

# Consolidated corporate governance report

## Basic principles

EVN AG (EVN) is an Austrian stock corporation whose shares are traded on the Vienna Stock Exchange. Corporate governance is therefore based on Austrian law – in particular the Stock Corporation Act and capital market laws, legal regulations governing co-determination by employees and the company by-laws, as well as the Austrian Corporate Governance Code (ACGC) and the rules of procedure for the company's corporate bodies.

In agreement with § 243c of the Austrian Commercial Code and the applicable provisions of the ACGC, the company prepares a consolidated corporate governance report each year as of 30 September which is available under [www.evn.at/Corporate-Governance-Report](http://www.evn.at/Corporate-Governance-Report).<sup>1)</sup>

## Commitment to the Austrian Corporate Governance Code

### Introduction

The Executive Board and Supervisory Board of EVN are committed to the principles of good corporate governance and, in this way, meet the expectations of national and international investors for responsible, transparent and sustainable management and control. On 1 March 2020, EVN announced its commitment to comply with the ACGC in the January 2020 version. The ACGC is available under [www.corporate-governance.at](http://www.corporate-governance.at).

Burgenland Holding Aktiengesellschaft is a stock corporation under Austrian law, which is listed on the Vienna Stock Exchange and included in EVN's scope of consolidation. The corporate governance report prepared and published by this company is available under [www.buho.at/corporate-governance-bericht](http://www.buho.at/corporate-governance-bericht).

The ACGC rules are divided into three categories<sup>2)</sup>:

- The legal requirements (L-Rules) are based on binding regulations which must be observed by all Austrian listed companies.
- The C-Rules (Comply or Explain) should be observed; any deviations must be explained and justified.
- The R-Rules (Recommendations) represent recommendations and do not require the disclosure or justification of deviations.

The Executive Board and Supervisory Board formally declare that EVN complies with all C-Rules of the ACGC, irrespective of the following deviation and explanation. Furthermore, the company only deviates from a limited number of R-Rules.

### Deviations from C-Rules

EVN does not fully comply with the following C-Rule of the ACGC:

**C-Rule 16:** EVN does not comply with this rule which requires the management board to have a chairman. The Supervisory Board did not appoint a member of the Executive Board to serve as chairman because the Executive Board consists of only two members in line with its assigned duties and the company's structure. In this case, a valid resolution by the Executive Board requires that meetings be announced in the approved manner and both Executive Board members must be present. Resolutions must be passed unanimously and abstention from voting is not permitted. If a unanimous decision is not reached, the Executive Board must review and vote again on the respective point of the agenda within ten days. The Executive Board must report to the Supervisory Board if the second round of voting does not bring a unanimous decision. One member was appointed as spokesman of the Executive Board, and the rules for the coordination of issues involving the Executive Board, voting on proposals, the representation of the company and preparations for the Supervisory Board meetings and Annual General Meetings also apply to the spokesman. The Supervisory Board's decision not to appoint a chairman for the Executive Board applies for an indefinite period.

1) The remuneration policy and remuneration report covering the members of the Executive Board and Supervisory Board must be presented to the Annual General Meeting and are therefore no longer included in the corporate governance report.

2) In order to improve readability, reference to the ACGC is not provided for the rules in the following section.

## Executive Board

### Composition

#### Stefan Szyszkowitz

Spokesman of the Executive Board

Born in 1964, Master of Law, Master of Business Administration. Joined EVN in 1993, appointed to the Executive Board of EVN in January 2011 and designated spokesman of the Executive Board in October 2017. Reappointed from 20 January 2021 to 19 January 2026. Executive responsibility for the Energy and South East Europe segments as well as the following corporate functions: controlling, customer relations, finance, accounting, general secretary and investment management, legal and public affairs, information and communications, and human resources.

#### Supervisory board mandates in other companies not included in the consolidated financial statements (C-Rule 16)

	Function
Wiener Börse AG	Member of the supervisory board
Österreichische Post Aktiengesellschaft	Member of the supervisory board
Verbund AG	Member of the supervisory board

#### Functions in significant subsidiaries<sup>1)</sup>

	Function
Burgenland Holding Aktiengesellschaft	Chairman of the supervisory board
EVN Macedonia AD	Chairman of the supervisory board
Netz Niederösterreich GmbH	Vice-Chairman of the supervisory board
RAG-Beteiligungs-Aktiengesellschaft	Chairman of the supervisory board

### Working procedures

The Executive Board of EVN must have a minimum of two members. If the Supervisory Board does not appoint a chairman or spokesman for the Executive Board, the members are entitled to designate their own spokesman. The Executive Board is responsible for managing the company to support its business activities and continued success in the interests of shareholders, employees and the general public. The work of the Executive Board is based on legal requirements, in particular stock corporation, stock exchange and commercial laws, the by-laws and the rules of procedure for the Executive Board that were approved by the Supervisory Board as well as the ACGC.

Irrespective of the Executive Board's overall responsibility, the Supervisory Board establishes and assigns specific areas of responsibility to

#### Franz Mittermayer

Member of the Executive Board

Born in 1958, Master of Mechanical Engineering and Industrial Management. Joined EVN in 1993, appointed to the Executive Board of EVN in October 2017. His term of office expires on 30 September 2022. Executive responsibility for the Generation, Networks and Environment segments as well as the following corporate functions: data processing, procurement and purchasing, administration and construction, and internal auditing.

#### Functions in significant subsidiaries<sup>1)</sup>

	Function
Burgenland Holding Aktiengesellschaft	Vice-Chairman of the supervisory board
Netz Niederösterreich GmbH	Chairman of the supervisory board
RAG-Beteiligungs-Aktiengesellschaft	Member of the supervisory board

the individual Executive Board members based on the given requirements. Certain transactions are reserved for joint discussions and decision-making by the full Executive Board. The Executive Board is required to obtain the prior consent of the Supervisory Board for business transactions that require this approval based on legal regulations or a previous Supervisory Board resolution. The rules of procedure for the Executive Board and the Supervisory Board contain a detailed list of such cases.

Organisational regulations require the Executive Board to report to the Supervisory Board. These reporting standards also apply to the Supervisory Board committees. The reporting obligations of the Executive Board include quarterly reports on the development of business in the Group and information on matters of importance relating to major Group subsidiaries.

1) In addition to the supervisory board functions, the Executive Board manages significant subsidiaries based on quarterly reporting by segment.

## Supervisory Board

### Composition

As of 30 September 2020, the Supervisory Board of EVN AG had ten shareholder representatives elected by the Annual General Meeting and five members delegated by the works council. The Supervisory Board is headed by a chairwoman and two vice-chairmen, who are chosen by the Supervisory Board from among its members. The minimum number of independent members was set at 50% by the Supervisory Board in a meeting on 29 May 2006. The independence of the members of the EVN Supervisory Board, as defined by C-Rule 53 and C-Rule 54, is documented on the list on page 124.

The Supervisory Board performs its duties in accordance with legal regulations, in particular the provisions of stock corporation law and the company's by-laws. Additional guidelines for its activities are provided by the Supervisory Board's rules of procedure and by the ACGC.

One particular responsibility of the Supervisory Board is to supervise the work of the Executive Board, from which it may request a report at any time concerning the development of business. Legal regulations allow the Supervisory Board to extend the scope of business transactions requiring its formal consent as defined in § 95 (5) of the Austrian Stock Corporation Act through resolutions. The rules of procedure for the Executive Board and the Supervisory Board contain a detailed list of such business transactions and measures.

### Independence

A member of the Supervisory Board is considered to be independent in accordance with C-Rule 53 when he/she has no business or personal relations with the company or its management board that could lead to a material conflict of interest and therefore influence the member's behaviour. If any such conflicts of interest arise, EVN requires multi-year transition periods in accordance with the ACGC.

The guidelines to determine the independence of the elected members of the Supervisory Board stipulate that these persons

- may not have any business or personal relations with EVN or its Executive Board that constitute a material conflict of interest and are therefore capable of influencing the member's behaviour;

- may not have served as a member of the Executive Board or a top executive of EVN or any of its subsidiaries during the past five years;
- may not maintain, or in the previous year did not maintain, any business relations with EVN or a subsidiary of EVN that are considered material for that member. This also applies to business relations of EVN or a subsidiary of EVN with companies in which the Supervisory Board member holds a significant economic interest, but does not cover appointments to corporate bodies within the EVN Group. The approval of individual transactions by the Supervisory Board in accordance with L-Rule 48 does not automatically lead to qualification as not independent;
- may not have acted as an auditor of EVN or owned a share in or worked as an employee of the auditing company during the past three years;
- may not serve on the management board of another company in which a member of the Executive Board of EVN is a member of the supervisory board;
- may not serve on the Supervisory Board for more than 15 years. This does not apply to Supervisory Board members who hold an investment in the company as shareholders or who represent the interests of such shareholders; and
- may not be closely related (i. e. direct offspring, spouse, life partner, parent, uncle, aunt, brother, sister, niece, nephew) to a member of the Executive Board or to persons who hold one of the above-mentioned positions.

In accordance with C-Rule 54, companies with a free float of more than 20% are required to have at least one of the supervisory board members elected by the general meeting or delegated by shareholders in accordance with the articles of incorporation who is independent pursuant to C-Rule 53 and who is not a shareholder with a stake of more than 10% or who represents such a shareholder's interests. In the case of companies with a free float of over 50%, at least two members of the supervisory board must meet these criteria.

### Contracts requiring the approval of the Supervisory Board (L-Rule 48 and C-Rule 49):

No contractual agreements were concluded between a member of the Supervisory Board and EVN or one of its subsidiaries which would entitle the member to more than an insignificant payment. All such contracts are subject to the approval of the Supervisory Board.

## Members of the Supervisory Board as of 30 September 2020

<b>Shareholder representatives</b>	Date of initial appointment <sup>1)</sup>	Functions in listed companies and other important functions	Independence C-Rule 53 <sup>2)</sup>	Independence C-Rule 54 <sup>3)</sup>	Diversity factors <sup>4)</sup>
Bettina Glatz-Kremsner President and Chairwoman	21.01.2016	Chairwoman of the management board of Casinos Austria Aktiengesellschaft; managing director of Österreichische Lotterien Gesellschaft m.b.H.; general council member of Oesterreichische Nationalbank	Yes	Yes	Female born 1962 Austria
Norbert Griesmayr 1 <sup>st</sup> Vice-Chairman	12.01.2001	Chairman of the management board of Hutschinski Privatstiftung; member of the management board of Privatstiftung zur Verwaltung von Anteilsrechten; managing director of Alma-Kano Gesellschaft m.b.H.; vice-chairman of the supervisory board of BauWelt Handels-Aktiengesellschaft and Collegialität Versicherungsverein Privatstiftung; member of the supervisory board of VAV Versicherungs-Aktiengesellschaft; member of the supervisory board of Oesterreichisches Verkehrsbüro Aktiengesellschaft	No	No	Male born 1957 Austria
Willi Stoiwicek 2 <sup>nd</sup> Vice-Chairman	15.01.2009	Head of the presidential committee of the provincial capital St. Pölten; member of the supervisory board of NÖ Regional GmbH	Yes	Yes	Male born 1956 Austria
Philipp Gruber	21.01.2016	Administrative lawyer; chairman of the management board of Business Messen Wiener Neustadt Genossenschaft für Wirtschaftsförderung registrierte Genossenschaft mit beschränkter Haftung; chairman of Abwasserverband Wiener Neustadt-Süd; member of the Wiener Neustadt town council	Yes	No	Male born 1979 Austria
Dieter Lutz	12.01.2006	Managing director of IMMRE-LUTZ GmbH	Yes	Yes	Male born 1954 Austria
Reinhard Meißl	12.01.2006	Head of the financial group in the provincial government of Lower Austria; managing director of NÖ Holding GmbH and NÖ Landes-Beteiligungsholding GmbH <sup>5)</sup>	Yes	No	Male born 1959 Austria
Susanne Scharnhorst	21.01.2016	Management consultant; head of human resources and legal affairs at TOG (Theater- und Orchester GmbH of the province of Upper Austria)	Yes	Yes	Female born 1961 Austria
Angela Stransky	16.01.2014	Authorised officer of ecoplus.Niederösterreichs Wirtschaftsagentur GmbH; managing director of Breitband Holding GmbH	Yes	Yes	Female born 1960 Austria
Friedrich Zibuschka	21.01.2016	Associate professor in the Institute for Transportation Studies at the University of Natural Resources and Life Sciences, Vienna; general partner of Zibuschka Regional Consulting OG	Yes	Yes	Male born 1950 Austria
Johannes Zügel	19.01.2017	Head of investment management at EnBW Energie Baden-Württemberg AG	Yes	Yes	Male born 1966 Germany
<b>Employee representatives</b>					
Paul Hofer	01.04.2007	Chairman of the European works council of the EVN Group; chairman of the central works council of the EVN Group; chairman of the central works council of EVN AG; member of the supervisory board of VBV-Pensionskasse Aktiengesellschaft			Male born 1960 Austria
Uwe Mitter	14.05.2019	Chairman of the central works council of Netz Niederösterreich GmbH; member of the supervisory board of Netz Niederösterreich GmbH; vice-chairman of the central works council of the EVN Group			Male born 1971 Austria
Irene Pugl	14.05.2019	Chairwoman of the works council of EVN Business Service GmbH; vice-chairman of the central works council of the EVN Group			Female born 1975 Austria
Friedrich Bußlehner	01.01.2016	Vice-chairman of the central works council of Netz Niederösterreich GmbH; member of the supervisory board of Netz Niederösterreich GmbH			Male born 1962 Austria
Monika Fraißl	01.07.2013	Vice-chairwoman of the central works council of Netz Niederösterreich GmbH (headquarters)			Female born 1973 Austria

1) The terms of office of the Supervisory Board members elected by the Annual General Meeting expire at the end of the Annual General Meeting that will vote on their release from liability for the 2019/20 financial year.

2) Independence of the company and the Executive Board

3) Independence criterion: no representation of the interests of shareholder with an investment of more than 10%

4) Diversity factors include gender, year of birth and citizenship.

5) All terms of office end on 31 August 2020.

### Working procedure

The Austrian Stock Corporation Act prescribes a dual management system and requires strict separation between management bodies (i. e. Executive Board) and controlling bodies (i. e. Supervisory Board). Parallel membership in both bodies is not permitted.

Communications between the Executive Board and the Supervisory Board take place at the meetings of the Supervisory Board and its committees and in writing, as required. In addition, the Executive Board and the chairwoman of the Supervisory Board maintain regular contact on issues that fall under the responsibility of the Supervisory Board. In particular, this includes the preparation of meetings.

The Supervisory Board held five plenary meetings during the reporting year, at which its members fulfilled the tasks and duties required by legal regulations and the company's by-laws. The reports by the Executive Board and other points on the agenda for these meetings regularly covered the economic, ecological and social aspects of the subjects under discussion.

The Supervisory Board appointed Stefan Szyszkowitz to the Executive Board for a further five years effective as of 20 January 2021, i. e. up to 19 January 2026. A tender in accordance with the Austrian law governing appointments was approved for this purpose, and the appropriate procedures were carried out. Furthermore, the Supervisory Board established the remuneration policy for the members of the Executive Board and Supervisory Board and presented the relevant documents to the 91<sup>st</sup> Annual General Meeting for voting and approved the principles for granting profit or revenue participation to key employees. In connection with the separation of the Personnel Committee into a Nominating and a Remuneration Committee, the Supervisory Board revised its rules of procedure and constituted these two new committees. The rules of procedure for the Executive Board were also modified.

The Supervisory Board approved a tender for selection of the auditor for the annual financial statements and consolidated financial statements of EVN AG and its direct and indirect subsidiaries for the 2020/21 financial year and the following years. The Audit Committee was charged with conducting the tender and, following its completion, a proposal was prepared for presentation to the Annual General Meeting.

The ACGC in the revised version issued in January 2020 was approved for EVN, effective as of 1 March 2020.

The most important decisions taken by the Supervisory Board during the reporting year included the authorisation of the 2018/19

annual financial statements and the approval of the 2020/21 budget for the EVN Group. The latter also included the approval of investments in heat and wind power plants, in district and neighbourhood heating plants, in the electricity, natural gas and heating networks and in the IT infrastructure, in particular to protect supply security and the transport of renewable energy. In the Environment Segment, approval was granted for the acceptance of guarantees, sureties and other liabilities in connection with projects for the construction of sewage sludge incineration plants in Germany. The Supervisory Board also approved the realisation of the biomass heating plant project in Krems, including the purchase of the required land, as well as the purchase and/or exchange of land in Dürnrrohr and the sale of property owned by EVN Macedonia AD. The resignation of two employee representatives from EVN's Advisory Committee for Environmental and Social Responsibility was followed by the appointment of replacements by the Supervisory Board. The Supervisory Board also approved two financing lines for the EVN Group. In conclusion, the Supervisory Board approved the procedure for distribution of part of a special payment defined by a works agreement to entitled employees in the form of shares and authorised the Working Committee to issue the final approval.

The Supervisory Board accepted the report on measures to prevent the misuse of inside information and the report on precautions to prevent corruption in the company in accordance with C-Rule 18a. In addition, the Supervisory Board examined all potential conflicts of interest and did not identify any inconsistencies.

The average attendance at Supervisory Board meetings equalled 93.3% in 2019/20. No member was absent from more than half the Supervisory Board meetings during the past financial year.

### Evaluation of the Supervisory Board's activities

In accordance with C-Rule 36, the Supervisory Board carried out a self-evaluation of its activities in 2019/20. This assessment was based on an extensive written questionnaire which was answered by the members of the Supervisory Board. The results of the evaluation were discussed in a plenary meeting.

### Committees

The Supervisory Board fulfils its responsibilities as a joint decision-making body in cases where individual issues are not delegated to its committees. These committees are responsible for preparing negotiations and resolutions, monitoring the implementation of the Supervisory Board's decisions and taking decisions on issues delegated by the Supervisory Board. The following committees were established by the Supervisory Board of EVN, each of which includes at least three elected Supervisory Board members and the legally required number of employee representatives:

### Working Committee

Name	Function
Bettina Glatz-Kremsner	Chairwoman
Norbert Griesmayr	Member
Willi Stiwicek	Member
Reinhard Meißl	Member
Paul Hofer	Employee representative
Uwe Mitter	Employee representative

The Working Committee includes the chairwoman of the Supervisory Board, the two vice-chairmen and any elected members as well as the employee representatives delegated in accordance with § 110 (4) of the Austrian Labour Constitutional Act.

This committee is responsible for specific tasks assigned by the full Supervisory Board and, in certain urgent cases, is authorised to approve specific business transactions on behalf of the Supervisory Board. It is also responsible for all other issues where there are reasons to assume a possible conflict of interest on the Supervisory Board but not in the Working Committee.

The Working Committee did not meet during 2019/20. However, by circular resolution it approved the distribution of part of a special payment defined by a works agreement to entitled employees in the form of shares.

The establishment of a Remuneration Committee and a Nominating Committee was approved on 10 June 2020. These two committees will take over the responsibilities of the Personnel Committee.

### Remuneration Committee

Name	Function
Bettina Glatz-Kremsner	Chairwoman; remuneration expert
Norbert Griesmayr	Member
Willi Stiwicek	Member

The Remuneration Committee includes the chairwoman of the Supervisory Board, who also serves as chairwoman of this committee, the two vice-chairmen and, if necessary, a further member with knowledge and experience relating to remuneration policy. Most of the committee members are independent members of the Supervisory Board.

This committee is responsible for all matters concerning the relationships between the company and the members of the Executive Board, in cases where the full Supervisory Board is not responsible under law. In particular, the Remuneration Committee is responsi-

ble for the negotiation, content, conclusion, implementation and, if appropriate, termination of the employment contracts with the members of the Executive Board in accordance with the applicable rules of the ACGC. Each year it prepares a draft report on remuneration policy for the Executive Board members and evaluates this remuneration policy at least every fourth year. It also makes a recommendation for remuneration policy to the full Supervisory Board if this is considered necessary.

In cases where the Remuneration Committee makes use of a consultant, it must ensure that this person and any other persons active with him/her in a network (§ 271b of the Austrian Commercial Code) have not advised the Executive Board or one of its members on remuneration issues or served as an advisor during the past two years.

The Remuneration Committee met three times during 2019/20, whereby two meetings were held by the Personnel Committee in its previous function as a remuneration committee.<sup>1)</sup> Discussions involved the definition of targets and the achievement of the qualitative and quantitative targets for the variable remuneration of the Executive Board, the preparation of a remuneration policy for the members of the Executive Board and Supervisory Board of EVN AG, the adaptation of the employment contracts for the Executive Board in agreement with the remuneration policy, the acceptance of the report by KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Vienna, (KPMG) on the review of the variable remuneration system, the conclusion of an employment contract for an Executive Board member and the commissioning of an independent audit of the calculation of indicators, payment amount and bonus reserve for the variable remuneration of the Executive Board in 2019/20 in line with the rules of the current applicable remuneration system.

### Nominating Committee

Name	Function
Bettina Glatz-Kremsner	Chairwoman
Norbert Griesmayr	Member
Willi Stiwicek	Member
Reinhard Meißl	Member
Paul Hofer	Employee representative
Uwe Mitter	Employee representative

The Nominating Committee includes the chairwoman of the Supervisory Board and three elected members, as well as the employee representatives delegated in accordance with § 110 (4) of the Austrian Labour Constitutional Act.

1) The members of the former Personnel Committee were Bettina Glatz-Kremsner, Norbert Griesmayr and Willi Stiwicek.

This committee prepares the tender for appointments to the Executive Board in accordance with the Austrian law governing appointments, reviews applications and manages the application process. It can engage consultants for support with and evaluation of the applications. The Nominating Committee submits recommendations to the Supervisory Board for appointments to upcoming vacant or newly created positions on the Executive Board and deals with issues involving succession planning. It can also make recommendations for appointments to upcoming vacant or newly created positions on the Supervisory Board. The Nominating Committee meets as needed.

The Nominating Committee met twice in 2019/20, both times in its former form as a Personnel Committee.<sup>1)</sup> The topics at these meetings involved the tender for an Executive Board position and a recommendation to the Supervisory Board to extend the term of office of Stefan Szyszkowitz.

#### Audit Committee

Name	Function
Norbert Griesmayr	Chairman
Bettina Glatz-Kremsner	Member
Willi Stiowicek	Member
Reinhard Meißl	Member; financial expert
Paul Hofer	Employee representative
Uwe Mitter	Employee representative

The responsibilities of the Audit Committee are as follows:

- monitoring the accounting process and issuing recommendations or suggestions to ensure reliability;
- monitoring the effectiveness of the company's internal control, internal audit and risk management systems;
- monitoring the audit of the annual and consolidated financial statements, including the results and conclusions indicated in the reports by the Auditor Oversight Commission;
- verifying and monitoring the independence of the auditor of the annual financial statements (and consolidated financial statements), in particular with regard to additional services provided for the audited company; moreover, Art. 5 (5) of Regulation (EU) No. 537/2014 on the statutory audit of public-interest entities must be observed;
- reporting on the results of the audit to the Supervisory Board, explaining how the audit contributed to the reliability of financial reporting and explaining the role of the Audit Committee in this procedure;

- reviewing the annual financial statements and preparing the required authorisation, reviewing the proposal for the distribution of profits, the management report, the corporate governance report and the non-financial report (§ 243b of the Austrian Commercial Code) as well as submitting a report on the results of this review to the Supervisory Board;
- if necessary, examining the consolidated financial statements, the Group management report, the consolidated corporate governance report and the non-financial report (§ 267a of the Austrian Commercial Code) as well as submitting a report on the results of this review to the Supervisory Board;
- selecting an auditor for the annual and consolidated financial statements, taking the appropriateness of the fee into consideration, as well as preparing a proposal for the Supervisory Board on this selection; moreover, Art. 16 of Regulation (EU) No. 537/2014 on the statutory audit of public-interest entities must be observed.

The Audit Committee includes a financial expert as required by law. All members of the Audit Committee are familiar with the sector in which the company operates.

The Audit Committee met six times during 2019/20 and dealt with all its assigned responsibilities, above all with preparations for the resolution on the consolidated financial statements (based on IFRS) and annual financial statements (based on the Austrian Commercial Code) as of 30 September 2019, including the notes, management report and consolidated non-financial report, the consolidated corporate governance report and the recommendation for the use of profits as well as the half-year financial statements for 2019/20 including expectations for the full financial year. The Audit Committee also dealt extensively with the internal control, audit, risk and compliance management systems. In addition, the committee made a recommendation for the appointment of an auditor for the annual and consolidated financial statements for the 2019/20 financial year and distributed a report by the auditor on the provision of non-audit services. The Audit Committee acknowledged the report on the evaluation of transactions carried out during the course of normal business activities and at ordinary market conditions (§ 95a (6) of the Austrian Stock Corporation Act), carried out a tender for the selection of an auditor for the annual and consolidated financial statements for 2020/21 and the following years and made a recommendation to the Supervisory Board for the appointment of an auditor. Further activities involved the approval of non-audit services and tax advising by the auditor.

1) The members of the former Personnel Committee were Bettina Glatz-Kremsner, Norbert Griesmayr and Willi Stiowicek.

## Measures to support women

(§ 243c (2) no. 2 of the Austrian Commercial Code)

The percentage of women in EVN's workforce equalled 23.1% in 2019/20, and roughly 12.1% of the positions for managing directors and authorised officers were filled by women. The Women@EVN programme is designed to achieve the greatest possible diversity at the upper management level and gradually increase the percentage of women in management positions. Numerous initiatives have been introduced to create a framework that enables women to assume qualified positions in specialised areas and at the management level in line with their inclinations and skills.

Group-wide, eleven women currently serve as project managers (project manager career path). The percentage of young women in the Group's management development programme has always been higher than the current share of women in EVN's workforce.

EVN has long pursued measures to support women's work-life balance. Examples of these measures are flexible working time models, the provision of individualised support to women returning after maternity leave, day care during holidays, information events for staff members on parental leave as well as a comprehensive programme of vocational and professional education which is open to all employees on parental leave. EVN's objective for the medium term is to increase the share of women to a level that mirrors their current educational levels in the applicable professional groups.

The Austrian Equal Opportunity Act requires companies with a workforce above a certain threshold to submit a biannual remuneration report (§ 11a of the Equal Opportunity Act). All companies in the EVN Group with a workforce above the legally defined threshold prepared the required report and submitted it to the Central Works Council.

## Diversity concept for appointments to the Executive Board and Supervisory Board

(§ 243c (2) no. 3 of the Austrian Commercial Code)

The EVN Group is committed to offering equal opportunities to all its employees. The company is convinced that diversified teams produce better results and are more effective and innovative than single-gender groups. This principle also applies to the company's management and supervisory bodies.

There are no women on EVN's Executive Board at the present time. The employment contract for one member of the Executive Board was extended in 2019/20. New appointments are based on public tenders in accordance with the Austrian law governing personnel appointments.

Technical qualifications and personal expertise are the main criteria for the election of members to the Supervisory Board. The goal is to ensure a balanced composition of specialised know-how and personal qualifications. A special focus is placed on diversity with regard to the representation of both genders, a balanced age structure and the international character and professional background of the members.

Based on its current composition, EVN's Supervisory Board – as a whole and in the individual committees – has the necessary expertise required by the company, especially in the business, legal and technical fields.

EVN's Supervisory Board included five women in 2019/20: three shareholder representatives and two employee representatives. Bettina Glatz-Kremsner has served as chairwoman of the Supervisory Board since 21 January 2016. The percentage of women equalled 33.3% for the Supervisory Board as a whole. The current composition of EVN's Supervisory Board meets the requirements of the Austrian Equality Act for Men and Women on Supervisory Boards (Federal Gazette I 104/2017) with regard to the number of shareholder representatives and the number of employee representatives. This law calls for a ratio of 30% for both genders on the supervisory boards of listed corporations with a specified minimum

number of supervisory board members and employees. At the present time, EVN is required to meet the 30% quota for the Supervisory Board in total (§ 86 (9) of the Austrian Stock Corporation Act).

The members of the Supervisory Board range in age from 41 to 70 years; the average age is 57 years.

## Related party

EVN AG and NÖ Landes-Beteiligungsholding GmbH concluded a group and tax settlement agreement in 2005. Additional information on related party transactions as defined in IAS 24 is provided under the basis of preparation in note 64. to the consolidated financial statements.

## Auditor's fees

The annual and consolidated financial statements for the 2019/20 financial year were audited by KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Vienna. The total fees charged by KPMG in 2019/20 amounted to EUR 1.9m (previous year: EUR 1.7m) and were distributed as follows: 34.0% for auditing services (previous year: 33.4%), 7.0% for audit-related services (previous year: 14.3%), 49.9% for tax consulting services (previous year: 31.0%) and 9.0% for other consulting services (previous year: 21.3%).

## Directors' dealings

(C-Rule 73)

No purchases of EVN shares by members of EVN's management or closely related persons (Art. 19 of Regulation (EU) No. 596/2014 (market abuse regulation)) were reported to the company or to the Austrian Financial Market Authority during 2019/20.

## External evaluation

In accordance with C-Rule 62, compliance with the C-Rules of the ACGC must be evaluated at least every three years by an external institution and the results of this evaluation must be included in the corporate governance report.

Furthermore, the Supervisory Board is required by § 96 of the Austrian Stock Corporation Act to inform the Annual General Meeting whether, and if so, which sections of the consolidated corporate governance report were examined and indicate whether the final results of this examination provided any grounds for material objections. The Audit Committee is required by § 92 (4a) no. 4 lit. g of the Austrian Stock Corporation Act to review the consolidated corporate governance report in advance and to issue a report on its review to the full Supervisory Board. In order to optimally meet these requirements, EVN commissioned Schönherr Rechtsanwälte GmbH to evaluate the consolidated corporate governance report for 2019/20, including compliance with the C-Rules of the ACGC.

Schönherr Rechtsanwälte GmbH evaluated EVN's consolidated corporate governance report for 2019/20 in agreement with C-Rule 62 of the ACGC and § 96 of the Austrian Stock Corporation Act and reported to the Executive Board and Supervisory Board on its review. This report on compliance with the ACGC can be found under [www.investor.evn.at](http://www.investor.evn.at).

The evaluation showed that EVN complied with the C-Rules of the ACGC in 2019/20 with one justified exception.

Maria Enzersdorf, 16 November 2020



**Stefan Szyszkowitz**  
Spokesman of the Executive Board



**Franz Mittermayer**  
Member of the Executive Board