

Remuneration report on the compensation of the members of the Management Board and Supervisory Board of EVN AG for the 2020/21 financial year

1 Introduction

1.1 General information

On 16 January 2020, the 91st Annual General Meeting of EVN AG (“EVN” or the “Company”) approved the basic principles for the remuneration of the members of the Executive Board and – based on a separate remuneration policy – the members of the Supervisory Board of EVN (in total, the “Remuneration Policy”). The related resolution¹⁾ was approved by 97.63% of the valid votes cast. The Remuneration Policy is available at www.evn.at/remuneration-policy. It is applicable for four years and must be presented again to the Annual General Meeting at the latest in 2024.

The remuneration report covers the compensation of the members of the Executive Board and Supervisory Board of EVN (“Remuneration Report”). It was prepared by the Executive Board and Supervisory Board of EVN in accordance with §§ 78c and 98a of the Austrian Stock Corporation Act, reviewed by the Company’s Remuneration Committee and approved by the Supervisory Board in its meeting on 15 December 2021. This Remuneration Report is based on the 2020/21 financial year, which covered the period from 1 October 2020 to 30 September 2021.

In accordance with § 78d (1) of the Austrian Stock Corporation Act, the Remuneration Report must be presented to the Annual General Meeting for voting. This voting process represents a recommendation, and the next Remuneration Report must include information as to how the results of voting at the last Annual General Meeting were taken into account.

1.2 Business development during the past financial year

Revenue recorded by the EVN Group rose by 13.6% year-on-year to EUR 2,394.9m in 2020/21. This sound development was supported primarily by the international project business, in particular by the wastewater treatment project in Kuwait which started in summer 2020. Increased revenue was also recorded by the energy distribution business in South East Europe and by network operations: In addition to cooler weather in all three core markets, the higher network tariffs set by the Austrian E-Control as of 1 January 2021 had a positive effect. Revenue growth was also supported by an increase in electricity generation and by higher electricity prices. The lower valuation effects from electricity generation hedges represented a contrary factor.

The revenue generated by EVN outside Austria amounted to EUR 1,412.8m (previous year: EUR 1,082m). This represents an increase in the share of Group revenue from 51.4% in the previous year to 59.0% in 2020/21.

The increase in other operating income to EUR 250.1m (previous year: EUR 64.4m) resulted chiefly from effects related to the Walsum 10 power plant: A construction subsidy was released in the first quarter of 2020/21 and part of the compensation payment from the takeover of an additional electricity procurement right from the Walsum 10 power plant was recognised. Another positive factor for this position was the sale of the 49% investment in that power plant as of 30 September 2021.

The cost of electricity purchases from third parties and primary energy expenses rose by 19.9% to EUR 1,064.7m. The main factors for this upward trend were higher energy procurement costs in South East Europe and at EVN Wärme, a higher volume of thermal generation and the related increased use of primary energy, and rising wholesale prices. Effects from the valuation of hedges led to a reduction of these costs.

The cost of materials and services increased by 60.7% to EUR 509.2m due to developments in the international project business.

Personnel expenses were 3.4% higher than the previous year at EUR 361.3m. In addition to adjustments required by collective bargaining agreements, this increase resulted, among others, from additional hiring for the wastewater treatment project in Kuwait. The EVN Group had an average workforce of 7,126 in 2020/21 (previous year: 7,007 employees).

Other operating expenses were 6.7% below the previous year at EUR 113.0m. One reason for this decline was a reduction in receivables write-offs in North Macedonia.

The share of results from equity accounted investees with operational nature rose to EUR 239.6m (previous year: EUR 94.1m), chiefly due to the improvement in operating earnings and valuation effects from hedges held by EVN KG. In addition, the impairment losses recognised to Verbund Innkraftwerke GmbH and the Ashta hydropower plant in the previous year (EUR 20.7m, respectively EUR 4.9m) were offset in 2020/21 by revaluations of EUR 25.3m

1) Information pursuant to § 128 (1) no. 1 to 4 Austrian Stock Corporation Act

and EUR 23.8m, respectively. The revaluation at Verbund Innkraftwerke GmbH was based on an increase in electricity wholesale prices on the forward market, while the revaluation at the Ashta hydropower plant reflected the decline in the country risk premium after a Covid-19-related increase. EnergieAllianz returned to business at a normalised level after the negative effects of the corona crisis in the previous year, but the earnings contributions from RAG and Energie Burgenland were lower due to the absence of the positive non-recurring effects from 2019/20.

Based on these developments, EBITDA rose by 41.7% year-on-year to EUR 836.5m.

Higher investments and the amortisation of capitalised advance project costs for the project in Kuwait were responsible for an increase of 13.8% in scheduled depreciation and amortisation to EUR 337.7m. In addition, impairment losses of EUR 113.1m were recorded to the Walsum 10 power plant in the first quarter of 2020/21 following the takeover of an additional electricity procurement right. The effects of impairment testing also include impairment losses of EUR 1.8m and revaluations of EUR 2.5m to electricity generation equipment and district heating assets.

EBIT for the 2020/21 financial year totalled EUR 386.4m (previous year: EUR 273.1m).

Financial results declined to EUR –20.0m (previous year: EUR –15.8m) despite the better performance of the R138 fund and an increase in the dividend from Verbund AG to EUR 0.75 per share for the 2020 financial year (previous year: EUR 0.69). The reduction resulted from an interest rate hedge that was concluded for the entire term of the bank financing for the Walsum 10 power plant but was terminated prematurely following the sale of the investment in this power plant as of 30 September 2021.

The result before income tax rose by 42.4% year-on-year to EUR 366.4m. After the deduction of EUR 14.7m in income tax expense (previous year: EUR 28.7m) – which was positively influenced by the tax-free valuation of equity accounted investees and other investments – and the earnings attributable to non-controlling interests, Group net result for the 2020/21 financial year rose by 62.9% to EUR 325.3m

EVN's consolidated financial statements as of 30 September 2021 show the following key figures for the 2020/21 financial year:

Key figures			2020/21	2019/20	+/- %	2018/19
Sales volumes						
Electricity generation volumes	GW ^h		3,997	3,785	5.6	5,594
thereof from renewable energy	GW ^h		2,283	2,250	1.5	2,315
Electricity sales volumes to end customers	GW ^h		20,207	19,813	2.0	19,924
Natural gas sales volumes to end customers	GW ^h		5,412	4,957	9.2	5,083
Heat sales volumes to end customers	GW ^h		2,545	2,303	10.5	2,196
Consolidated statement of operations						
Revenue	EURm		2,394.9	2,107.5	13.6	2,204.0
EBITDA	EURm		836.5	590.4	41.7	631.7
EBITDA margin ¹⁾	%		34.9	28.0	6.9	28.7
Results from operating activities (EBIT)	EURm		386.4	273.1	41.5	403.5
EBIT margin ¹⁾	%		16.1	13.0	3.2	18.3
Result before income tax	EURm		366.4	257.3	42.4	373.5
Group net result	EURm		325.3	199.8	62.9	302.4
Consolidated statement of financial position						
Balance sheet total	EURm		11,139.8	8,365.7	33.2	8,188.6
Equity	EURm		6,544.3	4,543.3	44.0	4,552.1
Equity ratio ¹⁾	%		58.7	54.3	4.4	55.6
Net debt	EURm		813.8	1,037.7	-21.6	999.5
Gearing ¹⁾	%		12.4	22.8	-10.4	22.0
Return on equity (ROE) ¹⁾	%		6.3	5.0	1.3	7.6
Consolidated cash flow and investments						
Net cash flow from operating activities	EURm		789.6	412.0	91.6	429.7
Investments ²⁾	EURm		415.0	367.9	12.8	391.4
Net debt coverage (FFO) ¹⁾	%		92.9	47.7	45.2	50.9
Interest cover (FFO)	x		13.1	11.6	13.7	11.7
Value added						
Net operating profit after tax (NOPAT)	EURm		312.8	274.6	13.9	216.3
Capital employed ³⁾	EURm		4,842.5	4,405.7	9.9	4,135.4
Operating return on capital employed (OpROCE) ¹⁾	%		6.5	6.2	0.2	5.2
Weighted average cost of capital (WACC) ^{1) 4)}	%		5.5	5.5	0.0	6.3
Economic value added (EVA [®]) ⁵⁾	EURm		46.4	32.3	43.7	-42.1
Share						
Earnings	EUR		1.83	1.12	62.8	1.70
Dividend	EUR		0.52 ⁶⁾	0.49	6.1	0.47 + 0.03 ⁷⁾
Dividend yield ¹⁾	%		2.3	3.4	-1.1	3.1
Share performance						
Share price at 30 September	EUR		22.95	14.28	60.7	16.14
Highest price	EUR		24.75	18.36	34.8	17.28
Lowest price	EUR		13.38	11.22	19.3	12.16
Market capitalisation at 30 September	EURm		4,128	2,569	60.7	2,903
Credit rating						
Moody/s			A1, stable	A1, stable		A1, stable
Scope Ratings ⁸⁾			A+, stable	-		-

1) Changes reported in percentage points

2) In intangible assets and property, plant and equipment

3) Average adjusted capital employed

4) Exact value 2018/19: 6.25%

5) As defined by Stern Stewart & Co.

6) Proposal to the Annual General Meeting

7) Bonus dividend of EUR 0.03 per share

8) The initial rating of EVN was published by Scope Ratings on 2 November 2021.

2 Remuneration Report on the compensation of the Executive Board members

2.1 Basic principles of the Remuneration Policy

This presentation of the basic principles of the Remuneration Policy provides an overview of the individual remuneration components and their connection with the Company's goals and long-term development. For the reader, it is intended to facilitate a detailed understanding of the framework conditions for the total remuneration presented in the Remuneration Report.

The Remuneration Policy for the members of EVN's Executive Board is designed to meet the following goals: to ensure that the total remuneration of the Executive Board members appropriately reflects the position of the Company and the remuneration paid by comparable companies; to create incentives for actions that reinforce the Company's sustainable development; and to support the Company's business strategy and long-term development.

The remuneration reflects the overall responsibility of the Executive Board but is differentiated by the separate responsibilities of the individual Executive Board members as defined in the allocation of duties. Other decisive criteria are the length of service with the Company and, if applicable, the assumption of a function as speaker or chairman of the Executive Board.

The Remuneration Policy creates incentives for the members of the Executive Board to actively develop and pursue the corporate strategy, to safeguard the Company's long-term sustainable development and to avoid excessive risks. In accordance with the Remuneration Policy, the definition of concrete performance criteria must also ensure that unnecessary risk-taking and an overly strong focus on short-term profits are avoided. At the same time, ambitious goals should be set to create an incentive for special performance. The overriding objective is the long-term positive development of the Company.

The implementation of EVN's strategy is reflected in the definition of targets and the measurement of target attainment for both financial and non-financial (individual) performance criteria. In both cases, the Company's long-term development must be taken into account.

The members of the Executive Board receive the following remuneration components:

- Fixed remuneration components that are independent of performance
- Variable remuneration components that are based on the attainment of financial and non-financial, annual and multi-year performance criteria

The fixed remuneration components represent the base salary as well as compensation in kind and fringe benefits that can include accident insurance, collective supplementary health insurance, D&O insurance and a company car. In addition, the Remuneration Policy for the Executive Board members includes a defined contribution pension system as part of a private, fund-based pension programme. The Company's contributions to this pension programme may not exceed 20% of the base salary. Pension entitlements from a previous function in the EVN Group can be transferred to an Executive Board member's employment contract.

Furthermore, the members of the Executive Board are entitled to variable remuneration which is dependent on the economic development of EVN as well as the attainment of individually agreed targets.

The variable remuneration components equal 30% of the base salary per year if the targets are met in full. If the financial targets are exceeded, the variable remuneration is capped at a maximum of 51% of the base salary.

The variable remuneration is based on the following transparent criteria and weightings:

- Delta Group Economic Value Added (Δ Group EVA; 30%)
- Average contribution to Group cash flow (40%)
- Individually agreed targets (30%)

An interval is set for every target to establish the relation between over- and under-fulfilment and the appropriate increase or reduction in the payment of the variable remuneration component.

Target attainment corridors ranging from 0% to 200% were defined for the quantitative performance criteria " Δ Group EVA" and "Average contribution to Group cash flow". The corresponding ranges for the individually agreed targets are 0% to 100%.

The performance criterion " Δ Group EVA" measures the annual change in the operating earning power of the EVN Group in relation to the weighted average cost of capital (WACC). This is intended to create an incentive to increase the Company's long-term earning power. The performance criterion "average contribution to Group cash flow" is a long-term benchmark due to its focus on ratings. The objective here is to sustainably strengthen the liquidity and financial power of the EVN Group in order to support its investment and distribution capability. An improvement in the rating is only possible when the relevant requirements are met over the medium- to long-term. This also supports EVN's medium-term strategic financial goals.

The stability of the variable remuneration system is protected by the payment of the variable remuneration components for the financial targets from a so-called "bonus reserve".

The bonus reserve is connected with a disbursement mechanism which transfers the bonus for the attainment of financial targets in a specific period to a proportional annual bonus payment. Fifty per cent of the attained bonus reserve is paid out in the first year after the financial year in which the entitlement is earned, and the remaining 50% are transferred to subsequent period(s). That creates a multi-year perspective and ensures that the variable remuneration is tied to the Company's long-term development. Subsequent years are linked together by transferring the outstanding part of the variable remuneration to the next period in the form of a beginning balance. The beginning balance of the bonus reserve in each year equals the attainment ratio for the financial targets in the previous financial year plus the ending balance from the previous year. A virtual beginning balance is used in the first year which is calculated to ensure payment of 100% of the variable remuneration if 100% of the underlying financial targets are reached. Fifty per cent of the beginning balance of the bonus reserve are paid out each year, and the remainder is carried forward to the following year.

Non-cash benefits received by an Executive Board member for exercising an official function in a Group company or an affiliate or in a legal or voluntary interest group to which the Company belongs must be remitted to the Company.

Details on the design of the fixed and variable remuneration components are provided in the Remuneration Policy for EVN's Executive Board members.

2.2 Disclosure of total remuneration

2.2.1 General information

In order to provide EVN's shareholders with a clear and understandable overview of the total remuneration of the Executive

Board members in accordance with the requirements of § 78c of the Austrian Stock Corporation Act, the total remuneration of the Executive Board members is shown in a table.²⁾ A differentiation is made between the remuneration owed and the remuneration granted.

The remuneration granted represents the remuneration components that are economically attributable to this reporting period based on legal or contractual obligations but will only be finally established and paid out in (a) later period(s). Also included here are remuneration agreements that are linked to certain conditions (e.g. continued employment with the Company, the fulfilment in the future of previously defined targets etc.). Contributions to termination benefit and pension provisions are not included.

The remuneration owed covers the amounts actually paid to the Board member during a specific period which are attributable to this reporting period as well as the entitlements conclusively earned for that period, also when payment will only be made in a later period.

In the 2020/21 financial year, the Executive Board of EVN consisted exclusively of Stefan Szyszkowitz (member and speaker of the Executive Board) and Franz Mittermayer (member of the Executive Board; together the "members of the Executive Board", the "Executive Board members" or the "Executive Board").

2.2.2 Fixed remuneration components

The fixed remuneration components actually received by the members of the Executive Board in the 2020/21 financial year include the basic salary (which is paid in 14 instalments) as well as the following compensation in kind and fringe benefits:

Fixed remuneration components	SZYSZKOWITZ	MITTERMAYER
TEUR		
Annual fixed salary	434.8	405.8
Premium for accident insurance	1.5	1.5
Premium for collective supplementary health insurance	1.5	1
Company car (incl. authorisation for private use and driver for designated business purposes)	Primarily an all-electric car. The non-monetary remuneration value as defined by the Austrian Income Tax Act equals TEUR 0 per year. The book value as defined by corporate law (useful life: 5 years) equalled TEUR 35.3 as of 30 September 2021. A non-monetary remuneration value of TEUR 0.3 was calculated for the temporary use of a non-electric car.	The non-monetary remuneration value as defined by the Austrian Income Tax Act equals TEUR 11.5 per year. The book value as defined by corporate law (useful life: 5 years) equalled TEUR 23.9 as of 30 September 2021.
D&O-insurance	The costs are carried by the Company.	The costs are carried by the Company.

2) The form of presentation is based on AFRAC Opinion No. 37

2.2.3 Variable remuneration components

The amount actually paid out for remuneration components to the members of the Executive Board in the 2020/21 financial year was calculated as follows:

Variable remuneration components	SZYSZKOWITZ	MITTERMAYER
TEUR		
Annual bonus – payment on account for the 2020/21 financial year	104.4	97.4
Remaining payment – previous year’s bonus for the 2019/20 financial year	25	14.3
Total payment for variable remuneration in the 2020/21 financial year	129.4	111.7

The Remuneration Committee of the EVN Supervisory Board was responsible for determining the target attainment for the variable remuneration components and, consequently, for determining the absolute amounts of variable remuneration for each of the Executive Board members for the 2020/21 financial year. This issue was discussed and approved by the Remuneration Committee in its meeting on 2 December 2021.

The earned entitlements from variable remuneration for the 2020/21 financial year, which will be paid out as the “remaining payment previous year’s bonus” were calculated as follows:

Remaining payment – previous year’s bonus	SZYSZKOWITZ	MITTERMAYER
TEUR		
Acquired entitlement from variable remuneration for the 2020/21 financial year	124.5	111.7
Annual bonus – payment on account for the 2020/21 financial year	104.4	97.4
“Remaining payment – previous year’s bonus” for the 2020/21 financial year to be paid out in the 2021/22 financial year	20.1	14.3

2.2.4 Long-Term Incentive Programme

There is no long-term incentive programme for the members of the Executive Board.

2.2.5 Total remuneration

The following table shows the development of the remuneration actually received by the Executive Board over time:

Total remuneration	2020/21	2019/20	2018/19
TEUR			
Fixed remuneration	967.2	949.3	922.7
Variable remuneration	241.1	279.3	287.0
Total remuneration	1,208.3	1,228.6	1,209.7

The following table shows the development and composition of the total remuneration actually paid to each member of the Executive Board in relation to the Company's economic success:

Total remuneration – Stefan Szyszkowitz			
TEUR	2020/21	2019/20	2018/19
Fixed remuneration			
Annual fixed salary	434.8	426.7	414.8
Contributions to private, fund-based pension programme	65.8	64.7	62.8
Subtotal	500.6	491.4	477.6
Variable remuneration			
Annual bonus			
Payments on account	104.4	102.4	99.6
Remaining payment – previous year's bonus	25.0	51.1	62.8
Amount paid out from variable remuneration	129.4	153.5	162.4
Performance-based LTIP	–	–	–
Payment on account LTIP	–	–	–
Subtotal	129.4	153.5	162.4
Remuneration from subsidiaries			
Salary for managing director activities in subsidiaries ^{*)}	–	–	–
Subtotal	–	–	–
Other remuneration			
One-off settlement payment	–	–	–
Subtotal	–	–	–
Total remuneration			
Fixed	500.6	491.4	477.6
Variable	129.4	153.5	162.4
Subsidiaries	–	–	–
Other	–	–	–
Total	630.0	644.9	640.0
Relative share of fixed remuneration (basic salary) in %	77%	74%	72%
Relative share of variable remuneration in %	23%	26%	28%
Change in total remuneration absolute	–14.9	4.9	
Change in total remuneration in %	–2.3%	0.8%	
Change in average remuneration of employees (Group employees in Austria)	1.0%	0.7%	
Change in the Company's economic success absolute (Group net result)	125,600.0	–102,700.0	
Change in the Company's economic success in % (Group net result)	62.9%	–33.9%	

^{*)} Stefan Szyszkowitz did not receive any salary for managing director activities in subsidiaries in the 2020/21 financial year.
Stefan Szyszkowitz transferred the following entitlements based on his function as a supervisory board member to EVN:
Burgenland Holding AG (TEUR 4.1 in 2020/21; TEUR 4.2 in 2019/20; TEUR 3.8 in 2018/19)
EVN Macedonia EAD (TEUR 1.45 in 2020/21; TEUR 1.6 each in 2019/20 and 2018/19)

Total remuneration – Franz Mittermayer			
TEUR	2020/21	2019/20	2018/19
Fixed remuneration			
Annual fixed salary	405.8	398.2	387.1
Contributions to private, fund-based pension programme	60.8	59.7	58.0
Subtotal	466.6	457.9	445.1
Variable remuneration			
Annual bonus			
Payments on account	97.4	95.6	92.9
Remaining payment – previous year's bonus	14.3	30.2	31.7
Amount paid out from variable remuneration	111.7	125.8	124.6
Performance-based LTIP	–	–	–
Payment on account LTIP	–	–	–
Subtotal	111.7	125.8	124.6
Remuneration from subsidiaries			
Salary for managing director activities in subsidiaries ^{*)}	–	–	–
Subtotal	–	–	–
Other remuneration			
One-off settlement payment	–	–	–
Subtotal	–	–	–
Total remuneration			
Fixed	466.6	457.9	445.1
Variable	111.7	125.8	124.6
Subsidiaries	–	–	–
Other	–	–	–
Total	578.3	583.7	569.7
Relative share of fixed remuneration (basic salary) in %	78%	76%	76%
Relative share of variable remuneration in %	22%	24%	24%
Change in total remuneration absolute	–5.4	14.0	
Change in total remuneration in %	–0.9%	2.5%	
Change in average remuneration of employees (Group employees in Austria)	1.0%	0.7%	
Change in the Company's economic success absolute (Group net result)	125,600.0	–102,700.0	
Change in the Company's economic success in % (Group net result)	62.9%	–33.9%	

^{*)} Franz Mittermayer did not receive any salary for managing director activities in subsidiaries in the 2020/21 financial year. Franz Mittermayer transferred the following entitlements based on his function as a supervisory board member to EVN: Burgenland Holding AG (TEUR 3.1 in 2020/21; TEUR 2.7 in 2019/20; TEUR 1.5 in 2018/19).

The total remuneration for former members of the Executive Board and their surviving dependents are presented as a cumulative amount in the following table. The Remuneration Policy did not apply to these payments.

Total remuneration for former Executive Board members	2020/21	2019/20	2018/19
TEUR			
Total remuneration	1,159.3	1,461.1	4,019.2

2.2.6 Agreement of total remuneration with the Remuneration Policy

In accordance with the Remuneration Policy, the total remuneration for the members of the Executive Board must appropriately reflect the position of the Company and the remuneration paid by comparable companies.

EVN is listed on the Vienna Stock Exchange and is active both nationally and internationally. The Company is included in the Austrian Traded Index (ATX), and the use of available data on ATX companies as a benchmark is therefore useful.

A current analysis³⁾ by the Chamber of Workers and Employees for Vienna ("Kammer für Arbeiter und Angestellte für Wien") in June 2021 covering 17 of the 20 companies listed in the ATX shows that an average management salary, based on the 2020 financial year, equals EUR 1.9m.

This information shows that the remuneration of the EVN Executive Board lies below this average with regard to the amount of the fixed remuneration components and the per cent of variable remuneration. In addition, this information indicates that the total remuneration also lies below this average but within an appropriate range.

The variable remuneration system defined by the Remuneration Policy sets incentives for the sustainable development of the Company and supports the corporate strategy and the Company's long-term development. This is achieved through the definition of ambitious target corridors by the Remuneration Committee for two quantitative performance criteria which are relevant for the Company's development: "Δ Group EVA" and "Average contribution to Group cash flow".

The Remuneration Committee also sets individual non-financial targets each year which are based on the requirements defined by the Remuneration Policy. These non-financial targets reflect the current framework conditions and are intended to create suitable incentives for the members of the Executive Board to actively develop and pursue the corporate strategy and, in this way, safeguard the Company's sustainable, long-term development.

Excessive risk-taking is not encouraged by the extent of the variable remuneration components, the underlying indicators or the specifically agreed individual targets.

The relation between the fixed and variable remuneration components ultimately guarantees that the attainment of short-term, bonus-relevant targets is not a priority. Variable remuneration equals 30% of the fixed remuneration based on 100% target attainment and a maximum of 51% of the base salary if the targets are exceeded (i. e. at most, slightly more than one-third of total remuneration).

The remuneration also reflects the overall responsibility associated with the duties of the Executive Board because the same remuneration level generally applies to both Executive Board members. In agreement with the Remuneration Policy, a differentiation is made with regard to the separate responsibilities of the individual Executive Board members as defined in the allocation of duties as well as the length of service with the Company and the exercise of a function as speaker or chairman of the Executive Board.

Stefan Szyszkowitz has been a member of the Executive Board since 2011 (i. e. for roughly 10 years) and Franz Mittermayer since 2017 (i. e. for roughly four years). Stefan Szyszkowitz has served as speaker of the Executive Board since 2017, and the allocation of his responsibilities on the Executive Board includes a larger number of organisational units. Consequently, his base salary is roughly 7% higher than Franz Mittermayer's base salary.

2.3 Information on share-based remuneration

EVN does not have a stock option programme, and no shares were offered or granted to the Executive Board members.

2.4 Other information and explanations

2.4.1 Deviations from the Remuneration Policy

There were no deviations from the Remuneration Policy or the implementation procedures defined therein during the past financial year.

2.4.2 Clawback of variable remuneration components

There were no clawback claims involving variable remuneration components during the past financial year.

3) "Vorstandsvergütung in den ATX Unternehmen 2020 – Gehälter-Ranking, Vergütungspolitik und Vergütungsberichte Juni 2021" (https://www.arbeiterkammer.at/interessenvertretung/wirtschaft/betriebswirtschaft/Managergagen_2021.pdf)

2.4.3 Voting results from the last Annual General Meeting

The Remuneration Report for the 2019/20 financial year was approved by 99.9% of the valid votes cast. Therefore, there was no need for actions or adjustments to the Remuneration Report.

3 Remuneration Report on the compensation of the Supervisory Board members

3.1 Basic principles of the Remuneration Policy

The Remuneration Policy for the members of EVN's Supervisory Board is designed to ensure that the remuneration of the Supervisory Board members reflects their duties, responsibilities and the position of the Company. This remuneration should support the long-term implementation of the corporate strategy and the long-term development of EVN and, at the same time, guarantee the objectivity and independence of the Supervisory Board. The remuneration comprises basic annual remuneration and an attendance fee per meeting. There are no performance-based remuneration components. The attendance fees are intended to reflect the number of meetings and the related time spent, especially in connection with the membership in committees, and can therefore vary.

Every Supervisory Board member, including the employee representatives on the Supervisory Board, is entitled to reimbursement for appropriate cash outlays.

Former members of the Supervisory Board do not receive any retirement benefits or other type of allowances.

Details on the design of the fixed and variable remuneration components are provided in the Remuneration Policy for EVN's Supervisory Board members. The Remuneration Policy is available at www.evn.at/remuneration-policy.

3.2 Disclosure of total remuneration

3.2.1 General information

In order to provide EVN's shareholders with a clear and understandable overview of the total remuneration of the Supervisory Board members in accordance with the requirements of § 98a in connection

with § 78c of the Austrian Stock Corporation Act, the total remuneration of the Supervisory Board members is shown in a table.⁴⁾

The following persons served as shareholder representatives during the 2020/21 financial year

- Bettina Glatz-Kremsner (Chairwoman)
- Norbert Griesmayr (Vice-Chairman)
- Willi Stiwowicek (Vice-Chairman)
- Georg Bartmann⁵⁾
- Gustav Dressler⁵⁾
- Philipp Gruber
- Dieter Lutz⁶⁾
- Reinhard Meißl⁶⁾
- Maria Patek⁵⁾
- Susanne Scharnhorst⁶⁾
- Angela Stransky
- Peter Weinelt⁵⁾
- Friedrich Zibuschka
- Johannes Zügel⁶⁾

(together the "members of the Supervisory Board", the "Supervisory Board members" or the "Supervisory Board") and, as such, received remuneration. The employee representatives on the Supervisory Board exercise their function in a voluntary capacity in accordance with § 110 (3) of the Austrian Labour Constitution Act ("Arbeitsverfassungsgesetz") and receive no remuneration.

3.2.2 Fixed remuneration

A resolution by the Annual General Meeting on 21 January 2016 set the total remuneration for the members of the Supervisory Board at EUR 118,800 per year and the attendance fee at EUR 500 per meeting and authorised the Supervisory Board to distribute this remuneration among its members according to their functions. A resolution by the Annual General Meeting on 21 January 2016 approved the distribution of the total remuneration of EUR 118,800 for the members of the Supervisory Board as follows: the president and chairwoman receives EUR 18,200, the two vice-chairmen receive EUR 13,200 each and the seven other Supervisory Board members receive EUR 10,600 each.

3.2.3 Variable remuneration components

In agreement with the Remuneration Policy, no performance-based variable remuneration components were paid to the Supervisory Board members during the 2020/21 financial year. An overview of the approved attendance fees is provided in the following tables.

4) The form of presentation is based on AFRAC Opinion No. 37

5) As of 21.01.2021

6) Up to 21.01.2021

3.2.4 Total remuneration

The following table shows the development and composition of the total remuneration actually paid to each member of the Supervisory Board:

Total remuneration per Supervisory Board member 2020/21 TEUR	GLATZ- KREMSNER	GRIESMAYR	STIOWICEK	BARTMANN ³⁾	DRESSLER ³⁾	GRUBER ¹⁾	LUTZ ²⁾
Fixed remuneration							
Basic remuneration	18.2	13.2	13.2	5.3	5.3	–	5.3
Contributions to private, fund-based pension programme	–	–	–	–	–	–	–
Subtotal	18.2	13.2	13.2	5.3	5.3	–	5.3
Variable remuneration							
Attendance fees ¹⁾	7.5	7.5	7.5	3.5	2.0	–	1.5
Subtotal	7.5	7.5	7.5	3.5	2.0	–	1.5
Remuneration from subsidiaries							
Salary for managing director activities in subsidiaries	–	–	–	–	–	–	–
Subtotal	–	–	–	–	–	–	–
Other remuneration							
One-off settlement payment	–	–	–	–	–	–	–
Subtotal	–	–	–	–	–	–	–
Remuneration from previous functions on corporate bodies							
Retirement benefits	–	–	–	–	–	–	–
Subtotal	–	–	–	–	–	–	–
Total remuneration							
Fixed	18.2	13.2	13.2	5.3	5.3	–	5.3
Variable	7.5	7.5	7.5	3.5	2.0	7.5	1.5
Subsidiaries	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–
Retirement benefits (former Supervisory Board members)	–	–	–	–	–	–	–
Total	25.7	20.7	20.7	8.8	7.3	–	6.8
Total remuneration per Supervisory Board member 2020/21	154.7						

*1) The attendance fees are considered part of variable remuneration in accordance with the Remuneration Policy but are not performance-based.

1) Waived his designated remuneration and attendance fees.

2) Up to 21.01.2021 member of the Supervisory Board.

3) Since 21.01.2021 member of the Supervisory Board.

Total remuneration per Supervisory Board member 2020/21							
TEUR	MEISSL ²⁾	PATEK ²⁾	SCHARN-HORST ²⁾	STRANSKY	WEINELT ³⁾	ZIBUSCHKA	ZÜGEL ²⁾
Fixed remuneration							
Basic remuneration	5.3	5.3	5.3	10.6	5.3	10.6	5.3
Contributions to private, fund-based pension programme	-	-	-	-	-	-	-
Subtotal	5.3	5.3	5.3	10.6	5.3	10.6	5.3
Variable remuneration							
Attendance fees ¹⁾	3.0	2.0	1.5	3.5	2.0	3.5	1.5
Subtotal	3.0	2.0	1.5	3.5	2.0	3.5	1.5
Remuneration from subsidiaries							
Salary for managing director activities in subsidiaries	-	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-	-
Other remuneration							
One-off settlement payment	-	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-	-
Remuneration from previous functions on corporate bodies							
Retirement benefits	-	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-	-
Total remuneration							
Fixed	5.3	5.3	5.3	10.6	5.3	10.6	5.3
Variable	3.0	2.0	1.5	3.5	2.0	3.5	1.5
Subsidiaries	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Retirement benefits (former Supervisory Board members)	-	-	-	-	-	-	-
Total	8.3	7.3	6.8	14.1	7.3	14.1	6.8
Total remuneration per Supervisory Board member 2020/21							
	154.7						

*) The attendance fees are considered part of variable remuneration in accordance with the Remuneration Policy but are not performance-based.

1) Waived his designated remuneration and attendance fees.

2) Up to 21.01.2021 member of the Supervisory Board.

3) Since 21.01.2021 member of the Supervisory Board.

Total remuneration per Supervisory Board member 2019/20					
TEUR	GLATZ-KREMSNER	GRIESMAYR	STIOWICEK	GRUBER ¹⁾	LUTZ
Fixed remuneration					
Basic remuneration	18.2	13.2	13.2	8.0	10.6
Contributions to private, fund-based pension programme	-	-	-	-	-
Subtotal	18.2	13.2	13.2	8.0	10.6
Variable remuneration					
Attendance fees ^{*)}	7.5	7.5	7.5	1.0	3.0
Subtotal	7.5	7.5	7.5	1.0	3.0
Remuneration from subsidiaries					
Salary for managing director activities in subsidiaries	-	-	-	-	-
Subtotal	-	-	-	-	-
Other remuneration					
One-off settlement payment	-	-	-	-	-
Subtotal	-	-	-	-	-
Remuneration from previous functions on corporate bodies					
Retirement benefits	-	-	-	-	-
Subtotal	-	-	-	-	-
Total remuneration					
Fixed	18.2	13.2	13.2	8.0	10.6
Variable	7.5	7.5	7.5	1.0	3.0
Subsidiaries	-	-	-	-	-
Other	-	-	-	-	-
Retirement benefits (former Supervisory Board members)	-	-	-	-	-
Total	25.7	20.7	20.7	9.0	13.6
Total remuneration per Supervisory Board member 2019/20					
	156.5				

*) The attendance fees are considered part of variable remuneration in accordance with the Remuneration Policy but are not performance-based.

1) Waived his designated remuneration and attendance fees.

Total remuneration per Supervisory Board member 2019/20					
TEUR	MEISSL	SCHARNHORST ¹⁾	STRANSKY	ZIBUSCHKA	ZÜGEL
Fixed remuneration					
Basic remuneration	10.6	8.0	10.6	10.6	10.6
Contributions to private, fund-based pension programme	-	-	-	-	-
Subtotal	10.6	8.0	10.6	10.6	10.6
Variable remuneration					
Attendance fees ^{*)}	5.0	3.0	3.0	3.0	2.5
Subtotal	5.0	3.0	3.0	3.0	2.5
Remuneration from subsidiaries					
Salary for managing director activities in subsidiaries	-	-	-	-	-
Subtotal	-	-	-	-	-
Other remuneration					
One-off settlement payment	-	-	-	-	-
Subtotal	-	-	-	-	-
Remuneration from previous functions on corporate bodies					
Retirement benefits	-	-	-	-	-
Subtotal	-	-	-	-	-
Total remuneration					
Fixed	10.6	8.0	10.6	10.6	10.6
Variable	5.0	3.0	3.0	3.0	2.5
Subsidiaries	-	-	-	-	-
Other	-	-	-	-	-
Retirement benefits (former Supervisory Board members)	-	-	-	-	-
Total	15.6	11.0	13.6	13.6	13.1
Total remuneration per Supervisory Board member 2019/20					
	156.5				

*) The attendance fees are considered part of variable remuneration in accordance with the Remuneration Policy but are not performance-based.

1) Waived his designated remuneration and attendance fees.

Total remuneration per Supervisory Board member 2018/19					
TEUR	GLATZ-KREMSNER	GRIESMAYR	STIOWICEK	GRUBER	LUTZ
Fixed remuneration					
Basic remuneration	18.2	13.2	13.2	10.6	10.6
Contributions to private, fund-based pension programme	-	-	-	-	-
Subtotal	18.2	13.2	13.2	10.6	10.6
Variable remuneration					
Attendance fees ^{*)}	5.5	5.5	5.0	2.0	3.0
Subtotal	5.5	5.5	5.0	2.0	3.0
Remuneration from subsidiaries					
Salary for managing director activities in subsidiaries	-	-	-	-	-
Subtotal	-	-	-	-	-
Other remuneration					
One-off settlement payment	-	-	-	-	-
Subtotal	-	-	-	-	-
Remuneration from previous functions on corporate bodies					
Retirement benefits	-	-	-	-	-
Subtotal	-	-	-	-	-
Total remuneration					
Fixed	18.2	13.2	13.2	10.6	10.6
Variable	5.5	5.5	5.0	2.0	3.0
Subsidiaries	-	-	-	-	-
Other	-	-	-	-	-
Retirement benefits (former Supervisory Board members)	-	-	-	-	-
Total	23.7	18.7	18.2	12.6	13.6
Total remuneration per Supervisory Board member 2018/19					
	153.8				

*) The attendance fees are considered part of variable remuneration in accordance with the Remuneration Policy but are not performance-based.

1) Waived his designated remuneration and attendance fees.

Total remuneration per Supervisory Board member 2018/19					
TEUR	MEISSL	SCHARNHORST	STRANSKY	ZIBUSCHKA	ZÜGEL
Fixed remuneration					
Basic remuneration	10.6	10.6	10.6	10.6	10.6
Contributions to private, fund-based pension programme	-	-	-	-	-
Subtotal	10.6	10.6	10.6	10.6	10.6
Variable remuneration					
Attendance fees ^{*)}	2.5	2.5	3.0	3.0	3.0
Subtotal	2.5	2.5	3.0	3.0	3.0
Remuneration from subsidiaries					
Salary for managing director activities in subsidiaries	-	-	-	-	-
Subtotal	-	-	-	-	-
Other remuneration					
One-off settlement payment	-	-	-	-	-
Subtotal	-	-	-	-	-
Remuneration from previous functions on corporate bodies					
Retirement benefits	-	-	-	-	-
Subtotal	-	-	-	-	-
Total remuneration					
Fixed	10.6	10.6	10.6	10.6	10.6
Variable	2.5	2.5	3.0	3.0	3.0
Subsidiaries	-	-	-	-	-
Other	-	-	-	-	-
Retirement benefits (former Supervisory Board members)	-	-	-	-	-
Total	13.1	13.1	13.6	13.6	13.6
Total remuneration per Supervisory Board member 2018/19					
	153.8				

^{*)} The attendance fees are considered part of variable remuneration in accordance with the Remuneration Policy but are not performance-based.

3.2.5 Long-Term Incentive Programme

There is no long-term incentive programme for the members of the Supervisory Board.

3.2.6 Agreement of total remuneration with the Remuneration Policy

The total remuneration for the members of the Supervisory Board corresponded to the Remuneration Policy during the past financial year. The remuneration for the members of the Supervisory Board must be market-orientated and designed to attract appropriately qualified persons for activities in an international listed company with a diversified investment portfolio. Moreover, the remuneration must allow for the balanced professional and personal composition of the Supervisory Board. A special focus is placed on diversity with regard to the representation of both genders and a balanced age structure as well as the internationality and professional backgrounds of the members. By supporting the balanced composition and broad-based qualifications of the Supervisory Board, this remuneration also supports the Company's sustainable development.

3.3 Information on share-based remuneration

EVN does not have a stock option programme, and no shares were offered or granted to the Supervisory Board members.

3.4 Other information and explanations

3.4.1 Deviations from the Remuneration Policy

There were no deviations from the Remuneration Policy or the implementation procedures defined therein during the past financial year.

3.4.2 Clawback of variable remuneration components

There were no clawback claims involving variable remuneration components during the past financial year.

3.4.3 Voting results from the last Annual General Meeting

The Remuneration Report for the 2019/20 financial year was approved by the 92nd Annual General Meeting on 21 January 2021 with 99.9% of the valid votes cast. Therefore, there was no need for actions or adjustments to the Remuneration Report.