

To the members of the
Executive Board of
VERBUND AG
DG DI Wolfgang Anzengruber
Am Hof 6A
1010 Vienna

Vienna, 18 February 2020
GM/SKH/mz/DW 4600
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cc: Supervisory Board Chairman MMag. Thomas Schmid

Report on the evaluation of VERBUND AG's compliance with the Austrian Code of Corporate Governance in financial year 2019

Dear Sirs,

Due to the listing of VERBUND AG shares in the Prime Market segment of the Vienna Stock Exchange, compliance with the provisions of the Austrian Code of Corporate Governance 2018 ("ÖCGK 2018"), as amended, is mandatory for the Company's Executive Board and Supervisory Board. Item 62 of the ÖCGK recommends having compliance with the ÖCGK periodically evaluated by an external institution.

VERBUND AG follows this recommendation, which is why the Executive Board of VERBUND AG engaged us to evaluate VERBUND AG's compliance with the provisions of ÖCGK 2018 in the 2019 financial year ("evaluation"). The objective of the evaluation is to give the public an understanding of VERBUND AG's compliance with the principles of corporate governance.

Responsibility of the management

The Company's management is responsible for duly preparing the 2019 Corporate Governance Report in accordance with ÖCGK 2018.

Responsibility of the auditor

Our responsibility is to express an opinion on whether any matters have come to our attention during our limited assurance engagement which lead us to believe that the Corporate Governance Report is not consistent with ÖCGK 2018 in all material respects.

We have performed our engagement in accordance with the Austrian professional standards (KFS/PG 13) for limited assurance engagements. Our professional obligations require us to plan and conduct the engagement in accordance with the principle of independence and materiality in order to provide a limited level of assurance.

A limited assurance engagement is substantially more limited than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit.

Our procedures are based on professional judgement and include the following:

- Enquiry of representatives and employees of VERBUND AG
- Sample review of relevant documents and records (especially the Articles of Association of VERBUND AG, the rules of procedure for the Executive Board and Supervisory Board, minutes of Supervisory Board meetings, etc.) to the extent that these or their content are required to comply with the provisions of the Code
- Review of the explanations on the deviations from C Rules as part of the Corporate Governance Report of VERBUND AG for financial year 2019, and examination of their compliance with requirements of ÖCGK 2018

We did not perform either an audit or a review of the financial statements. Furthermore, this engagement is neither designed to investigate any illegal actions, for example, embezzlement or fraudulent transactions, nor does it evaluate the effectiveness of the Company's management.

Summarised Conclusion

No deviations have been identified regarding the C Rules of the Corporate Governance Report of VERBUND AG.

During our evaluation, nothing came to our attention that causes us to believe that the Corporate Governance Report is not prepared, in all material aspects, in compliance with ÖCGK 2018.

As we also audited the Company's financial statements in financial year 2019, our engagement did not include an audit of compliance with C Rules 77–83 of the Austrian Code of Corporate Governance.

Limitation of use

The purpose of this engagement is to provide your company with support in the form of an external evaluation of the Corporate Governance Report of VERBUND AG. Our report may only be published on VERBUND AG's website and disseminated under the specific condition that our total liability to you, and any other party who receives this report with our permission, is limited to the amount stated in the General Conditions of Contract for the Public Accounting Professions (AAB 2018). Partial reproduction of the report (for example, annexes to the report) is not permitted.

Engagement approach

Our limited assurance engagement is based on the contract concluded with the Company, an integral part of which are the General Conditions of Contract for the Public Accounting Professions (AAB 2018).

Our liability is limited to claims for damages based on at least gross negligence on our part. Liability for ordinary negligence is excluded. We are not liable for the work of any external auditors or lawyers. All limitations of liability also apply to Deloitte employees employed by us. Where claims for damages brought against us are not or are no longer enforceable, claims brought on other legal grounds (e.g. warranty, error) shall also be excluded.

To the extent permitted by law, our liability in the case of gross negligence vis-à-vis the Company and also vis-à-vis third parties (this also applies if there are several claimants or foundations for claims) is limited to the overall liability limit of five times the fee (excluding any cash outlays and expenses and excluding value-added tax) received from the Company and also from third parties (this also applies if there are several claimants or foundations for claims), but not more than ten times the minimum cover of the professional liability insurance pursuant to Section 11 of the Austrian Professional Accountants and Tax Advisors' Act (Wirtschaftstreuhandberufsgesetz, WTBG). Claims for damages are limited to the direct loss. We are only liable for loss of profit in cases of intent or blatant gross negligence to the extent permitted by law. We are not liable for unforeseeable or atypical damage which we could not have expected.

Deloitte Audit Wirtschaftsprüfungs GmbH

Mag. Gerhard Marterbauer
Wirtschaftsprüfer
(Austrian Certified Public Accountant)

Mag. Christof Wolf
Wirtschaftsprüfer
(Austrian Certified Public Accountant)

Enclosures

Corporate Governance Report of VERBUND AG for 2019

General Conditions of Contract for the Public Accounting Professions (AAB 2018)