Agenda item 7

Voting recommendation by the Supervisory Board

In accordance with Article 10(1) of the Articles of Association of VERBUND AG, the Supervisory Board consists of up to twelve members elected by the Annual General Meeting.

Following the most recent election of Supervisory Board members at the 73rd Annual General Meeting on 16 June 2020, the Supervisory Board consisted of fifteen members, of whom ten were elected by the Annual General Meeting.

MMag. Thomas Schmid departed from the Supervisory Board with effect from 8 June 2021, stepping down as Chairman and member of the Supervisory Board. The terms of two elected members of the Supervisory Board, Dr. Susan Hennersdorf and Prof Dr. Barbara Praetorius, will expire at the end of the upcoming 75th Annual General Meeting on 25 April 2022.

In order to reach the previous number of ten members elected by the Annual General Meeting, three members must now be elected at the upcoming 75th Annual General Meeting.

Section 86(7) of the Austrian Stock Corporation Act (Aktiengesetz, AktG) concerning the proportional gender representation on the Supervisory Board applies to VERBUND AG, which must therefore ensure compliance with the minimum quota in accordance with Section 86(7) of the Austrian Stock Corporation Act (AktG). No objection to joint compliance of the quota has been raised in accordance with Section 86(9) of the Austrian Stock Corporation Act (AktG), either by the majority of the shareholder representatives or by the majority of the employee representatives, so joint compliance rather than separate compliance will apply in accordance with Section 86(7) of the Austrian Stock Corporation Act (AktG). Consequently, at least five seats on the Supervisory Board must be filled by women or by men.

Currently, of the nine shareholder representatives on the Supervisory Board, five are men and four are women, and of the five employee representatives two are men and three are women, which means that the minimum quota in accordance with Section 86(7) of the Austrian Stock Corporation Act (AktG) has been met.

The Supervisory Board proposes the filling of all three seats, at least two of which with women, so that after the election at the Annual General Meeting on 25 April 2022 the Supervisory Board once again comprises ten members elected at the Annual General Meeting and the minimum quota in accordance with Section 86(7) of the Austrian Stock Corporation Act (AktG) is fulfilled. The following nominations to the Supervisory Board were made on the basis of the requirements of Section 87(2a) of the Austrian Stock Corporation Act (AktG) and the Austrian Code of Corporate Governance (Österreichischer Corporate Governance Kodex, ÖCGK). The Supervisory Board proposes the election to the Supervisory Board with effect from the end of this Annual General Meeting of:

1. Dr. Edith Hlawati, until the end of the Annual General Meeting at which the actions of the members of the Supervisory Board will be approved for financial year 2025;
2. Prof. Dr. Barbara Praetorius, until the end of the Annual General Meeting at which the actions of the members of the Supervisory Board will be approved for financial year 2023; and
3. Dipl. Ing. Robert Stajic, until the end of the Annual General Meeting at which the actions of the members of the Supervisory Board will be approved for financial year 2024.

In the event of the election of the nominated persons at the Annual General Meeting on 25 April 2022, there would again be four women among the shareholder representatives as members of the Supervisory Board and the proportion of women among the shareholder representatives would thus continue to be 40%.

A separate vote will be held for each of the seats to be filled (three seats) at the upcoming Annual General Meeting.

A candidate's declaration in accordance with Section 87(2) AktG of the Austrian Stock Corporation Act (AktG) stating his or her specialised qualifications and his or her professional or comparable roles has been submitted for each of the persons nominated for the election and is accompanied by confirmation that there are no circumstances that could give rise to concerns of bias and that there are no convictions by a court of law for a crime that would call into question the professional reliability of the Supervisory Board.

The Supervisory Board Nomination Committee prepared this voting recommendation and in submitting it as defined by Section 87(2a) of the Austrian Stock Corporation Act (AktG) gave attention to the professional and personal qualifications of the member as well as a balanced composition of the Supervisory Board in professional terms and properly considered diversity aspects of the Supervisory Board in regard to representation of both genders and the age structure as well as the degree of internationality of its members.

For the elections, the Annual General Meeting is bound to the candidates for election as follows. The nomination of candidates for the election of Supervisory Board members including declarations in accordance with Section 87(2) of the Austrian Stock Corporation Act (AktG) must be made available for every candidate on the Company's website no later than by 15 April 2022; the person in question shall otherwise be excluded from the election. This also applies to candidates nominated by shareholders in accordance with Section 110 of the Austrian Stock Corporation Act (AktG), which must be received by the Company in text form no later than by 13 April 2022.