

# Corporate governance report

EVN AG is a listed stock corporation under Austrian law whose shares are traded on the Vienna Stock Exchange. Corporate governance is therefore based on Austrian law – in particular stock corporation 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, see [www.corporate-governance.at](http://www.corporate-governance.at)) and the rules of procedure for the company's corporate bodies.

## Commitment to the Austrian Corporate Governance Code

### Introduction

The Executive Board and the Supervisory Board of EVN are committed to the principles of good corporate governance and thereby meet the expectations of national and international investors for responsible, transparent and sustainable management and control. On 1 October 2012, EVN announced its commitment to comply with the ACGC in the January 2012 version. The amendments to the ACGC to reflect the Second Stability Act from July 2012 are also binding for EVN.

The ACGC standards are divided into three categories. 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) require public disclosure of the reasons in the event of non-compliance. EVN provides a detailed explanation of any deviations from these rules online under [www.evn.at/Corporate-Governance-Report](http://www.evn.at/Corporate-Governance-Report) and provides an overview in the following section of this report. The R-rules represent recommendations and do not require the justification of deviations.

The EVN Executive Board and Supervisory Board formally declare their commitment to fully observe all C-rules of the ACGC, with the exception of the following deviations and explanations. 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-rules of the ACGC:

**Rule 16:** The Executive Board meetings must be called in accordance with legal requirements and be attended by at least two members for resolutions to be considered legally valid. Resolutions must be passed unanimously and abstention from voting is not permitted if the Executive Board has only two members. In cases where 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. A simple majority of the votes cast is required in all other cases. A spokesman will also be appointed for the Executive Board, even when there are only two members, and the direction of the meetings and representation therefore also apply in this case.

**Rule 45:** All members of the Supervisory Board, with one exception, complied with the provision that prohibits them from assuming functions on the boards of other enterprises which compete with EVN. The Supervisory Board member who does not meet this rule represents the interests of a specific shareholder of EVN AG.

**Rule 51:** The Supervisory Board remuneration is disclosed in total as well as in percentages for the chairman, the two vice-chairmen and the other members. This presentation provides adequate insight into the remuneration situation.



## Corporate bodies

### Executive Board

#### **Peter Layr**

Spokesman of the Executive Board

Born in 1953. Doctor of Technical Sciences. Joined EVN in 1978. Member of the EVN AG Executive Board since October 1999. Appointed spokesman of the Executive Board in January 2011. His term of office expires on 30 September 2019. Peter Layr has executive responsibility for the Generation, Network Infrastructure Austria and Environmental Services segments as well as the following corporate functions: data processing, procurement and purchasing as well as internal auditing. In accordance with the disclosure required by Rule 16 of the ACGC, he holds one supervisory board mandate in another domestic company that is not included in the consolidated financial statements of the EVN Group<sup>1)</sup>.

1) Verbund AG, member of the Supervisory Board



#### **Stefan Szyszkowitz**

Member of the Executive Board

Born in 1964. Master of Law, Master of Business Administration. Joined EVN in 1993. Member of the EVN AG Executive Board since January 2011. His term of office expires on 19 January 2016. Stefan Szyszkowitz has executive responsibility for the Energy Trade and Supply and Energy Supply South East Europe segments as well as the following corporate functions: controlling, customer relations, finance (incl. investor relations), Group accounting, general secretary and corporate affairs, information and communications, human resources as well as administration and construction. In accordance with the disclosure required by Rule 16 of the ACGC, he holds three supervisory board mandates in other domestic companies that are not included in the consolidated financial statements of the EVN Group<sup>2)</sup>.

2) EVN-Pensionskasse Aktiengesellschaft, chairman of the Supervisory Board  
CEESEG Aktiengesellschaft, member of the Supervisory Board  
Wiener Börse AG, member of the Supervisory Board

**Supervisory Board****Members of the Supervisory Board**

Name (year of birth)	Date of initial appointment	Function in listed companies and other important functions	Independence Rule 53 <sup>1)</sup>
<b>Shareholder representatives</b>			
President and Chairman Burkhard Hofer (1944)	from 20.01.2011	Member of the Supervisory Board of Flughafen Wien Aktiengesellschaft, Chairman of the Supervisory Board of HYPO NOE Gruppe Bank AG	no
Stefan Schenker 1 <sup>st</sup> Vice-Chairman (1946)	from 12.12.1996	Independent forestry engineer	yes
Willi Stoiwicek 2 <sup>nd</sup> Vice-Chairman (1956)	from 15.01.2009	Head of the Presidential Department of the Magistrate of the Provincial Capital St. Pölten	yes
Norbert Griesmayr (1957)	from 12.01.2001	Chairman of the Executive Board of VAV Versicherungs-Aktiengesellschaft	yes
Thomas Kusterer (1968)	from 17.01.2013	Member of the Executive Board of EnBW Energie Baden-Württemberg AG	yes
Dieter Lutz (1954)	from 12.01.2006	Managing Director of the BENDALUTZ-WERKE GmbH, Member of the management board of the Benda-Lutz Corporation, USA, Vice-President of the Lower Austrian Chamber of Commerce and of the association of Österreichische Industrie, Group Lower Austria	yes
Reinhard Meißl (1959)	from 12.01.2006	Head of the Finance department, Provincial Government of Lower Austria, CEO of NÖ Holding GmbH and NÖ Landes-Beteiligungsholding GmbH	yes
Bernhard Müller (1973)	from 12.01.2006	Mayor of the statutory city Wiener Neustadt	yes
Edwin Rambossek (1943)	from 20.01.2011	Management consultant	yes
Michaela Steinacker (1962)	from 12.01.2001 to 24.12.2013	Chairwoman of the advisory board of Raiffeisen Evolution project development GmbH, member of the Austrian Parliament	yes
Angela Stransky (1960)	from 16.01.2014	Authorised representative of Raiffeisenlandesbank Niederösterreich-Wien AG	yes
<b>Employee representatives</b>			
Franz Hemm (1955)	from 03.05.1994 unlimited term	Chairman of the Central Works Council of Netz Niederösterreich GmbH, Vice-President of the Lower Austrian Chamber of Labour	
Paul Hofer (1960)	from 01.04.2007 unlimited term	Chairman of the Central Works Council of EVN AG	
Monika Fraißl (1973)	from 01.07.2013 unlimited term	Central Works Council	
Manfred Weinrichter (1961)	from 01.01.2001 unlimited term	Vice-chairman of the Central Works Council of Netz Niederösterreich GmbH	
Otto Mayer (1959)	from 12.05.2005 unlimited term	Central Works Council	

The terms of office of all Supervisory Board members elected by the Annual General Meeting expire at the end of the Annual General Meeting that will vote on the release from liability for the 2014/15 financial year.

The employee representatives are delegated by the respective Works Council for an unlimited term, but may be recalled by their Works Council at any time.

1) Rule 53 of the ACGC: independence of the company and the Executive Board

A list of the Supervisory Board committees can be found on page 100.

### Independence of the Supervisory Board

A member of the Supervisory Board is considered to be independent 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 AG 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 AG 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 AG or a subsidiary of EVN AG that are considered material for that member. This also applies to business relations with companies in which the Supervisory Board member holds a significant economic interest;
- may not have acted as an auditor of EVN AG or owned a share in or worked as an employee of this firm 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 AG is a member of the supervisory board; and
- may not be closely related (i.e. direct offspring, spouses, life partners, parents, uncles, aunts, brothers, sisters, nieces, nephews) to a member of the Executive Board or to persons who hold one of the above-mentioned positions.

### Function and committees of the Supervisory Board

The Supervisory Board fulfils its responsibilities as a joint decision-making body in cases where individual issues are not delegated to its committees. The Supervisory Board 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 AG, each of which includes at least three elected Supervisory Board members and the legally required number of employee representatives:

The responsibilities of the **Audit Committee** are as follows:

- monitoring the accounting process;
- monitoring the effectiveness of the internal control system and, if necessary, the company's internal audit and risk management systems;

- monitoring the audit of the annual and consolidated financial statements;
- verifying and monitoring the independence of the auditor of the annual financial statements (consolidated financial statements), especially with regard to supplementary services provided for the audited company;
- reviewing the annual financial statements and preparing the authorisation of these financial statements, reviewing the proposal for the distribution of profits, the management report and, if applicable, the corporate governance report as well as submitting a report on the results of this review to the Supervisory Board;
- examining the consolidated financial statements and the Group management report and submitting a report on the results of this examination to the Supervisory Board of the parent company; and
- preparing a proposal for the Supervisory Board on the selection of the auditor of the annual and consolidated financial statements.

The Audit Committee includes the financial expert required by law and Rule 40 of the ACGC.

The **Personnel Committee** is responsible for all matters involving the relationships between the company and the members of the Executive Board, in cases where the full Supervisory Board is not responsible under law. The Personnel Committee nominates replacements for vacant seats on the Executive and Supervisory Boards. As the Remuneration Committee of the Supervisory Board, the Personnel Committee has one member with knowledge and experience relating to remuneration policy (Rule 43 of the ACGC).

The **Working Committee** is responsible for carrying out the specified tasks assigned by the full Supervisory Board. In certain urgent cases, the Working Committee is authorised by the rules of procedure for the Supervisory Board to approve specified business transactions on behalf of this body.

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 Audit Committee of the Supervisory Board met three times in 2013/14. The Working Committee, which also serves as an emergency committee, did not meet during 2013/14. The Personnel Committee, which also serves as a remuneration and nominating committee, met three times during the reporting year. Average attendance at Supervisory Board meetings equalled 88% in 2013/14.

## Composition of the Supervisory Board committees

### Working Committee

Burkhard Hofer (Chairman)  
Stefan Schenker  
Willi Stiowicek  
Reinhard Meißl  
Franz Hemm  
Paul Hofer

### Personnel Committee

Burkhard Hofer (Chairman)  
Stefan Schenker  
Willi Stiowicek

### Audit Committee

Stefan Schenker (Chairman)  
Burkhard Hofer  
Willi Stiowicek  
Reinhard Meißl  
Franz Hemm  
Paul Hofer

## Annual General Meeting

The shareholders of EVN exercise their legal and voting rights at the Annual General Meeting, whereby each share is granted one vote. EVN AG has no preferred shares or shares with multiple voting rights. Decisions on specific matters are reserved for the Annual General Meeting by Austrian law or the company's by-laws, among others the distribution of profits, the release of the members of the Executive Board and the Supervisory Board from liability, the selection of the auditor for the individual and consolidated financial statements, and the election of the members of the Supervisory Board. Moreover, the Annual General Meeting is entitled to make decisions pertaining to changes in the company by-laws and planned capital measures. The results of voting and the agenda for the 85<sup>th</sup> Annual General Meeting of EVN on 16 January 2014 are available on the EVN website (see [www.evn.at/AGM.aspx](http://www.evn.at/AGM.aspx)).

## Clear separation of management and control responsibilities

Austrian stock corporation law 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.

## Management of the company by the Executive Board

The Executive Board of EVN has 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 and the company's by-laws as well as the rules of procedure for the Executive Board that were approved by the Supervisory Board. Important rules of conduct are also defined by the ACGC.

Irrespective of the Executive Board's overall responsibility, the Supervisory Board establishes and assigns specific areas of responsibility to 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. Business transactions that require consent, based on legal regulations or a previous Supervisory Board resolution, require the Executive Board to obtain the consent of the Supervisory Board. The company by-laws contain a detailed list of such cases.

## Reporting obligations of the Executive Board

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 also include quarterly reports on the development of business in the Group and information on matters of importance relating to major Group subsidiaries.

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 chairman 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.

## Supervisory Board

As of 30 September 2014, 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 chairman 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% in a meeting on 29 May 2006. The independent members of the EVN Supervisory Board, as defined by Rule 53 of the ACGC, are listed on page 99.

The Supervisory Board performs its duties in accordance with the provisions of stock corporation law and the company's by-laws.

Additional guidelines for its activities are provided by the rules of procedure for the Supervisory Board 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. The rules of procedure for the Executive Board and the Supervisory Board contain a detailed list of such business transactions and measures.

The ACGC further demands an external valuation of compliance with the requirements defined in the Code (R-62). In the reporting period the evaluation of the efficiency of the Supervisory Board's activity, especially its organisation and mode of operation, was therefore undertaken by an external consulting company.

## Remuneration report

**Remuneration for top executives (Rule 28a):** In light of the requirements defined by the latest version of the ACGC, the current variable remuneration system for top executives was amended by the company's corporate bodies as of 1 October 2010. However, the ratio of the variable remuneration to fixed salaries remained the same.

This adjustment set the following priorities:

### **Indicators to illustrate the company's economic situation:**

In line with the further development of management indicators to reflect the strategic and operating priorities of the EVN Group, the following quantitative parameters are used: increase in economic value added (EVA®) and average cash flow contribution.

**Sustainability:** Within the frame of the new remuneration rules one of the primary objectives of the current version of the ACGC is to strengthen the focus of the Executive Board and top managers on sustainability and a long-term orientation. The introduction of multi-annual targets and a bonus reserve further increased the solidity and stability of the variable remuneration system.

The bonus reserve is defined as a payment mechanism which is converted into an annual pro-rata bonus if the quantitative targets are met during a given period. Up to one-half of the bonus reserve is distributed after the achievement of objectives has been confirmed, while the remainder is carried forward to the next year. The introduction of a bonus reserve is designed to achieve two main goals.

On the one hand, it serves to focus on a multi-annual approach that links consecutive years by carrying the unpaid bonus components from the initial reserve forward to the period similar to an opening balance. On the other hand, this scheme aims to cushion and smooth the "independent" fluctuations in the company's economic performance.

**Multi-year approach:** The quantitative objectives are defined in advance for a period of three years. The determination of target achievement is based on internal data and information as well as external sources, e.g. benchmarks, peer group analysis and capital market and rating evaluations. In addition to the general three-year period, the accuracy and validity of the medium-term targets is evaluated each year. These targets are only revised in exceptional cases, for example in light of unforeseeable events or changes in the company which have a significant impact on performance.

**Stock options (Rule 29):** EVN does not have a stock option programme for the members of the Executive Board or key managers.

### **Performance-based bonus programme for the Executive Board**

**(Rules 27, 30):** In 2013/14, the remuneration of the Executive Board comprised a fixed component of approx. 80% and a variable component of approx. 20%. The variable component was based on the 2012/13 financial year. The performance-based component consists of the following parts: 30% based on increase in economic value added (EVA®), 40% on the average cash flow contribution and 30% on individually agreed targets. Target corridors between 0% and 200% have been defined for the quantitative performance criteria (EVA®) and the cash flow contribution, whereas 0% to 100% of the individually agreed targets can be achieved.

In keeping with the requirements of the current ACGC, the Supervisory Board of EVN AG approved an amendment to the previous variable remuneration scheme beginning in 2010/11. However, the ratio of variable remuneration to fixed salaries remained unchanged. Additional information is provided under the remuneration system for top executives (Rule 28a).

Detailed information on the remuneration of the Executive Board is provided in the notes to the consolidated financial statements on page 215.

### **Directors and officers insurance (D&O insurance, Rule 30):**

EVN has arranged for D&O insurance to cover claims for damages by the company, shareholders, creditors, competitors and customers against the Executive Board resulting from violations of their legal obligation to exercise diligence in their capacity as managing directors. The managerial bodies of the Group's subsidiaries and certain affiliated companies are jointly insured under the prevailing terms

and conditions at the present time. The costs for this insurance are carried by the company. Since the premium applies to the Group and is not dependent on the number of insured persons, extending this insurance coverage to the members of the Supervisory Board does not increase the premium.

**Contracts requiring the approval of the Supervisory Board (Rule 48):** No member of the Supervisory Board has concluded a contractual agreement with EVN or one of its subsidiaries that would entitle him to more than an insignificant payment. All such contracts are subject to the approval of the Supervisory Board.

**Remuneration of the Supervisory Board (Rule 51):** The Supervisory Board remuneration totals TEUR 98 per year. The chairman receives 15.1% of this amount, each of the two vice-chairman 11.0% and each of the other members slightly more than 9.0%. The attendance fee equals EUR 190 per person and meeting.

**Measures to support women (Rule 60):** EVN is committed to offering equal opportunities to all its employees. The percentage of women in EVN's workforce amounts to 21.4%. The Women@EVN programme was developed in 2010/11 to increase this percentage by improving the opportunities and perspectives offered to women working for the EVN Group in Austria. It is designed to create operating conditions that enable women to assume qualified positions in specialised areas and at the management level in line with their inclinations and skills. There were no appointments of women to additional senior positions during the reporting year. Nine women currently serve as project managers (project manager career). The percentage of young women in the Group's management development programme was higher than the current share of women in EVN's workforce during the reporting year. EVN has long pursued measures to support the work-life balance, including 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 also open to men and women on parental leave. EVN's objective for the medium term is to increase the share of women to a level that mirrors the current educational levels of women 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 applicable works council.

**Directors' Dealings (Rule 73):** No purchases of EVN AG shares by members of the corporate bodies or other persons listed in § 48 d (4) of the Austrian Stock Exchange Act were reported to the company or to the Austrian Financial Market Authority during 2013/14.

**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 in the notes to the consolidated financial statements (note 67).

**Auditor's fees:** EVN's annual and consolidated financial statements for the 2013/14 financial year were audited by KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Vienna. The fees charged by KPMG in 2013/14 amounted to EUR 1.5m (previous year: EUR 1.8m) and were distributed as follows: 52.2% for auditing and audit-related services (previous year: 35.0%), 47.0% for tax consulting services (previous year: 63.0%) and 0.8% for other consulting services (previous year: 2.0%).

## Internal audit and risk management at EVN

### Internal audit

EVN's internal audit department reports directly to the Executive Board and to the Audit Committee of the Supervisory Board. It is responsible for auditing and controlling processes and business units throughout the EVN Group. Separate internal audit departments were also established at EVN's subsidiaries in Bulgaria and Macedonia. The internal audit departments prepare annual audit plans based on the results of risk assessments, and these plans are approved by the responsible corporate bodies before implementation. Any problem areas identified during the audits are reported to the respective business units and measures for improvement are recommended. The implementation of the measures approved by EVN's management is then evaluated in follow-up audits. No serious deficiencies were identified that could endanger the strategy and objectives of the EVN Group.

### Risk management

The primary goal of risk management at EVN is to protect the Group's current and future earnings potential. Risks are recorded and analysed based on a centrally managed two-stage process that provides the responsible employees in the EVN Group with methods and tools to identify and evaluate risks. The respective business units, which are also responsible for risk management, communicate their risk exposures to the central risk management depart-

ment, which classifies, analyses and evaluates risks across the entire Group. Measures to minimise corporate risks are also identified and their implementation is monitored. The two-stage risk management process is supported by standardised guidelines and carried out throughout the Group on an on-going basis. The resulting risk analyses are presented to the Executive Board and the responsible managing directors at regular intervals by the Group Risk Committee. A detailed presentation of EVN's main risks and the measures taken to control risks can be found in the chapter Risk management in the 2013/14 management report.

### **Issuer compliance**

EVN has developed a comprehensive set of rules to prevent the misuse of insider information, which are based on the regulations defined by the Austrian Stock Corporation and Stock Exchange Acts, the Austrian Issuer Compliance Code and the Directive of the European Parliament on insider dealing and market manipulation. Twenty permanent and six ad-hoc areas of EVN's business have been designated as strictly confidential, and the involved employees undergo regular training. In line with the Austrian Stock Exchange Act, compliance and confidentiality are monitored and evaluated by a designated compliance officer who reports directly to the Executive Board. The regular controls carried out by the compliance officer in 2013 /14 did not identify any deficiencies.

### **EVN Code of Conduct**

EVN places great importance on the integrity and legally compliant behaviour of all its employees and business partners. As an international energy and environmental services company, the management and employees of EVN have a far-reaching responsibility and role model function both in Austria and abroad.

The Code of Conduct, which was developed in a Group-wide process and updated during 2012, forms the basis for all compliance measures at EVN.

EVN's compliance organisation was revised in 2011/12, and a fundamental commitment was made to develop a compliance management system (CMS). The staff department Corporate Compliance Management (CCM) was established as of 1 October 2012 to develop, manage and improve the CMS; this department reports directly to the Executive Board. The CMS defines a standardised framework for the entire Group, which is designed to ensure honest and legally compliant behaviour in everyday business activities.

Following the installation of a Group-wide compliance organisation in 2012/2013, activities during the reporting year focused on employee training. As EVN managers play a key role and serve as role models in establishing a sustainable compliance culture, roughly 100 managers were sensitised for this subject in five-hour interactive, dialogue-oriented workshops in October. Training sessions for the managers of the strategic units in South Eastern Europe, above all in Bulgaria and Macedonia, followed during the months from February to April 2014.

In order to spread and anchor the CMS as strongly as possible throughout the Group, training sessions were consequently also organised for employees. The compliance officers responsible for the respective departments explained EVN's CMS and the related structures and processes in sessions consisting of small groups and lasting for at least 2.5 hours, whereby special focus was placed on explaining the anonymous whistle-blower system. The content of the training sessions is based on the ten subject areas defined in EVN's Code of Conduct. The following subjects were defined based on the risk analysis and discussed with the help of specific case studies: customers, capital market and investors, integrity and avoidance of corruption, data protection and confidentiality.

The compliance box "Compliance. It's good energy." was developed for these training courses. It can be used as a collection of resources or reference work and was distributed to all participants at the start of the training course. The box is available in German, English, Bulgarian, Macedonian and Russian.

Compliance training courses on the content described above were held for roughly 6,000 employees and over 200 managers in ten different languages at more than 100 different locations in 2013/14. Plans call for the completion of these courses by the end of the 2014 calendar year, which means that all employees and all managers in the EVN Group are well equipped to deal with the challenges resulting from adherence to the compliance rules.

New compliance-relevant content and issues are reviewed on a regular basis. In accordance with the risk assessment, they are processed and included in the compliance box as required. Training courses on special subjects provide additional information for areas exposed to increased risk. In order to strengthen the awareness for compliance and reinforce the course content, employees have access to the EVN Intranet as well as to e-learning tools that were especially developed and contain, among other, special functions for managers, infrastructure project managers or sales employees. A specific plan sets the main points for communications on current compliance issues.



An important element of the CMS is the whistle-blowing procedure, which provides a framework to report possible violations of EVN's Code of Conduct. This system is voluntary and anonymous, and the identity of the reporting person is never revealed.

The EVN Code of Conduct can be found under [www.evn.at/Code-of-conduct.aspx](http://www.evn.at/Code-of-conduct.aspx). Its content is based on EVN's various stakeholder groups and is designed to support all employees in implementing EVN's values during their working activities.

Maria Enzersdorf, 18 November 2014



**Peter Layr**  
Spokesman of the Executive Board

The Supervisory Board received a report on the content, goals and status of the compliance organisation in its meeting on 11 December 2013 in accordance with Rule 18a of the ACGC.

#### **Audit of the consideration of the Austrian Corporate Governance Code by KPMG Austria**

The report by KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Vienna, on their audit of the corporate governance report of EVN AG, Maria Enzersdorf, pursuant to § 96 (2) Stock Corporation Act, to evaluate compliance with the ACGC is available under [www.investor.evn.at](http://www.investor.evn.at).



**Stefan Szyszkowitz**  
Member of the Executive Board