Christine Asperger, \* 1964**

**Wolfgang Baumann, \* 1958**

**Herbert Lindner, \* 1961**

**Alfred Redlich, \* 1966**

**Gerhard Singer, \* 1960**

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](http://www.omv.com) > About OMV > Corporate Governance & Organization > Supervisory Board.

**Diversity**

The main considerations in selecting the members of the Supervisory Board are relevant knowledge, personal integrity 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 three women and three non-Austrian nationals. The members of the Supervisory Board are aged between 46 and 75.

**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 Helmut Draxler and Herbert Werner, regarding the duration of their terms, have declared their independence from the Company and its Executive Board during the 2017 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 Löscher, Wolfgang Berndt, Elif Bilgi Zapparoli, Helmut Draxler, Karl Rose, Marc H. Hall, 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 2017 and up to the time of making such declarations. Peter Löscher, Gertrude Tumpel-Gugerell, Marc H. Hall and Karl Rose were nominated for the election as Supervisory Board members by the nomination committee of the Österreichische Bundes- und Industriebeteiligungen GmbH ("ÖBIB") and, subsequently (after being so proposed by the Presidential and Nomination Committee and the Supervisory Board), they were elected as Supervisory Board members.

### 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 (see also the Report of the Supervisory Board for an overview of the individual committees' main activities in 2017).

In 2017, seven meetings of the Supervisory Board and 22 Committee meetings were held. In several of these meetings, the Executive Board and the Supervisory Board discussed strategic matters of OMV. In addition, the strategic orientation of the Company was also intensively discussed in an off-site workshop of the Executive Board and the Supervisory Board. No member of the Supervisory Board attended fewer than half of the meetings.

Attendance of Supervisory Board and Committee meetings in 2017 was as follows:

### Attendance of Supervisory Board and Committee Meetings in 2017<sup>1</sup>

Name	SB	PNC	PPC	AC	RC
Peter Löscher	7/7	5/5	6/6	6/6	5/5
Gertrude Tumpel-Gugerell	6/7	4/5	3/6	6/6	–
Murtadha Al Hashmi	7/7	5/5	5/6	6/6	5/5
Wolfgang C. Berndt	6/7	–	–	5/6	5/5
Helmut Draxler	6/7	–	–	6/6	4/5
Marc H. Hall	7/7	–	6/6	–	–
Ahmed Matar Al Mazrouei	7/7	5/5	6/6	–	–
Karl Rose	4/7	–	6/6	–	–
Herbert Werner	7/7	–	–	6/6	–
Elif Bilgi Zapparoli	4/7	–	–	–	–
Christine Asperger	7/7	–	4/6	–	–
Wolfgang Baumann	7/7	5/5	–	6/6	–
Herbert Lindner	7/7	–	6/6	6/6	–
Alfred Redlich	7/7	5/5	–	–	–
Gerhard Singer	7/7	–	6/6	6/6	–

<sup>1</sup> Abbreviations: SB = Supervisory Board, PNC = Presidential and Nomination Committee, PPC = Portfolio and Project Committee, AC = Audit Committee, RC = Remuneration Committee.

### Position and committee memberships

Name	Supervisory Board and Committees 2017 <sup>1</sup>					Remuneration		Term of office
	SB	PNC	PPC	AC	RC	2016 <sup>2</sup> in EUR	2017 <sup>3</sup> in EUR	
Peter Löscher	C	C	DC	M	C	49,836	80,000	May 18, 2016, to 2020 AGM
Gertrude Tumpel-Gugerell	DC	DC	M	C	–	50,820	61,000	May 19, 2015, to 2020 AGM
Murtadha Al Hashmi	DC	DC	DC	DC	DC	73,000	73,000	May 10, 2012, to 2019 AGM
Wolfgang C. Berndt	M	–	–	DC	DC	54,935	44,000	May 26, 2010, to 2019 AGM
Helmut Draxler	M	–	–	M	M	40,000	40,000	Oct. 16, 1990, to 2019 AGM
Marc H. Hall	M	–	M	–	–	18,689	30,000	May 18, 2016, to 2019 AGM
Ahmed Matar Al Mazrouei	M	M	M	–	–	24,919	40,000	May 18, 2016, to 2019 AGM
Karl Rose	M	–	C	–	–	21,180	34,000	May 18, 2016, to 2019 AGM
Herbert Werner	M	–	–	M	–	30,000	30,000	June 4, 1996, to 2019 AGM
Elif Bilgi Zapparoli	M	–	–	–	–	20,000	20,000	May 13, 2009, to 2019 AGM
Christine Asperger	M	–	M	–	–	– <sup>4</sup>	– <sup>4</sup>	Since Jan. 1, 2013 <sup>5</sup>
Wolfgang Baumann	M	M	–	M	–	– <sup>4</sup>	– <sup>4</sup>	Dec. 16, 1998, to Apr. 1, 1999, and again since Nov. 11, 2004 <sup>5</sup>
Herbert Lindner	M	–	M	M	–	– <sup>4</sup>	– <sup>4</sup>	Since June 1, 2013 <sup>5</sup>
Alfred Redlich	M	M	–	–	–	– <sup>4</sup>	– <sup>4</sup>	Since June 1, 2013 <sup>5</sup>
Gerhard Singer	M	–	M	M	–	– <sup>4</sup>	– <sup>4</sup>	Since Sept. 26, 2016 <sup>5</sup>

<sup>1</sup> Abbreviations: SB = Supervisory Board, PNC = Presidential and Nomination Committee, PPC = Portfolio and Project Committee, AC = Audit Committee, RC = Remuneration Committee. C = Chairman/Chairwoman; DC = Deputy Chairman/Chairwoman; M = Member; AGM = Annual General Meeting; Members of the Supervisory Board whose term ended in the business year 2016 are not listed herein

<sup>2</sup> Meeting fees in the amount of EUR 400/meeting, as well as any applicable reimbursement of withholding tax, are not included therein

<sup>3</sup> Based on remuneration as adopted by the AGM 2017; subject to approval by the AGM 2018

<sup>4</sup> Members delegated to the Supervisory Board by the Group works council do not receive remuneration but just attendance expenses

<sup>5</sup> 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

Pursuant to C-rule 36, the Supervisory Board shall discuss the efficiency of its activities annually, in particular its organization and work procedures (self-evaluation). In the 2016 business year, the Supervisory Board initiated a thorough self-evaluation of its activities with external support, the results of which were extensively discussed within the Supervisory Board in the first quarter of 2017 and followed up throughout the year.

#### **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 2017, in which discussions focused on 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. Gertrude Tumpel-Gugerell is the financial expert within the Audit Committee in the meaning of section 92 (4a) (1) Stock Corporation Act.

#### **Auditors**

The Supervisory Board monitors auditors' independence and reviews a breakdown of the audit fees and fees for additional services besides auditing activities. In 2017, the auditors Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H. (including their network in the meaning of section 271b Code of Commerce) received EUR 2.48 mn for the annual audit, EUR 1.07 mn for other assurance services, EUR 0.18 mn for tax advisory services and EUR 0.03 mn for other engagements.

#### **Portfolio and 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 2017, six meetings of the Portfolio and Project Committee were 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 awarding of bonuses (variable remuneration components) and other such benefits to them. The Remuneration Committee met five times during 2017. Executive Board members were invited to attend parts of some 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, and 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 this, PwC provided tax and reporting advice in 2017.

#### **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 2017 AGM adopted the remuneration scale for the 2016 financial year as shown in the table below.

#### Remuneration for Supervisory Board members

In EUR<sup>1</sup>

Chairman/Chairwoman	30,000
Deputy Chairman/Chairwoman	25,000
Ordinary member	20,000
Committee Chairman/Chairwoman	14,000
Committee Deputy Chairman/Chairwoman	12,000
Ordinary Committee member	10,000

<sup>1</sup> Meeting fees in the amount of EUR 400/meeting, as well as any applicable reimbursement of withholding tax, are not included therein

The amounts for the 2016 financial year were disbursed to the Supervisory Board members concerned in 2017; these were exclusive of expenses (travel and attendance expenses).

In 2017, the Supervisory Board members' remuneration (for the 2016 financial year and including reimbursement for withholding tax as applicable) accounted for EUR 0.50 mn, attendance expenses for EUR 0.10 mn and travel expenses for EUR 0.66 mn.

### 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 for two or more positions to the Supervisory Board are held at the same General Meeting, separate votes must be held for each position. If elections for 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 and Diversity Concept

Diversity is of high importance within OMV's resourcefulness strategy. The OMV Group diversity strategy comprises two major focus areas: gender and internationality. 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. 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 a current share of 18%, and continuously improve within the next years.

The proportion of women in the Group as a whole is about 25%. Within OMV's leadership development programs in 2017 the proportion of women was 22%. In the newly designed 'First Time Leaders' program for new people leaders we reached a remarkable rate of 37,5% of female participants. Within OMV's Upstream integrated graduate development program for technical skill pools, the proportion of women was 22% in 2017.

So far, a variety of measures to foster diversity at OMV have been initiated and implemented successfully. A Group-wide educational program – the diversity e-learning program – is in place to improve organizational capabilities and raise awareness. In addition, the topic of diversity is incorporated in all Leadership Development Programs and embedded in the OMV People Strategy since 2016.

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 using gender-neutral language in OMV's job advertisements and through publishing all job advertisements internally, OMV is contributing to equal opportunities among men and women. Furthermore, OMV participated in Vienna's Girls' Day again to spark girls' interest in technical careers early on in their lives.

Female employees initiated a Diversity Network to raise awareness for diversity issues and to boost female careers in the technical area through a collaboration site and joint activities. The OMV head office in Vienna has two company kindergartens attended by children of OMV employees. OMV constantly monitors gender, age, employee background, seniority as well as salary equality to ensure fair treatment and equal opportunities at all career stages.

The Executive Board and Supervisory Board consider the described measures and programs to foster the variety of the workforce as a key element to strengthen the diversity of the internal pool of Executive Board succession candidates. The Presidential and Nomination Committee concerns itself at least once a year with the identification and development of internal potentials. In addition to internal succession planning, the Supervisory Board also makes use of external recruitments in order to best fill open Executive Board positions. In the selection of Executive Board members – be it internally or externally – special attention is given to balance gender, age, and international experience in addition to professional skills.

Currently, no woman is part of the Executive Board of OMV. Therefore, the Presidential and Nomination Committee especially focused on discussing female potentials in this year's succession planning. With regard to age and internationality, the Executive Board shows a balanced distribution: The Executive Board members of OMV are between 52 and 57 years old, comprise two different nationalities, and have acquired comprehensive international management experience.

The Supervisory Board members to be elected by the Annual General Meeting upon proposal by ÖBIB are nominated by the Nomination Committee of the Austrian Federal Government. The selection of candidates is based on various criteria, particularly the candidates' professional skills, personal integrity, independence, and impartiality. In addition, diversity aspects such as the representation of both genders, a balanced age distribution, and internationality of members is taken into consideration.

At present, the Supervisory Board of OMV includes three women, corresponding to a share of 20%. In line with the Equality Act for Women and Men in Supervisory Boards, which was passed in 2017, this share shall be increased to a minimum of 30% in the course of the next regular elections at the Annual General Meeting in 2019 at the latest. Particular focus will be given to a further strengthening of industry-specific competencies and the internationality of Supervisory Board members in line with the company's strategic orientation. With members aged between 46 and 75 years, the Supervisory Board shows a balanced age structure.

### External evaluation of Corporate Governance

An external evaluation of OMV's compliance with the provisions of the ACCG is performed each year. Regarding the evaluation for 2017, 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 for download on OMV's website ([www.omv.com](http://www.omv.com)).

Vienna, March 14, 2018

The Executive Board

Rainer Seele m.p.

Johann Pleininger m.p.

Reinhard Florey m.p.

Manfred Leitner m.p.