

## **Document for the Annual General Meeting to be held on May 14, 2019**

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

- 1. Submission of the adopted Financial Statements 2018 including the Directors' Report, the (consolidated) Corporate Governance Report, the (consolidated) Payments to Governments Report, the consolidated Non-financial Report, the Group Financial Statements 2018 including the Group Directors' Report, the proposal of the appropriation of the balance sheet profit as well as the Supervisory Board Report for the financial year 2018.**

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

- 2. Resolution on the appropriation of the balance sheet profit reported in the Financial Statements 2018.**

"The Annual Financial Statements as of December 31, 2018 show a profit of EUR 720,449,301.

The Executive Board and the Supervisory Boards propose that the profit shown in the Annual Financial Statements of OMV Aktiengesellschaft as of December 31, 2018 shall be appropriated/allocated as follows:

Distribution of a dividend of EUR 1.75 per share entitled to receive dividends and carrying forward the remaining amount to new account.

The Executive Board and the Supervisory Board further propose that – deviating from Section 27 para 6 of the Articles of Association, pursuant to which the dividend becomes due and payable 30 days after the respective resolution of the General Meeting is adopted, provided that the General Meeting does not decide otherwise – the dividend shall become due and payable on May 23, 2019."

- 3. Resolution on the discharge of the members of the Executive Board for the financial year 2018.**

"The Executive Board and the Supervisory Board propose granting discharge to the persons having served as members of the Executive Board during the financial year 2018 with respect to this period."

- 4. Resolution on the discharge of the members of the Supervisory Board for the financial year 2018.**

"The Executive Board and the Supervisory Board propose granting discharge to the persons having served as members of the Supervisory Board during the financial year 2018 with respect to this period."

- 5. Resolution on the remuneration for the members of the Supervisory Board for the financial year 2018.**

"The Executive Board and the Supervisory Board propose setting the remuneration of the members of the Supervisory Board relating to the financial year 2018 as follows:

Chairman: EUR 30,000.--  
Deputy Chairperson: EUR 25,000.--  
Member: EUR 20,000.--

Chairman of a Committee: EUR 14,000.--  
Deputy Chairperson of a Committee: EUR 12,000.--  
Member of a Committee: EUR 10,000.--

Members of the Supervisory Board who are not residents of Austria and are subject to limited tax liability in Austria shall in addition to the remuneration be reimbursed the withholding tax by the company.

Meeting fee: EUR 400.--“

## **6. Appointment of the auditor and Group auditor for the financial year 2019.**

“The Supervisory Board proposes to appoint Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H., Vienna, as auditor and Group auditor for the financial year 2019.”

## **7. Resolutions on (i) the Long Term Incentive Plan 2019 and (ii) the Equity Deferral 2019.**

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

### **(i) Approval of the Long Term Incentive Plan 2019**

#### **Plan type**

Performance share plan

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

The Long Term Incentive Plan (LTIP) is a long-term compensation instrument for Executive Board members and selected Senior Managers that promotes mid and long-term value creation at OMV Aktiengesellschaft.

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

#### **Eligibility**

Executive Board members of OMV Aktiengesellschaft are obliged to participate. The nomination of Senior Managers to participate in the LTIP is done yearly by the OMV Executive Board and is based, in particular, on the position and/or performance level of the respective Senior Manager and may also be either not granted or granted only partly. Declarations of participation are not required by the nominated Senior Managers.

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

Executive Board members and Senior Managers are required to build up an appropriate volume of shares in OMV Aktiengesellschaft and, in general, have to hold these shares until retirement or departure from the company.

For Executive Board members, the shareholding requirement is defined as a percentage of the annual gross base salary (calculated on the basis of the January 2019 gross base salary or gross base salary for the first full month as Executive Board member):

- Chairman of the Executive Board: 200%
- Deputy Chairman of the Executive Board: 175%
- Other Executive Board members: 150%

For Senior Managers, the shareholding requirement is defined as 75% of the respective Target Long Term Incentive (LTI), which is fixed within a given range.

Executive Board members must achieve the required shareholding within five years after their respective initial appointment as Executive Board member and, to reflect the appropriateness of

the required shareholding and to allow for an increasing influence on the share price development with the number of years of service in the Executive Board, must maintain the relevant percentage in shares until departure from the company.

The base for the calculation of the respective number of shares is the average share price over the three-month period from January 1, 2019 – March 31, 2019 (= average of closing prices at Vienna Stock Exchange). The calculated number of shares is rounded up. Subsequent changes in the share price do not influence the number of shares required. In case and to the extent the salary of an Executive Board member increases during the performance period, the number of shares has to be adapted (using the above defined share price).

Shares granted to Executive Board members under the Equity Deferral 2019 or other Equity Deferrals and shares vesting for participants under this LTIP or former LTIPs as well as investments made for previous LTIPs count towards this shareholding requirement, provided that the shares are held on an OMV trustee deposit. Private shares may be transferred to the OMV trustee deposit to be counted towards the shareholding requirement. Dividends for the shares held on OMV trustee deposits will be paid out in cash.

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

#### **Grant levels and plan mechanism**

Executive Board members are granted a Target LTI in EUR as defined in their service contracts. For Senior Managers, the Target LTI is defined by the Executive Board, in general within a fixed range. However, the Target LTI for Senior Managers shall not exceed 112.5% of the annual gross base salary in January 2019.

The Target LTI for each participant is converted into a number of Share Equivalents, calculated as follows: The Target LTI divided by OMV's average share price (= closing price at the Vienna Stock Exchange) over the three-month period January 1, 2019 – March 31, 2019. The number of Share Equivalents will be rounded down. Before the Vesting Date, the participants do not hold the Share Equivalents and have no voting or dividend rights.

After the performance period of three years, the final number of shares shall be calculated based on the achievement of the Performance Criteria and is then made available to the participants at the Vesting Date net of taxes, subject to the fulfilment of the shareholding requirement. The final number of shares is calculated by multiplying the number of Share Equivalents with the total target achievement, which results from the target achievements of each Performance Criterion, its respective weightings and – with respect to Executive Board members – a potential HSSE malus (see "Performance Criteria and weightings").

The exact number of shares to be transferred under the LTIP 2019 can only be calculated after the performance period based on the achievement of the Performance Criteria. Based on OMV's average share price (= closing price at the Vienna Stock Exchange) over the three-month period January 1, 2019 – March 31, 2019 of 44.64 EUR and the defined LTI Targets, the maximum number of shares potentially transferred to the members of the Executive Board under the LTIP 2019 amounts to 124,324 shares (before taxes).

In any case, the total accumulated number of shares paid out under this plan or other share incentive plans of the OMV Group shall amount to less than 5% of outstanding share capital. The actual number of shares is expected to be far below 5%.

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

- Plan commencement: January 1, 2019, subject to AGM approval
- Performance period: 3 years (January 1, 2019 to December 31, 2021)
- Vesting date: March 31, 2022, subject to Supervisory Board approval

#### **Performance Criteria and weightings**

The Performance Criteria and their corresponding weightings for Executive Board members are as follows:

##### Total Shareholder Return (TSR)

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

### Free Cash Flow (FCF)

50% of the total award is based on the overall cash generation: Free Cash Flow before dividends and excluding divestments and acquisitions averaged over the 3-year period.

For the “Free cash flow before dividends and excluding divestments and acquisitions” threshold, target and maximum levels have been determined by the OMV Supervisory Board for Executive Board members and, depending on the achievement of such criteria, a vesting as shown in the table below will be granted to Executive Board members:

| <b>Performance</b> | <b>Vesting</b> |
|--------------------|----------------|
| Maximum            | 200%           |
| Target             | 100%           |
| Threshold          | 50%            |
| Below threshold    | 0%             |

Awards will vest on a straight line basis between these points. The calculation is based on exact values.

For Senior Managers, the Executive Board has – in addition to the Executive Board Performance Criteria mentioned above – determined further Performance Criteria (operational targets and a discretionary element) as well as the corresponding weighting of the Performance Criteria. For Senior Managers at OMV Petrom S.A., deviating Performance Criteria and weightings were determined (taking into account Petrom TSR and Petrom FCF, specific operational targets as well as a discretionary element).

For the FCF and the operational targets threshold, target and maximum levels have been determined by the Executive Board for Senior Managers. Depending on the achievement of the criteria a vesting as shown in the table below will be granted:

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

Awards will vest on a straight line basis between these points. The calculation is based on exact values.

The defined Performance Criteria must not be amended during the performance period of the LTIP 2019. However – in order to maintain the incentivizing character of the program – the Supervisory Board will have discretion to adjust the threshold/target/maximum levels of the Free Cash Flow for Executive Board members (but not the criteria as such or the vesting as defined in this section) based on actual oil/gas price, fx-rate, etc. compared to assumptions at the time of target setting in case of material changes in external influences. The adjustment is possible in both directions and will be determined by the Supervisory Board. This applies accordingly to the Executive Board (if required with regard to OMV Petrom Senior Managers: with the approval of the competent corporate body), which has the discretion to make the respective adjustments to the threshold/target/maximum levels of the Free Cash Flow for Senior Managers.

A Health, Safety, Security or Environmental (HSSE) malus may be applied for Executive Board members. The HSSE malus is applied to the overall target achievement as follows. In situations where a severe health, safety and security or environmental breach has occurred, the Supervisory Board can re-examine the level of the LTI payout and, depending on the extent of the infraction, reduce it at its reasonable discretion, if necessary to zero.

For Executive Board members, the compliance with the Performance Criteria and the degree of target achievement (including eventual adjustments, as described above) will always be evaluated by the Supervisory Board, considering whether the resulting awards are proportionate to the tasks and performance of the individual Executive Board member, to the situation of the company and to the usual remuneration and whether they create a long-term performance incentive for sustainable development of the company (Section 78 Para 1 Austrian Stock Corporation Act). This applies accordingly to the Executive Board when assessing the compliance with the measures and the degree of target achievement with regard to awards for Senior Managers.

#### Calculation of relative TSR outcome

Performance of the relative TSR criterion is calculated by comparing the TSR of OMV over the three-year performance period against the TSR of a peer group of companies.

The relative TSR peer group was determined by the Supervisory Board and includes the following companies:

- Shell
- BP
- Total
- Eni
- Equinor
- Lundin Petroleum
- Repsol
- Galp Energia
- MOL
- Tupras
- Neste Oil
- PKN Orlen

TSR is the percentage change in the value of an investment in a company over a given period and is calculated as (i) the growth in share price over a given period plus (ii) the value of dividends paid out over the period, assuming they are reinvested in company shares.

To reduce the effect of volatility in the share price, the TSR is averaged over the period of three months before the start of the performance period (October 1, 2018 – December 31, 2018) and the three months before the end of the performance period (October 1, 2021 – December 31, 2021). In case there are corporate events either within the company or in the peer group, such as mergers and acquisitions, share splits, or the issuance of shares, the TSR is calculated for each period independently prior to and after the corporate event.

The TSR of each of the companies in the peer group (excluding OMV) will be assessed over the three-year performance period and clustered into quartiles. A vesting percentage for OMV is then calculated based on the relative position of OMV between the two quartiles immediately above and below the TSR of OMV. The vesting between the two quartiles is calculated on a straight line basis.

The TSR for OMV Petrom S.A. is calculated accordingly using the same peer group.

For Executive Board members the following vesting levels are applicable:

| <b>Performance TSR</b>  | <b>Vesting</b> |
|---|----------------|
| Maximum: at or above third quartile<br>(≥75 <sup>th</sup> percentile)   | 200%           |
| Target: at median<br>(=50 <sup>th</sup> percentile)                     | 100%           |
| Threshold: at or below first quartile<br>(≤25 <sup>th</sup> percentile) | 0%             |

For Senior Managers the following vesting levels are applicable:

| <b>Performance TSR</b>  | <b>Vesting</b> |
|---|----------------|
| Maximum: at or above third quartile<br>(≥75 <sup>th</sup> percentile)   | 100%           |
| Target: at median<br>(=50 <sup>th</sup> percentile)                     | 50%            |
| Threshold: at or below first quartile<br>(≤25 <sup>th</sup> percentile) | 0%             |

#### **Vesting/payout**

To the extent the shareholding requirement is not fulfilled, the payment will be automatically made in the form of shares until the requirement is reached. Otherwise the Executive Board members can opt for (i) single payment in shares, or (ii) single payment in cash. Participating Senior Managers can opt for (i) single payment in shares, or (ii) single payment cash, or (iii) cash payment in instalments. Participants must make this decision by quarter three of the year the plan

starts. If such a decision cannot be taken because of compliance relevant information the payment will automatically be made in cash. The delivery of shares or cash payment to the participants is generally made net after deduction of taxes (in Austria payroll tax deduction). The total number of shares (net after deduction of taxes) to be allocated at vesting will be rounded down.

For the Executive Board Members a cap of 200% of the Share Equivalents is applicable for the number of vesting shares. In case of a cash payout, an additional payout cap of 300% of the Target LTI is applicable for Executive Board members. Therefore, for example, if the Target LTI equals 1,000 k€ and due to share price developments, the shares vested under LTIP would be worth 3,400 k€, the payout would be revised downwards to 3,000 k€. A payout in cash above 300% of the Target LTI is not permissible for Executive Board members.

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

If the payment is made in cash, the amount will be calculated by using OMV's average share price (= average of closing prices at the Vienna Stock Exchange) over the three-month period January 1, 2022 – March 31, 2022.

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

Payout cap for Executive Board members: in addition to the payout caps defined for the EB LTIP and the Annual Bonus a maximum Total Annual Compensation is defined by the Supervisory Board for each Executive Board member. The maximum Total Annual Compensation consists of the fixed remuneration, the Annual Bonus (Cash Bonus and Equity Deferral at the time of vesting) and the payout under the EB LTIP (cash or share value at the time of vesting). The value of shares vesting under the Equity Deferral and EB LTIP will be calculated by using OMV's share price at vesting date.

#### **Plan management for leavers**

In case an Executive Board member's service contract starts after January 1, 2019 and/or ends before December 31, 2019, the Target LTI is calculated on a pro-rata basis for the year 2019. In case a Senior Manager's LTIP eligibility starts between January 1 and June 1, 2019 and/or ends before June 1, 2019, the Target LTI is calculated on a monthly pro rata basis.

The details concerning the conditions for leavers regarding Executive Board members are as follows:

| <b>Reasons</b>   | <b>Entitlement before Vesting Date</b>  |
|--|---|
| a) Bad Leavers (Section 75 Para 4 Austrian Stock Corporation Act or Section 27 Employees Act or termination by the participant without good cause) | Unvested awards are forfeited.  |
| b) Good Leavers (leaver termination other than (a) or (c) to (d))  | Unvested awards continue.   |
| c) Retirement, permanent disability  | Unvested awards continue.   |
| d) Death   | Unvested awards are valued and settled in cash per date of death. The value shall be calculated based on actual performance until the date of death plus budget/Mid-Term-Planning numbers for the remaining time. |

In case of early termination of the appointment as Executive Board member and/or the related employment contract declared by the Company following a "Change of Control" (that means more than 50% of the share capital of and/or of the voting rights in OMV Aktiengesellschaft having been obtained by a person or corporate body (acting alone or in coordination with others)) any award under the LTIP 2019 shall vest on the date of the Change of Control subject to the projected target

achievement at that time. All other early terminations following a Change of Control in OMV result in the application of the leaver concept (see above).

The leaver regulations apply in an adapted form for Senior Managers in order to meet different requirements (e.g. for involuntary or temporary leavers).

#### **Plan termination**

For Executive Board members, the plan cannot be terminated. If a participating Senior Manager wants to terminate the LTIP participation, a written approval by the competent Executive Board member is necessary. As a consequence of termination, all benefits and rights are lost and shareholding requirements lapse. Termination applies to all plans not yet vested.

#### **Clawback**

For Executive Board members, the Supervisory Board may reduce the number of shares or the amount of cash payments or may request retransfer of the shares or repayment of the cash payments under circumstances as detailed below. Events already reflected in the HSSE malus may not be considered for potential subsequent clawbacks with regard to this plan, unless new information about the event becomes available after the determination of the HSSE malus.

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

### **(ii) Approval of the Equity Deferral 2019**

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

The Equity Deferral is an integrated element of the Annual Bonus of Executive Board members: One third of the Annual Bonus is allocated in shares (Equity Deferral), whereas the other two thirds are paid out in cash (Cash Bonus). The Equity Deferral is a compensation instrument for the members of the Executive Board that promotes retention and shareholder alignment in OMV, combining the interests of management and shareholders via a long-term investment in restricted shares. The plan also seeks to prevent inadequate risk-taking.

The shares granted under the Equity Deferral have to be reduced or returned in case of a clawback event. Furthermore, if the allocation of shares was based on incorrect calculations of the bonus, the Executive Board members are obligated to return benefits obtained due to such wrong figures.

#### **Eligibility**

The Equity Deferral is restricted to Executive Board members of OMV Aktiengesellschaft.

#### **Grant levels and plan mechanism**

Executive Board members are granted a Target Annual Bonus in EUR, as defined in their service contracts. To determine the Actual Annual Bonus, the Target Annual Bonus is multiplied with the total target achievement, which results from the target achievements of each Performance Criterion, its respective weighting and the Sustainability Multiplier (see "Performance Criteria and weightings").

Upon determination of the Actual Annual Bonus by the Supervisory Board, one third of the Actual Annual Bonus is allocated in shares and deferred (the other two thirds are paid out in cash). The share 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 (holding period).

The number of shares awarded is calculated as follows: one third of the gross amount of the Actual Annual Bonus divided by the average closing price for OMV shares at the Vienna Stock Exchange over the three-month period November 1, 2019 - January 31, 2020. The resulting

number of shares will be rounded down. Executive Board members may be granted shares up to a maximum of one third of the Annual Bonus (i.e. one third of the maximum total target achievement of 150% and the maximum Sustainability Multiplier of 20%). Dividends, if any, earned from the vested shares are paid out to the Executive Board members in cash.

The exact number of shares to be transferred under the Equity Deferral 2019 can only be calculated after the performance period ended and the Actual Annual Bonus has been determined based on the achievement of the Performance Criteria based on OMV's average share price (= closing price at the Vienna Stock Exchange) over the three-month period November 1, 2019 – January 31, 2020. Based on OMV's average share price over the three-month period January 1, 2019 – March 31, 2019 of 44.64 EUR and the defined Target Annual Bonuses, the maximum number of shares potentially transferred to the members of the Executive Board under the Equity Deferral 2019 amounts to 61,489 shares (before taxes).

In any case, the total accumulated number of shares paid out under this plan or other share incentive plans of the Group shall amount to less than 5% of outstanding share capital. The actual number of shares is expected to be far below 5%.

#### Effective dates and term

- Plan start: January 1, 2019 as an integral part of the Annual Bonus, subject to AGM approval
- Vesting Date: March 31, 2020, subject to Supervisory Board approval
- Holding period: 3 years from vesting

#### Performance Criteria and weightings

The Performance Criteria and their corresponding weightings are as follows:

| Performance Criteria   | Weight     |
|--|------------|
| <b>Financial Target 1:</b><br><b>Reported Net Income</b> adjusted for unrealized Mark-to-Market valuation of hedges excluding the effects from acquisitions/divestments approved by the Supervisory Board of OMV and not included in the Mid Term Plan.  | <b>40%</b> |
| <b>Financial Target 2:</b><br>Clean Current Cost of Supplies Return On Average Capital Employed is calculated as Net Operating Profit after Taxes adjusted for the after-tax effect of special items and CCS, divided by average capital employed.<br>Adjustments to the Clean CCS ROACE 2019 will be made in case of acquisitions/divestments approved by the Supervisory Board of OMV and not included in the MTP. For 2019, the unweighted average of the Clean CCS ROACE of 2017, 2018 and 2019 is applicable. | <b>40%</b> |
| <b>Operational Target:</b><br>Assessment of a selection of investment projects, which represent the major part of investments in ongoing growth projects including acquisitions with business case approved by the OMV Supervisory Board which represent the major part of running investments, based on the annual non-market change of NPV (means Net Present Value).  | <b>20%</b> |

#### Sustainability Multiplier:

The Sustainability Multiplier has a value between 0.8 and 1.2 (this is +/- 20%) which will be determined at the discretion of the OMV Supervisory Board. For this discretionary decision, the OMV Supervisory Board will decide based on a predefined set of criteria (economic conditions,



performance vs. last year, Reserve Replacement Rate (three-year average), extraordinary events, health, safety, security or environmental issues (including fatalities, Lost Time Injury Rate, the number and volume of oil spills) and other factors which may include the management’s self-assessment as well as an independent assessment.

**Vesting:**

For all Performance Criteria threshold, target and maximum levels have been determined by the OMV Supervisory Board and depending on the achievement of such criteria vesting as shown in the table below will be granted:

| <b>Performance</b> | <b>Vesting</b> |
|--------------------|----------------|
| Maximum            | 150%           |
| Target             | 100%           |
| Threshold          | 50%            |
| Below threshold    | 0%             |

Awards will vest on a straight line between these points.

**Adjustment of Financial Targets:**

The Performance Criteria defined for the Annual Bonus must not be amended during the term of the Annual Bonus. However – in order to maintain the incentivizing character of the program – the Supervisory Board will have discretion to adjust the threshold/target/maximum levels of the Financial Targets (but not the criteria as such or the vesting as defined in this section) based on actual oil/gas price, fx-rate, force majeure events or externally imposed production limitations etc. compared to assumptions at the time of target setting in case of material changes in external influences. The adjustment is possible in both directions and will be determined by the OMV Supervisory Board.

The Sustainability Multiplier is applied to the overall target achievement. No cap is applicable with regard to the Sustainability Multiplier, meaning that in case of an overall target achievement of, for example, 145% the achievement could be revised downwards to 116% or upwards to 174% through the Sustainability Multiplier.

For all discretionary decisions (in particular with regard to the determination of the Sustainability Multiplier as well as the adjustment of the Financial Targets), the Supervisory Board will in any case comply with sec 78 para 1 Austrian Stock Corporation Act (“AktienG”).

**Vesting/Payout**

If authorization for the share transfer has been given by the Supervisory Board on Vesting Date or earlier, the transfer of shares will be executed on the next business day after the Vesting Date, otherwise the transfer takes place at the beginning of the next month following the authorization. As the plan’s payout structure is pre-defined and does not require an active decision by the Executive Board members, transfer will be executed irrespective of trading windows. The company does not cover any share price risk caused by the delay or by transfer.

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

**Plan management for leavers**

The rules outlined above under the proposed resolution 7 (i) for the LTIP 2019 (section “Plan management for leavers”) for Executive Board members apply, with the exception that for good leavers and in the case of retirement and permanent disability, the vesting of unvested awards remains subject to a decision of the Supervisory Board in its discretion. For this discretionary decision, the Supervisory Board especially has to comply with Section 78 Para 1 Austrian Stock Corporation Act.

**Plan termination**

The plan cannot be terminated.

**Clawback**

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

| <b>Reason for clawback</b>                                    | <b>Adjustment by Supervisory Board</b>                                   |
|---|--|
| Adjustment of approved financial statements due to a mistake. | Equity Deferral granted in relevant year is reduced / forfeited in full. |

|  |  |
|--|--|
| Material failure of risk management which leads to significant damages (like Deep Water Horizon accident, Texas City Refinery accident). | Equity Deferral can be reduced / forfeited in full.  |
| Serious misconduct of individual Executive Board member which violates Austrian law.   | Equity Deferral can be reduced / forfeited in full.” |

## 8. Elections to the Supervisory Board.

“The Supervisory Board proposes to the General Meeting to elect

- a) Mr. Wolfgang C. Berndt pursuant to Section 9 para 4 of the Articles of Association until the end of the term of office of the resigning Supervisory Board member Mr. Peter Löscher, that is until the end of the Annual General Meeting voting on discharge for the financial year 2019,
- b) Mr. Stefan Doboczky pursuant to Section 9 para 2 of the Articles of Association until the end of the Annual General Meeting voting on discharge for the financial year 2021,
- c) Ms. Alyazia Ali Al Kuwaiti pursuant to Section 9 para 2 of the Articles of Association for the longest possible term pursuant to Section 87 para 7 Austrian Stock Corporation Act, that is until the end of the Annual General Meeting voting on discharge for the financial year 2023,
- d) Mr. Mansour Mohamed Al Mulla pursuant to Section 9 para 2 of the Articles of Association for the longest possible term pursuant to Section 87 para 7 Austrian Stock Corporation Act, that is until the end of the Annual General Meeting voting on discharge for the financial year 2023,
- e) Mr. Karl Rose pursuant to Section 9 para 2 of the Articles of Association for the longest possible term pursuant to Section 87 para 7 Austrian Stock Corporation Act, that is until the end of the Annual General Meeting voting on discharge for the financial year 2023,
- f) Mr. Johann Georg Schelling pursuant to Section 9 para 2 of the Articles of Association until the end of the Annual General Meeting voting on discharge for the financial year 2021,
- g) Mr. Thomas Schmid pursuant to Section 9 para 2 of the Articles of Association for the longest possible term pursuant to Section 87 para 7 Austrian Stock Corporation Act, that is until the end of the Annual General Meeting voting on discharge for the financial year 2023,
- h) Ms. Elisabeth Stadler pursuant to Section 9 para 2 of the Articles of Association until the end of the Annual General Meeting voting on discharge for the financial year 2021,
- i) Mr. Christoph Swarovski pursuant to Section 9 para 2 of the Articles of Association until the end of the Annual General Meeting voting on discharge for the financial year 2021

as members of the Supervisory Board.

*Explanation:*

*The Supervisory Board of the Company currently consists of fifteen members (ten capital representatives elected by the General Meeting and five nominated employee representatives).*

*Due to the expiry of the appointment of eight out of currently ten Supervisory Board members elected by the General Meeting (with the exception of Mr. Peter Löscher and Ms. Gertrude Tumpel-Gugerehl) and the resignation of Mr. Peter Löscher, in each case with effect as of the end of the General Meeting held on May 14, 2019, nine new Supervisory Board members are to be elected by the General Meeting to keep the number of elected members of the Supervisory Board consistent.*

*The Company falls within the scope of Section 86 para 7 Austrian Stock Corporation Act and therefore has to fulfil the minimum quota mentioned therein. As an objection was raised against the joint fulfillment of the quota pursuant to Section 86 para 9 Austrian Stock Corporation Act, the minimum quota of 30% women and men must be fulfilled separately by the capital and employee representatives in the Supervisory Board. Therefore, in the Supervisory Board of the Company at least three seats of the capital representatives and two seats of the employee representatives,*

*respectively, need to be held by women and men. Accordingly, the election of two women is proposed herewith in order to fulfil the minimum quota by the capital representatives.*

*Each person proposed has submitted a declaration pursuant to Section 87 para 2 Austrian Stock Corporation Act and has, in particular, declared that*

- 1. there are no circumstances which could give cause for concern about his/her bias;*
- 2. in accordance with section 87 para 2a sentence 3 Austrian Stock Corporation Act he/she has not been convicted by a court of law of any criminal offence which calls their professional reliability into question, and*
- 3. there are no impediments to appointment within the meaning of Section 86 para 2 and 4 Austrian Stock Corporation Act.*

*The Presidential and Nomination Committee of the Supervisory Board has prepared and recommended these election proposals, and – in accordance with Section 87 para 2a Austrian Stock Corporation Act – has thereby considered the professional and personal qualifications of the members and a balanced composition of expertise in the Supervisory Board and has given appropriate consideration to diversity aspects in the Supervisory Board with respect to the representation of both genders and the age structure as well as the internationality of the members.”*

**9. Resolution on the authorization of the Executive Board to repurchase shares in the Company in accordance with section 65(1)(8) Austrian Stock Corporation Act as well as on the authorization of the Executive Board to cancel shares and of the Supervisory Board to adopt the amendments to the Articles of Association resulting from such cancellation.**

“The Executive Board and the Supervisory Board propose the authorization of the Executive Board to repurchase

- a) bearer shares of no par value of the Company up to a maximum of 5% of the Company's nominal capital (which currently corresponds to 16,363,636 shares), in accordance with section 65(1)(8) Austrian Stock Corporation Act,
- b) over a period of 15 months from the date of adoption of the resolution by the General Meeting,
- c) for a minimum consideration per share being at the utmost 30% lower than the average, unweighted stock exchange closing price over the preceding ten trading days and a maximum consideration per share being at the utmost 20% higher than the average, unweighted stock exchange closing price over the preceding ten trading days,

whereby any repurchases have to be exercised in such way that the Company does not hold more than 1,300,000 treasury shares at any time. Such repurchases may take place via the stock exchange or a public offering or by other legal means and for the purpose of share transfer programs, in particular Long Term Incentive Plans including Matching Share Plans, Equity Deferrals or other stock ownership plans.

The Executive Board and the Supervisory Board further propose to authorize the Executive Board to cancel stock repurchased or already held by the Company without further resolution of the General Meeting and to authorize the Supervisory Board to adopt amendments to the Articles of Association resulting from the cancellation of shares.

The authorization can be exercised as a whole or in parts and also in several tranches by the Company, by a subsidiary (Section 189a Number 7 Commercial Code) or by third parties for the account of the Company and shall be exercised always in such manner that it is to the benefit and in the best interest of the Company.”