

# Remuneration Policy for the Members of the Executive Board of EVN AG

## 1 Establishing remuneration policy principles

The following principles for remuneration of the executive board members of EVN AG (EVN) (Remuneration Policy) have been established upon proposal of the Remuneration Committee in accordance with C-Rule 43 of the Austrian Code of Corporate Governance (ACCG) and by resolution of the supervisory board pursuant to Section 78a(1) of the Austrian Stock Corporations Act [*Aktiengesetz/AktG*] of 27 September 2023 and are to be applied after presentation to the 95th Annual General Meeting of EVN.

Pursuant to Section 78b(1) *AktG* the Remuneration Policy must be presented to the General Meeting for voting at least in every fourth financial year.

### Objectives

The Remuneration Policy serves the purpose of implementing statutory provisions and is to ensure in particular that the overall remuneration of the executive board members is commensurate with the situation of the corporation and the usual level of remuneration at comparable business entities, and creates incentives promoting behaviour that is supportive of the business strategy and long-term development of the corporation.

### Reasonableness and competitiveness

In addition, the remuneration scheme must be designed to offer attractive incentives for the corporation to recruit appropriately qualified persons to work for an international listed entity possessing a diversified investment portfolio. Remuneration must therefore on the whole be competitive and in line with market conditions.

Remuneration must be consistent with the executive board's overall responsibility in compliance with Section 78(1) *AktG* and L-Rule 26a ACCG. At the same time, however, the remuneration must reflect the individual responsibility of the members of the executive board, which results from the schedule of responsibilities. In addition, the length of service and additional tasks, such as the role of a speaker or chair of the executive board, are decisive factors.

### Supporting the business strategy and long-term development of the corporation

In line with Section 78a(2) *AktG* and L-Rule 26b ACCG the Remuneration Policy creates incentives for the executive board members to pro-actively develop and pursue the group's strategy of ensuring a sustainable development of the business and avoiding unreasonable risks.

When defining specific performance criteria, an excessive risk appetite and too strong a focus on quick profits must be avoided. At the same time, ambitious multiannual targets must be defined which constitute an incentive for outstanding performance. The superior goal in this context is the corporation's favourable development in the long run.

## **Pay for performance**

Implementing the strategy of EVN is taken into account when defining targets and target achievement both with respect to financial and non-financial performance criteria. In both cases the corporation's long-term development must be considered, which will in particular be supported by linking the strategic goals of the corporation to the variable remuneration of its executive board members.

## **2 Remuneration Policy procedures**

Every year the executive board reports on the topic of remuneration to the Remuneration Committee, which may initiate a review of the Remuneration Policy, if necessary. If considered necessary by the Remuneration Committee, it may call in an advisor, but make sure that the advisor does not advise the executive board in remuneration matters at the same time.

The Remuneration Committee is mainly comprised of independent members of the supervisory board. Each member must immediately disclose conflicts of interest in connection with their work on the Remuneration Committee and abstain from voting, where appropriate.

At least in every fourth financial year the Remuneration Committee will review the Remuneration Policy and evaluate whether a revision is required. If necessary, internal and/or external experts may be asked to assist in such a revision.

The Remuneration Committee will then issue a recommendation on the Remuneration Policy to the supervisory board. The same procedure applies with respect to any major change in the Remuneration Policy.

Subsequently, the supervisory board must pass a resolution on the Remuneration Policy and present a motion for a resolution to that effect to the General Meeting.

After that, the Remuneration Policy must be presented to the General Meeting for voting.

## **3 Amendments to the previous Remuneration Policy**

The executive board's previous Remuneration Policy was approved by the 91st Annual General Meeting by a majority of 99.87% on 16 January 2020 (Remuneration Policy 2020). Pursuant to Section 78b(1) *AktG* the Remuneration Policy must be presented to the General Meeting for voting in every fourth financial year, i.e. to the Annual General Meeting 2024. EVN has used this as an opportunity to review the Remuneration Policy 2020. In the course of the analysis and with the involvement of an external advisor, both market practice and feedback from investors were taken into account and a revised Remuneration Policy (Remuneration Policy 2024) was developed. The revised Remuneration Policy is intended to be applied retroactively as of 1 October 2023 subject to approval by the Annual General Meeting of 2024.

The amendments to the Remuneration Policy include both an adaptation of the structure of the variable remuneration scheme and the abolishment of upfront payment of variable remuneration. In addition, targets have been introduced for the areas of Environment, Social and Governance (ESG targets) with respect to variable remuneration and expanded by reduction and clawback regulations.

The adaptations are summarised in the table below:

Changes reflected in the Remuneration Policy 2024	Reasons
Introduction of ESG targets with a weighting of 15% and long-term measurement	Implementation of explicit sustainability targets in executive board remuneration to support the strategy
Expansion of the reduction and clawback regulation to include compliance matters	Expansion of the Remuneration Committee's scope of action, in its controlling function vis-à-vis the executive board to protect the corporation
Abolishment of upfront payment	Simplification of disbursement of variable remuneration

The following considerations were decisive for these material amendments to the Remuneration Policy 2020:

**Focussing on sustainability targets**

Introducing ESG targets into variable remuneration will ensure that the performance criteria for executive board remuneration will be aligned more strongly with EVN's business strategy, in particular with its sustainability strategy.

**Extension of reduction and clawback regulations**

The Remuneration Policy 2020 already provided for the possibility to claim back variable remuneration components calculated or disbursed on the basis of false group accounting. This clawback regulation has now been extended by a compliance clawback rule, so that violations, in particular of the corporation's code of conduct and compliance regulations, may also lead to a clawback of variable remuneration components disbursed before. In addition, variable remuneration components may be reduced or withheld in full in certain cases of non-compliance (reduction).

**Abolishment of upfront payment**

According to the Remuneration Policy 2020 shares of variable remuneration were paid upfront before the end of the performance period and subsequent determination of target achievement. The payments were then accounted for in the course of determination of target achievement. Such upfront payment is discontinued by the Remuneration Policy 2024 and the variable remuneration components will be disbursed only after the end of the performance period and subsequent determination of target achievement.

**4 Remuneration Policy at a glance**

Remuneration of the executive board members is made up both of fixed and variable components. Fixed remuneration components are independent of performance and include the base salary and emoluments in kind as well as fringe benefits, and an old-age provision for executive board members through an intercorporate pension fund.

The variable remuneration components are linked to performance and comprised of long-term financial targets which are measured on the basis of multiannual performance criteria. They are supplemented by ESG targets of performance criteria of one or more years and individual performance criteria of one-year. The long-term account (LTA), which includes target achievement regarding financial and ESG targets, constitutes the basis for a long-term monitoring period. In addition, reduction and clawback provisions have been included in the Remuneration Policy.

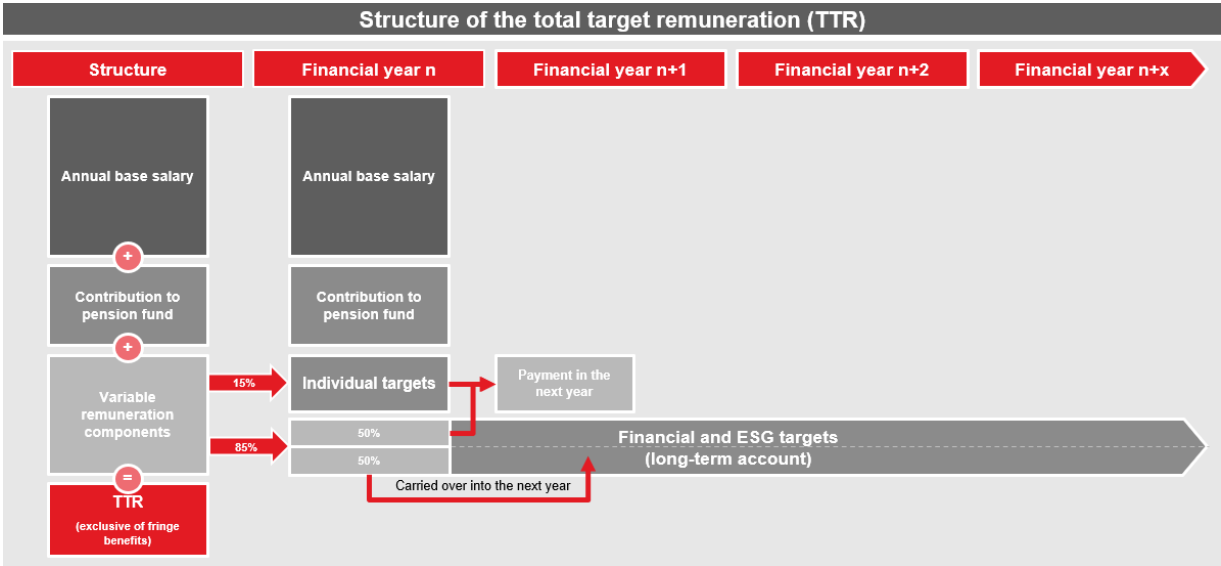
The remuneration components are summarised in the table below:

	Remuneration component	Description	Relation to the strategy and shareholder interests
Fixed remuneration components	Base salary	<ul style="list-style-type: none"> <li>• Payable fourteen times a year</li> <li>• Twelve payments at the beginning of each month and two additional payments</li> <li>• Reference base (100%) for variable remuneration components</li> </ul>	<ul style="list-style-type: none"> <li>• Responsibilities and performance of each executive board member will be taken into account</li> <li>• Comparison of listed corporations holding a similar position in the market will be taken into account</li> </ul>
	Emoluments in kind and fringe benefits	<ul style="list-style-type: none"> <li>• Accident insurance</li> <li>• Supplementary group health insurance</li> <li>• D&amp;O insurance</li> <li>• Company car</li> </ul>	<ul style="list-style-type: none"> <li>• Emoluments in kind and fringe benefits in line with common market standards</li> </ul>
	Pension	<ul style="list-style-type: none"> <li>• Defined contribution pension plan through an intercorporate pension fund</li> <li>• Not more than 20% of the base salary</li> </ul>	<ul style="list-style-type: none"> <li>• Similar structure for employees</li> <li>• Clearly defined contribution caps</li> </ul>
Variable remuneration components	Targets	<ul style="list-style-type: none"> <li>• Target amount: 30% of the base salary</li> <li>• Target categories: <ul style="list-style-type: none"> <li>- Financial targets (70%)</li> <li>- ESG targets (15%)</li> <li>- Individual targets (15%)</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• The performance of executive board members with regard to the corporate goals achieved is taken into account</li> <li>• The target horizon includes the next four years</li> <li>• Taking account of ecological, social and governance responsibility by integration of ESG targets</li> </ul>
	Long-term account (formerly bonus reserve)	<ul style="list-style-type: none"> <li>• Variable remuneration from financial and ESG targets will be paid into the long-term account</li> <li>• Disbursement of 50% of the accrued long-term account at the end of any financial year</li> </ul>	<ul style="list-style-type: none"> <li>• Ensuring that targets will stretch over several years and focussing on long-term business development</li> <li>• Supporting sustainable business development by means of multiannual financial targets defined on a long-term basis, on the one hand, and ESG targets towards long-term business development, on the other hand</li> </ul>
Other parts of the contract	Reduction and clawback regulations	<ul style="list-style-type: none"> <li>• Compliance reduction and clawback regulations and a performance clawback regulation</li> </ul>	<ul style="list-style-type: none"> <li>• In the case of misuse of data or a breach of duties by executive board members the corporation has a right to intervene and claim repayment</li> </ul>

The shares of the different remuneration components as a percentage of the total target remuneration are as follows: the annual base salary amounts to 65% of the total target remuneration. Contributions to the pension fund account for approx. 13% and variable remuneration components account for 20% of the total target remuneration. Emoluments in kind and fringe benefits normally amount to approx. 2% of the total target remuneration. This structure may vary slightly between the members of the executive board.

When fixing the remuneration of the different executive board members the corporation will ensure that the remuneration components comply with the Remuneration Policy. If a member joins the executive board during the year, the relevant remuneration components will be paid *pro rata temporis*.

The different remuneration components and their availability in terms of timing are as follows:



## 5 Remuneration Policy in detail

### 5.1 Fixed remuneration components

The fixed remuneration components are independent of performance and include the base salary, emoluments in kind and fringe benefits, as well as the pension. The different components will be explained in detail below.

#### 5.1.1 Base salary

The annual base salary has to be disbursed in fourteen monthly payments as is usual in Austria. Twelve payments are effected at the beginning of each month, and two additional payments are made at defined payment dates, usually together with the salary for the months of June and November.

The base salary will be adjusted in proportion to the ACTUAL salaries for the highest job group from time to time as agreed in the Collective Bargaining Agreement for Employees of the Electricity Industry in Austria.

### 5.1.2 Emoluments in kind and fringe benefits

Emoluments in kind and fringe benefits, include, without limitation:

#### **Insurance**

The corporation may take out accident insurance against the risks of death, invalidity or accident for the members of the executive board or a third party nominated by the relevant executive board member. The insurance premiums must be paid by the corporation.

In addition, the members of the executive board may be included in the supplementary group health insurance taken out by the corporation. The insurance premiums must be paid by the corporation.

Members of the executive board may undergo thorough medical examination every two years. The reasonable costs of the examination must be borne by the corporation.

Members of the executive board may be promised to be included in a D&O insurance (third-party liability insurance for directors and officers) and a legal expenses insurance with risk-adequate cover. The insurance premiums must be paid by the corporation.

#### **Company car**

During the term of the employment contract the corporation may provide every member of the executive board with a car (upper middle class) for use, including for private purposes. For business-related trips a driver may be provided.

In addition to statutory third-party liability insurance the corporation takes out fully comprehensive vehicle and passenger insurance with adequate cover for those cars.

#### **Costs in the case of new appointment**

In particular in the case of new appointments to the executive board relocation costs and rental costs may be borne by the corporation for a limited period of time. In addition, compensation may be granted for variable remuneration components granted by a former employer which will no longer be paid due to the change to the executive board of EVN. Such compensation will be subject to suitable proof of loss of income.

### 5.1.3 Pension

A defined contribution pension scheme through an intercorporate pension fund may be provided for executive board members. Contributions paid by the corporation to the intercorporate pension fund must not exceed 20% of the base salary.

Pension commitments from previous service periods within the EVN Group (Section 15 AktG) may be incorporated into the employment contract of an executive board member.

## **5.2 Variable remuneration components**

### 5.2.1 Fundamental regulations; Definition of targets

Members of the executive board will be paid variable remuneration components which will depend both on the development of EVN's business and on the achievement of ESG targets and individual targets. To separate the annual business planning process from the variable remuneration system and, in particular, to align EVN with medium-term and long-term strategic goals and potentials the

Remuneration Committee will define the financial target performance indicators for a period of four years in advance. The target performance indicators of ESG targets will be defined once a year with a view to the corporation's long-term goals.

The objective of the four-year plan is to align the targets defined in the Remuneration Policy with the medium-term and long-term corporate goals and to support sustainable governance over a multiannual period by a variable remuneration scheme that spans over multiple periods, with the four-year period following common market practice.

Targets will be derived from available internal data and information plus from additional external sources, including peer comparisons or capital market and rating assessments.

#### 5.2.2 Long-term account (LTA)

By means of the long-term account the variable remuneration from the achievement of financial targets and ESG targets of a period will be translated into a pro-rata annual payment, with 50% of the long-term account being paid in the first year after the end of the financial year in which the entitlement was earned. The remaining 50% will be transferred to subsequent periods.

In this way the stability of variable remuneration components will be secured, thus implementing the long-term and multiannual character of variable remuneration.

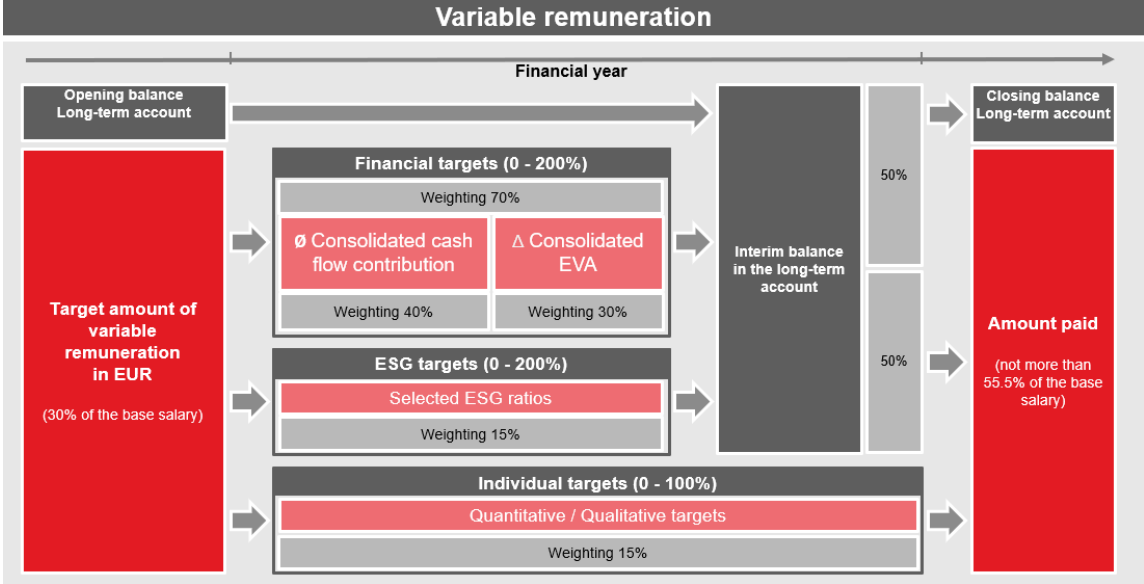
This approach will create a multiannual perspective, on the one hand, and ensure that variable remuneration is linked to long-term business development, on the other hand. Consecutive years will be linked together by transferring the part of variable remuneration that is withheld as opening balance to the next period.

The annual balance in the long-term account is calculated on the basis of the achievement rate regarding financial and ESG targets in the past financial year and the closing balance of the relevant previous year (= opening balance of the current financial year). Fifty percent (50%) of the long-term account balance will be distributed every year, with the remaining 50% forming the closing balance of the long-term account, which will be transferred to subsequent periods.

In the first year of appointment to the executive board a virtual opening balance will be assumed which is calculated to ensure that in the case of a target achievement rate of 100% in the first year 100% of the variable remuneration related to financial and ESG targets can be disbursed.



Against this backdrop the variable remuneration system works as follows:



For the variable remuneration the performance criteria are weighted as follows:

- Financial targets: 70%
- ESG targets: 15%
- Individual targets: 15%

The actual design and achievement of the different performance criteria will be explained in detail in the following section.

5.2.3 Performance criteria

**Financial targets**

Financial targets will be defined for a period of four years.

**Δ Consolidated EVA**

The "EVA" (Economic Value Added®, Stern Stewart & Co.) parameter or "operating value contribution" has been part of EVN's group reporting since value-based performance indicators were adopted. It indicates the operating earning power in proportion to the cost of capital and should thus provide an incentive to increase the corporation's long-term earning power.

The consolidated EVA shows the extent to which the net operating profit after tax (= NOPAT) earns the cost of the average capital employed (= WACC x average capital employed). The focus is on the annual increase in the EVA compared to the ACTUAL value of the previous year, which is why the "Δ EVA" is presented. The calculation is done on the basis of consolidated financial statements prepared in accordance with international accounting standards.

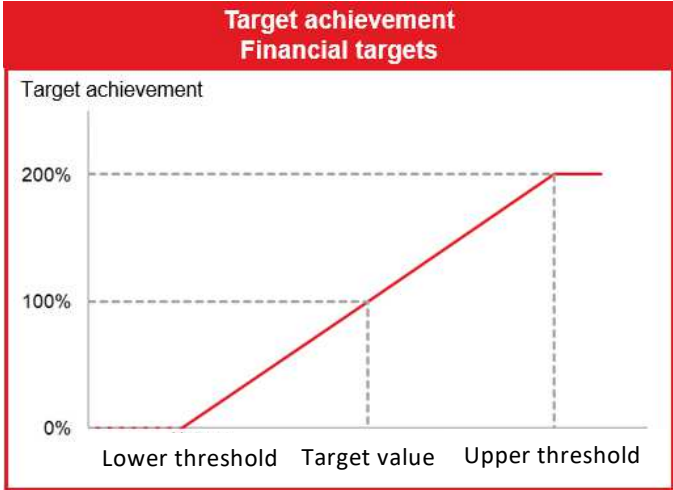
**Average consolidated cash contribution**

In order to accord sufficient weight to the topics of liquidity and financial capacity and to further compliance with the strategic financial targets with regard to EVN's rating and its ability to make investments and distributions, the "average consolidated cash flow contribution" is used as a second quantitative parameter. The target is derived from the relative share of the cash flow in the group's average net indebtedness which is necessary to meet the strategic financial targets. The target is calculated on the basis of the status of net indebtedness during the two prior financial years and updated annually.

The average consolidated cash flow contribution, which concentrates on the material components that can be influenced at an operational level after payment of taxes and working capital, shows the group's cash flow generation before investing and financing activities. To balance the effect of fluctuations of the working capital at the reporting dates the average changes in working capital in prior quarter years will be used. The calculation is done on the basis of consolidated financial statements prepared in accordance with international accounting standards.

Impairment or write-ups of assets resulting from impairment tests, or comparable circumstances will lead to adjustments of the above financial ratios that are calculated on the basis of the IFRS consolidated financial statements. EVA changes resulting from a change in the WACC must be neutralised. No other adjustments are permitted.

Achievement of financial targets is capped at 200%. The target achievement curve of financial targets is as follows:

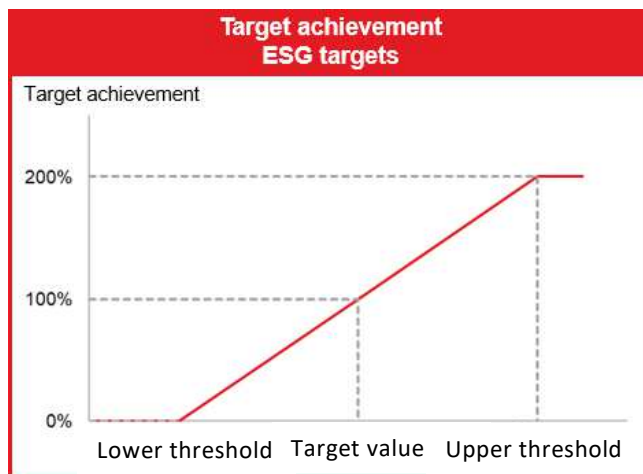


**ESG targets**

As a means to enhance the EVN Group's sustainable business development the Remuneration Committee defines ESG targets for variable remuneration on the basis of the sustainability strategy presented in the Annual Financial Report. The ESG targets may be defined on an annual or multiannual basis. The relevant catalogue of criteria refers to the following topics, of which at least three targets will be included.

Environment	Social	Governance
Taking account of ecological and environmental criteria	Taking account of social criteria when dealing with stakeholders	Taking account of corporate governance factors to support long-term, sustainable and ethical business development
Energy management	Staff	Compliance / Integrity / Ethics Corporate culture
Disposal management	Suppliers	Risk management
Production	Customers	Organisational development
Environmental protection	Society	Data security

Achievement of ESG targets is capped at 200%. The target achievement curve of ESG targets is as follows:



### Individual targets

The individual performance of each member of the executive board is measured on the basis of individually agreed annual targets and taken into account when calculating variable remuneration components. This is to create incentives to ensure that the executive board members fulfil their specific tasks in accordance with the schedule of responsibilities.

These targets support the current corporate-policy and strategic orientation of EVN. When defining those performance criteria, it will be ensured that a long-term favourable development of the corporation will be supported and that focusing on merely short-term effects will be avoided.

Achievement of individual targets is capped at 100%. The target achievement curve of individual targets is as follows:



5.2.4 Methods to assess whether performance criteria have been fulfilled

After the end of any financial year the Remuneration Committee will evaluate the operating results and finally determine the target achievement rate for financial and non-financial targets.

This will be done at a meeting of the Remuneration Committee. The measures taken for fulfilling individual targets will be explained by means of documentation, including a standardised evaluation form.

The determination of whether the financial and ESG targets have been achieved is subject to adoption of the annual financial statements, with the Remuneration Committee checking or having checked beforehand whether the relevant parameters have been calculated properly. Target achievement will be taken as the basis for calculation of disbursement in accordance with the interval defined for each target. The interval defines the proportion between overachievement or underachievement of the target and the relating increase or reduction in the payment of variable remuneration components and will range between 0% and 200% for financial and ESG targets and between 0% and 100% for individual targets.

Based on that information the Remuneration Committee will determine the target achievement rate and the amount payable subject to adoption of the annual financial statements by the supervisory board and inform the members of the executive board thereof.

5.2.5 Payment of variable remuneration components

The variable remuneration components will be paid if all information necessary for calculation is available.

The monthly upfront payment as stipulated in the Remuneration Policy 2020 no longer applies to members newly appointed to the executive board. For executive board members appointed before entry into force of the Remuneration Policy 2024 upfront payments will be reduced on a linear basis over four years.

In a first step the upfront payments have to be deducted from the disbursement amount ultimately calculated. The balance will be disbursed to the executive board member in equal instalments from January to June of the next financial year. If the payment amount is lower than the upfront payments made, the executive board member must refund the balance in equal instalments from January to June of the next financial year.

If the consolidated financial statements of any financial year show a consolidated loss, payment of the variable remuneration components of financial and ESG targets which exceed the upfront payments will be suspended and transferred to the LTA (to the extent applicable due to the abolishment of upfront payments). Disbursement of variable remuneration on the basis of individual targets will remain unaffected hereby.

The remuneration report will report on all remuneration components and the actual amounts disbursed.

### **5.3 Other parts of the contract**

#### **5.3.1 Option to reduce or claim back variable remuneration components (reduction & clawback)**

Variable remuneration components not yet disbursed may be reduced (reduction) or claimed back (clawback) in accordance with C-Rule 27 ACCG. A reduction or clawback of variable remuneration components may be done on the basis of clear provisions if the amount was fixed and disbursed on the basis of false data or due to a breach of duty by an executive board member.

Defined breaches include material violations of compliance regulations and other material breaches of duties where the executive board member acted at least culpably or contributed significantly to a sanction that is imposed on the corporation under the law on administrative offences or criminal law.

In addition, the corporation may claim back variable remuneration which was fixed and disbursed based on faulty annual financial statements to the extent that it is higher than the relevant variable remuneration that was calculated on the basis of corrected annual financial statements.

#### **5.3.2 Benefits in money's worth**

Benefits in money's worth which a member of the executive board is granted in connection with representing the interests of EVN, including for assuming offices in subsidiaries or group companies of the EVN Group, in statutory or voluntary interest groups or in connection with memberships of group entities must be paid to the corporation.

## **6 Remuneration and employment conditions for employees**

The corporation pursues the goal of creating competitive remuneration and employment conditions for employees and members of the executive board in order to promote and support optimal implementation of the strategy. The principles applying to employees will be applied also to the executive board in an adapted form. The corporation's remuneration scheme is generally geared to warrant the competitiveness of EVN and its group companies. The remuneration components have been designed in accordance with market standards. The remuneration, in particular that of executive employees, also includes variable remuneration components, which are aligned with those applying to executive board members.

In this connection business success is a crucial factor to determine the variable remuneration of executive board members. Defining ESG targets, especially in the social sector, e.g. the working

conditions and continuous development of employees, will have a direct effect on the remuneration of executive board members.

## **7 Term and termination of contracts with members of the executive board**

### **7.1 Term and termination**

As a matter of principle, the term of (employment) contracts with members of the executive board is up to five years and in any case tied to the term of office.

In the case of dismissal of a member of the executive board on the ground of culpable actions which would have to be considered causes for summary dismissal by analogous application of the provisions of Section 27 of the Austrian Employees Act [*Angestelltenengesetz/AngG*] the employment contract may be terminated by the corporation with immediate effect.

In the case of dismissal for other important reasons the corporation may terminate the employment contract by giving six months' notice as of the end of any calendar quarter.

If a member of the executive board is not notified of the fact that the appointment and the employment contract will not be renewed at least nine months before the office ends, the remuneration then applicable will continue to be paid for a maximum period of nine months from receipt of the notification of non-renewal.

### **7.2 Consequences of termination**

If their employment contract ends during a financial year, an executive board member will be entitled to remuneration for the current month. This will not apply in the case of justified summary dismissal for cause or in the case of unjustified early resignation. The member leaving the executive board will be entitled to the variable remuneration component until the end of the month in which they leave; in the case of justified summary dismissal or unjustified early resignation until the end of the day on which they leave, assuming a target achievement rate of 100% *pro rata temporis*. The total balance accrued in the long-term account by the time they leave will be disbursed as well. In that case the virtual opening balance, being a merely calculatory figure, will not be disbursed. Should the balance in the long-term account fall short of the virtual opening balance, the differential amount must be paid back by the leaving executive board member.

Executive board members are included in the severance pay and pension scheme according to the Austrian Statute on Company Severance Pay and Pension Plans for Employees and Pension Provisions for Self-Employed Persons [*Betriebliches Mitarbeiter- und Selbständigenvorsorgegesetz/BMSVG*]. Under that scheme the corporation must make contributions to the Severance Pay and Pension Fund at the statutory rate based on the base salary. No contractual agreements beyond that scheme are intended.

To the extent that a member of the executive board has accrued entitlements to severance pay from an employment relationship with the corporation before their appointment to the board, they may be granted a severance pay entitlement upon termination of the employment contract. The amount will depend on the employment contract concluded earlier and the value adjustments made according to the collective bargaining agreement by then.

Pursuant to the C-Rule 27a ACCG claims for compensation in the case of early dismissal are capped at 24 monthly emoluments (base salary plus variable remuneration) or a shorter residual term of the employment contract, if applicable.

## **8 Temporary derogation from the Remuneration Policy**

Pursuant to Section 78a(8) *AktG* a temporary derogation from the established Remuneration Policy is permitted only in extraordinary circumstances.

Extraordinary circumstances means situations where it is necessary to derogate from the Remuneration Policy to ensure long-term development or profitability of the business.

A derogation from the Remuneration Policy may only be made with respect to the variable remuneration components and remuneration structure.

In such cases the Remuneration Committee or the supervisory board will pass a resolution on whether there are extraordinary circumstances and whether derogating from the Remuneration Policy is necessary for the long-term development of the corporation or to ensure its profitability. If the Remuneration Committee or the supervisory board come to this conclusion, they may enter into contractual obligations on behalf of the corporation vis-à-vis members of the executive board in derogation from the Remuneration Policy to the extent necessary.

# Remuneration Policy for the Members of the Supervisory Board of EVN AG

## 1 Establishing remuneration policy principles

The following principles for remuneration of the supervisory board members of EVN AG (EVN) elected by the General Meeting (Remuneration Policy) were adopted by resolution of the supervisory board of 27 September 2023 and will be applied after presentation to EVN's 95th Annual General Meeting.

Pursuant to Section 98a in conjunction with Section 78b(1) *AktG* the Remuneration Policy must be presented to the General Meeting for voting at least in every fourth financial year.

## 2 Objectives

The Remuneration Policy serves the purpose of implementing the statutory provisions and is, in particular, supposed to ensure that the supervisory board members are granted remuneration for their work in line with their tasks, their responsibilities and the corporation's situation. The Policy is intended to secure the sustainable business strategy and long-term development of EVN and at the same time the objectivity and independence of the supervisory body.

The remuneration scheme for members of the supervisory board must be designed in line with market standards and offer attractive incentives for the corporation to recruit appropriately qualified persons to work for an international listed entity possessing a diversified investment portfolio. In addition, it must bring about a balanced composition of the body in terms of expertise and personalities. In this context a special focus is on diversity in terms of equal gender representation, a balanced age structure as well as internationality and the members' professional backgrounds.

## 3 Remuneration Policy procedures

At least in every fourth financial year and with any material amendment to the Remuneration Policy the supervisory board must adopt a resolution on the Remuneration Policy and present a proposal to the General Meeting. After that, the Remuneration Policy must be presented to the General Meeting for voting. The General Meeting will decide on the remuneration entitlements of the supervisory board members pursuant to Section 98 *AktG*, thus avoiding conflicts of interest of the supervisory board members in connection with the Remuneration Policy.

## 4 Amendments to the previous Remuneration Policy

The previous Remuneration Policy for the members of EVN's supervisory board elected by the General Meeting was approved by the 91st Annual General Meeting by a majority of 99.87% on 16 January 2020 (Remuneration Policy 2020). Pursuant to Section 98a in conjunction with Section 78b(1) *AktG* the Remuneration Policy must be presented to the General Meeting for voting in every fourth year, i.e. to the Annual General Meeting 2024. EVN has used this as an opportunity to review the Remuneration Policy 2020 and found no need for amendment. Therefore, no amendments to the content of the present Remuneration Policy were made compared to the Remuneration Policy 2020. However, from the financial year 2023/24 the Remuneration Policy for the executive board and the Remuneration Policy for the supervisory board will be presented separately and presented to the



General Meeting for voting separately. Accordingly, the presentation of the Remuneration Policy for the supervisory board was edited.

## **5 Remuneration elements**

The remuneration will be resolved on by the General Meeting and comprised of an annual base remuneration and an attendance fee for each meeting.

Every supervisory board member is entitled to an annual base remuneration, which will be paid on a quarterly basis. The amount of such base remuneration may vary between supervisory board members according to objective criteria, including according to their roles (e.g. chair; deputy chair; chair or membership of committees).

The attendance fees reflect that the number of meetings and the time spent may vary, in particular in connection with the role of a member of committees.

If the General Meeting resolves on the annual base remuneration as an aggregate amount for all supervisory board members, it may authorise the supervisory board to split the aggregate amount between its members based on objective criteria.

Pursuant to Section 110(3) of the Austrian Labour Code [*Arbeitsverfassungsgesetz/ArbVG*] the employee representatives on the supervisory board perform their office on an honorary basis and are paid no remuneration.

Every supervisory board member, including the employee representatives on the supervisory board, are entitled to reimbursement of reasonable expenses.

Members of the supervisory board may be promised to be included in a D&O insurance (third-party liability insurance for directors and officers) and a legal expenses insurance with risk-adequate cover. The insurance premiums must be paid by the corporation.

To ensure impartial supervision of the executive board by the supervisory board the members of the supervisory board are paid no variable remuneration.

## **6 Term of office of the supervisory board**

Unless the General Meeting resolves otherwise, elections of supervisory board members must always be made for the maximum term defined in Section 87(7) *AktG* as laid down in Article 8(2) of EVN's Articles of Association.

If the term of office of a supervisory board member starts or ends during a financial year, remuneration must be paid on a pro-rata basis.