

Re-Design of Executive Board Compensation

Supporting Information

April 2018



OMV Aktiengesellschaft

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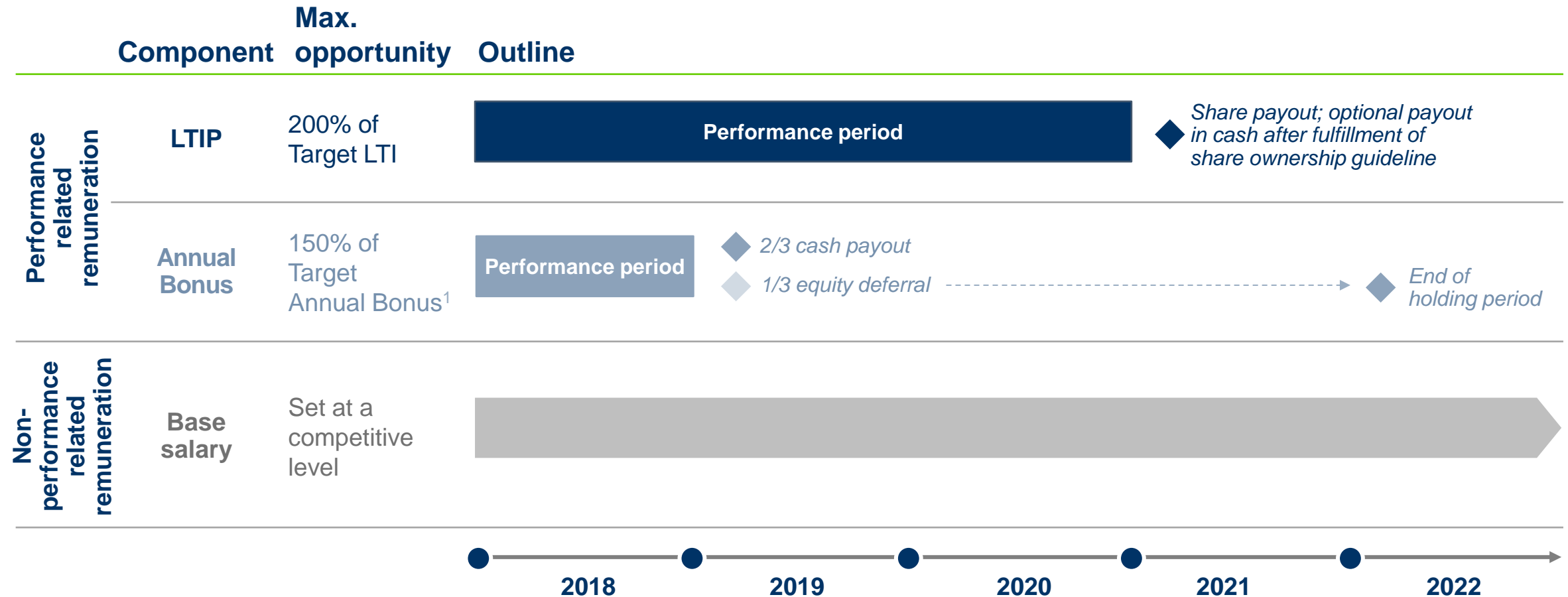
Objectives and guiding principles of compensation re-design



The compensation system shall ...

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

Overview of compensation design



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

Most significant changes

Objectives

Reduce complexity



Measures taken

- ▶ Significantly reduced number of performance criteria to provide clear focus
- ▶ Caps for Annual Bonus and LTIP¹ defined in relation to target values, thereby decoupling variable remuneration from base salary changes

Increase transparency



- ▶ Target setting and achievement of each performance criteria disclosed ex-post in compensation report
- ▶ Criteria applied for determining Sustainability Multiplier and HSSE² Malus disclosed ex-post in compensation report

Align with international best practice



- ▶ Payout cap for annual total direct remuneration³ introduced
- ▶ In addition, payout cap (300% of Target LTI) in case of LTIP payout in cash
- ▶ HSSE Malus allows for reduction of LTIP payout to zero

¹ Long-term incentive plan ² Health, Safety and Security or Environmental ³ Including base salary, Annual Bonus and LTI

Alignment with shareholder interests

Objectives

Objective and ambitious performance criteria

In line with international market practice

Strong focus on equity culture

Measures taken

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

Alignment with international market practice and reduction of complexity

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

	Current system	New system
Annual Bonus: Max. opportunity in % of target	143%	150% ¹
LTIP: Max. opportunity in % of target	233%	200%
LTIP payout cap	none	300% of Target LTI for cash payout
Overall payout cap	none	Individual cap per Executive Board member ²

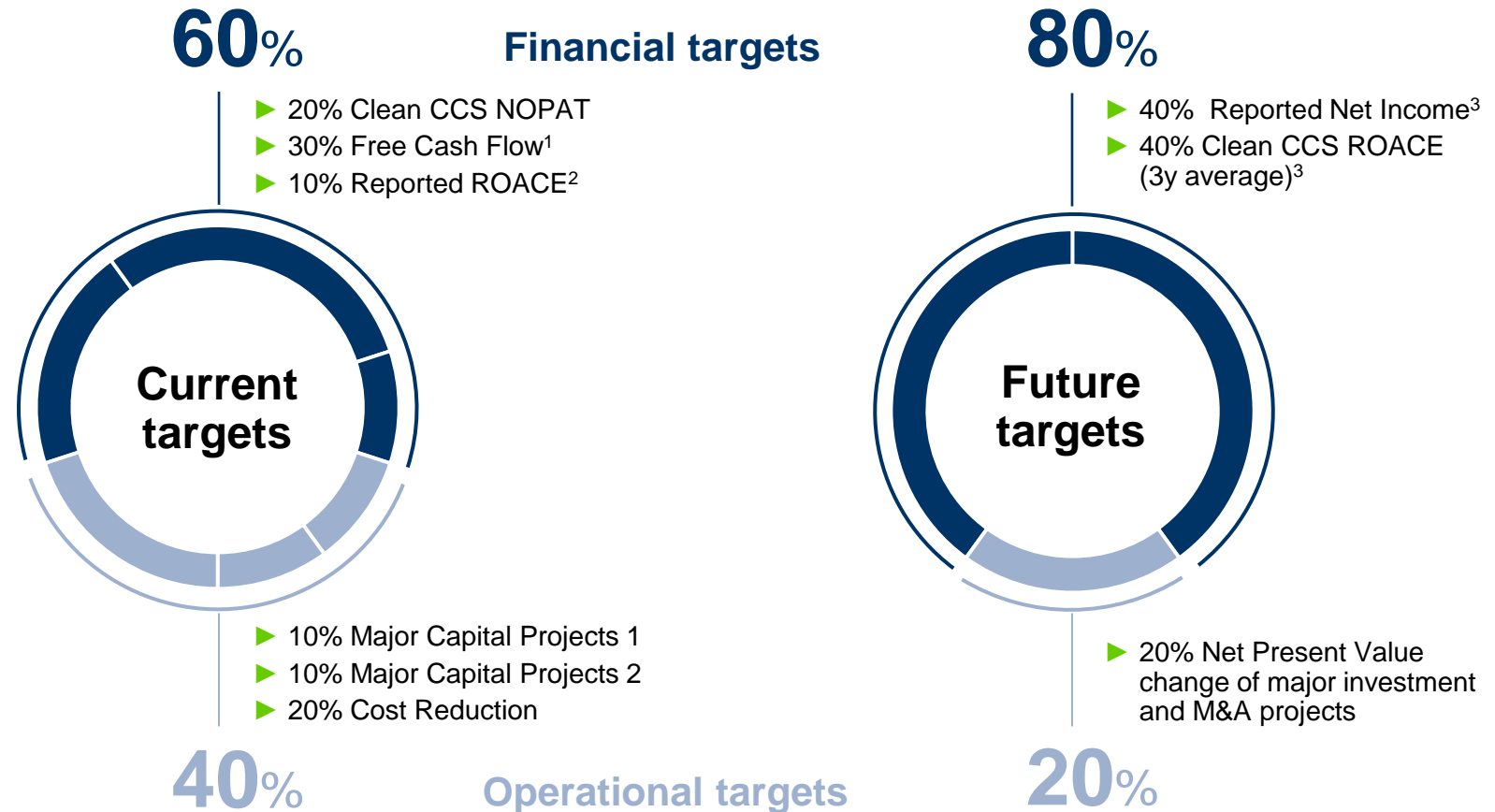
¹ Sustainability Multiplier of +/- 20% on top of target achievement but within overall payout cap; within Remuneration Committee's judgement based on criteria such as Reserve Replacement Rate, extraordinary events, HSSE issues - including fatalities, Lost Time Injury Rate, oil spills; in current system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

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

Annual Bonus: Performance Criteria in detail

Alignment with international market practice and reduction of complexity

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



¹ Free cash flow before dividends and excluding divestments and acquisitions

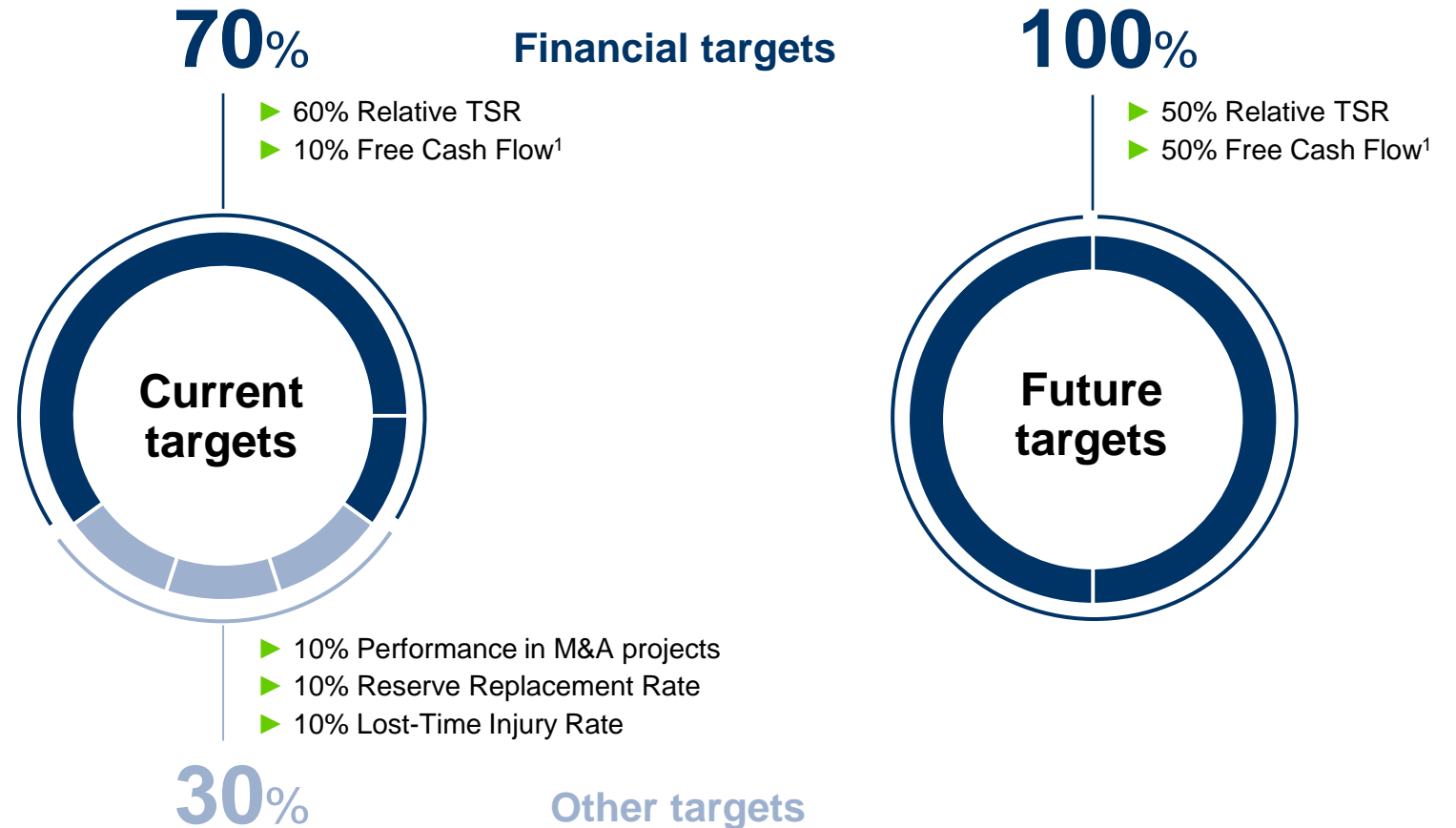
² Excl. Special Items related to the sale of OMV Petrol Ofisi A.S.

³ Adjustments will be made in case of acquisitions / divestments approved by the Supervisory Board of OMV and not included in the mid-term plan

LTIP: Performance Criteria in detail

Emphasis on equity culture and pay for performance culture

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



¹ Free cash flow before dividends and excluding divestments and acquisitions