

# Remuneration policy for the Executive Board of VERBUND AG

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## Remuneration policy for the Executive Board of VERBUND AG

### Introduction

In accordance with Section 78a of the Austrian Stock Corporation Act (*Aktiengesetz, AktG*), the supervisory board of listed companies is to prepare a remuneration policy for the members of the executive board. The previous remuneration policy (hereinafter: “2024 remuneration policy”) of VERBUND AG (hereinafter: “VERBUND” or “the Company”) was presented to the 76th Annual General Meeting for resolution on 25 April 2023 pursuant to Section 78b of the Austrian Stock Corporation Act (*AktG*) and was approved by 99% of the votes cast. The remuneration policy provides an overview of the principles governing the remuneration of the Executive Board and explains how this promotes the Company’s business strategy and long-term development.

The remuneration policy is regularly reviewed and presented to the Annual General Meeting at least every fourth year, or if any material changes are made. In developing and revising the remuneration policy, the Supervisory Board must be guided by the legal regulations and other applicable statutory provisions of special laws, in particular the provisions of the Public Appointments Act (*Stellenbesetzungsgesetz, Stellbg*), the Federal Regulation on Specimen Contracts (*Bundes-Vertragsschablonenverordnung, B-VV*) and the Austrian Code of Corporate Governance (*ÖCGK*).

The Remuneration Committee of the Supervisory Board reviewed the Executive Board’s remuneration policy with respect to VERBUND’s Mission V strategy as well as the practicability and fairness of the incentive effect. Here, the focus was also on the latest market developments. The Remuneration Committee of the Supervisory Board decided to continue the previous remuneration policy in principle, making specific adjustments. These mainly concern adaptations of the methods used to calculate long-term remuneration. To avoid reporting date effects, a longer period for averaging will be used in future when determining the number of phantom shares under the virtual performance share plan and when determining the closing price of the relative total shareholder return.

The remuneration policy, which was revised in specific respects (hereinafter referred to as the “remuneration policy”), was adopted by the Supervisory Board on 19 March 2025 following a proposal by the Remuneration Committee. The revised remuneration policy for the Executive Board of VERBUND is described below and will be presented to the 78th Annual General Meeting on 29 April 2025 for approval in accordance with Section 78b of the Austrian Stock Corporation Act (*AktG*).

The remuneration policy presented in detail below is to come into force following approval of the Annual General Meeting as at 1 January 2026 for all actively serving and future members of the Executive Board. If the Annual General Meeting rejects the proposed remuneration policy, VERBUND shall present a reviewed remuneration policy to the following Annual General Meeting.

## 1. Process regarding remuneration policy

### 1.1 Process for determining, reviewing and implementing the remuneration policy, and for avoiding and dealing with conflicts of interest

The remuneration policy for the Executive Board members is discussed by the Remuneration Committee and the Supervisory Board and adopted by the Supervisory Board for submission to the Annual General Meeting. The remuneration policy is based on international benchmarks, is regularly reviewed to determine whether it is up to date, and is revised if necessary. In accordance with Section 78a of the Austrian Stock Corporation Act (AktG), the remuneration policy will be presented to the Annual General Meeting for a resolution at least every fourth year, and also following any material change.

The Supervisory Board and/or the Remuneration Committee may obtain external expertise for reviewing, developing, implementing and executing the remuneration policy. The principles of the remuneration of Executive Board members were developed based on the applicable statutory provisions of special laws (the Public Appointments Act (Stellbg) and the Federal Regulation on Specimen Contracts B-VV)) that apply to VERBUND.

The remuneration policy is implemented in such a way that contracts for the members of the Executive Board are concluded exclusively based on the provisions in this policy. Furthermore, the remuneration policy is generally implemented continually by means of the strategic annual target-setting process (not only for short-term but also for long-term remuneration), and also by determining actual target achievements and, if applicable, through additional measures necessary for implementing the remuneration policy. The Supervisory Board and/or its Remuneration Committee are responsible for the review.

The Remuneration Committee of VERBUND's Supervisory Board is responsible for defining and implementing the remuneration for the Executive Board based on the remuneration policy and taking the initiative for revising it. The Remuneration Committee is primarily made up of independent members of the Supervisory Board.

All members of the Remuneration Committee and the Supervisory Board must – on their own initiative – report every conflict of interest on topics related to the remuneration policy and, if necessary, withhold their vote.

There is a detailed presentation of the implementation of the remuneration policy in the annual remuneration report, which has been presented every year to the Annual General Meeting for resolution since 2021.

### 1.2 Principles of the remuneration policy

In defining the remuneration policy, the following principles are taken into account in particular:

- **Promotion of the Company's business strategy and long-term development**

The remuneration of the members of the Executive Board is linked to the implementation of the strategy and the long-term development of the Company. The remuneration elements are designed to support the strategic targets and hence the basis for the Company's long-term and sustainable development. In addition to the fixed annual base salary, fringe benefits and pension fund contributions, the short-term remuneration (Short-Term Incentive – STI) and the long-term remuneration (Long-Term Incentive – LTI) in particular focus on the Company's long-term, sustainable development.

- **Pay-for-Performance**

The performance-related variable remuneration components represent the strategic alignment of the Company and provide incentives for a sensible balance between the necessity of optimizing business operations and increasing VERBUND's medium and long-term company value. Tying every member of the Executive Board to VERBUND's strategy through (individual) targets and performance incentives ensures the Company's sustainable development in line with the interests of shareholders.

- **Appropriateness and competitiveness**

It should be ensured that the total remuneration of members of the Executive Board is commensurate with the situation of the Company and with the customary remuneration in comparable companies. The remuneration of a member of the Executive Board should take into account the responsibility, scope, and complexity of the position as well as the role in the Executive Board as a whole. It should be competitive to ensure that VERBUND is competitive on the labour market for top management executives.

- **Consideration of employee remuneration and employment conditions**

The Company's goals are competitive remuneration and employment conditions, not only for employees but also for members of the Executive Board, which optimally promote and support the strategy implementation. The principles which apply to employees are also used in adjusted form for the Executive Board. Generally, the Company's remuneration structure is designed for high competitiveness in the energy sector. The annual base salaries are designed in line with the market. Furthermore, the remuneration packages for employees include a balanced and transparent mixture of fixed and occasionally variable components. Business success is equally a determining factor in the performance-based salary model applicable for employees and the variable remuneration for members of the Executive Board. General rules on providing pensions for members of the Executive Board are based on the works agreements that apply to employees in the form of a defined contribution inter-company pension fund – complying with the provisions of the Federal Regulation on Specimen Contracts (B-VV) and the Public Appointments Act (Stellbg). By defining non-financial performance criteria, such as workplace safety, promotion of women, or compliance, including appropriately measurable KPIs, the employment conditions of employees and their continuous development have a direct impact on the remuneration of the Executive Board.

## 2. Overview of remuneration policy

### 2.1 Summary of remuneration policy

The most important components of the remuneration policy are summarized below:

<b>Remuneration policy of the Executive Board</b>	
<b>Fixed, non-performance remuneration components</b>	
Annual base salary	<ul style="list-style-type: none"> <li>Fixed annual base salary, paid in fourteen monthly instalments</li> </ul>
Fringe benefits	<ul style="list-style-type: none"> <li>Payments in kind and customary fringe benefits, comprising in particular a company car, contribution to private health and accident insurance and D&amp;O insurance</li> </ul>
Defined contribution pension plan	<ul style="list-style-type: none"> <li>Contributions to the defined contribution pension plan amounting to 10% of the annual base salary per year for the duration of the Executive Board contract</li> </ul>
<b>Variable, performance-related remuneration components</b>	
Short-term remuneration, Short-Term Incentive (STI)	<ul style="list-style-type: none"> <li>Plan type: Target bonus</li> <li>Target amount: 60% of the gross annual base salary</li> <li>Assessment period: 1 year</li> <li>Performance criteria:               <ul style="list-style-type: none"> <li>Net profit adjusted for non-recurring effects (70%–80%)</li> <li>Personnel/sustainability performance targets (20%–30%)</li> </ul> </li> <li>Target achievement cap: 150%, no creditability of overachievement</li> <li>Payout cap: 90% of the gross annual base salary</li> </ul>
Long-term remuneration, Long-Term Incentive (LTI)	<ul style="list-style-type: none"> <li>Plan type: Virtual Performance Share Plan</li> <li>Grant amount: 90% of the gross annual base salary</li> <li>Assessment period: 4 years</li> <li>Performance criteria:               <ul style="list-style-type: none"> <li>Development of the relative total shareholder return (30%–50%) (peer group: European energy companies)</li> <li>Free cash flow before dividends (30%–50%)</li> <li>Sustainability performance targets (20%–30%)</li> </ul> </li> <li>Target achievement cap: 150%, no creditability of overachievement</li> <li>Payout cap: 135% of the gross annual base salary</li> </ul>
<b>Other remuneration components</b>	
Malus and clawback	<ul style="list-style-type: none"> <li>Option to reduce (malus) and to reclaim (clawback) all variable remuneration components in case of incorrect consolidated financial statements and in case of compliance violations</li> </ul>
Share ownership guideline (SOG)	<ul style="list-style-type: none"> <li>Share ownership guideline: 70% of the gross annual base salary (SOG target)</li> </ul>

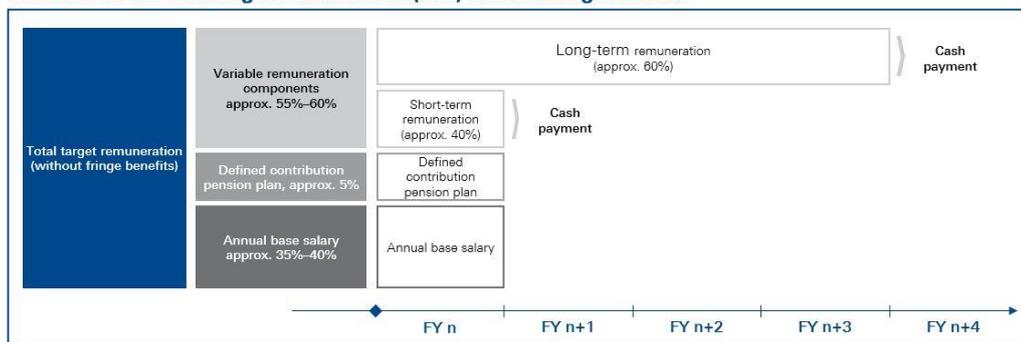
### 2.2 Remuneration structure

The total target remuneration of the members of the Executive Board comprises fixed, non-performance-related remuneration components consisting of the annual base salary, fringe benefits and pension fund contributions, as well as target values of the variable remuneration components, consisting of short-term remuneration (Short-Term Incentive, STI) and long-term remuneration (Long-Term Incentive, LTI). The target value in each case indicates the amount of the contractually agreed variable remuneration component assuming a target achievement of 100%.

The Executive Board’s remuneration is primarily performance-related, which is ensured through the high proportion of the variable remuneration in the total target remuneration. In addition, the variable remuneration is predominantly linked to the achievement of ambitious and long-term targets. In this way, the remuneration structure places a strong focus on the long-term development of VERBUND. In each case, up to 30% of the variable remuneration takes ESG targets into account, which strengthens VERBUND’s sustainable development.

The following illustration shows the general remuneration structure of the members of the Executive Board of VERBUND. The structure of the total target remuneration may differ slightly between members of the Executive Board, especially between the CEO and the Executive Board members. When determining the remuneration, the Remuneration Committee ensures that the proportion of the remuneration components are within the following ranges. Since the benefits in kind and fringe benefits are naturally subject to annual variation, these are not taken into account in the illustration. Generally, the fringe benefits account for less than 5% of the total target remuneration and are presented in the remuneration report.

**Structure of the total target remuneration (TTR) without fringe benefits**



### 3. Details of the remuneration policy

#### 3.1 Fixed, non-performance-related remuneration components

##### 3.1.1 Annual base salary

The fixed annual base salary of the members of the Executive Board is paid in 14 monthly instalments as salary.

##### 3.1.2 Fringe benefits

During the term of the Executive Board service contract, members of the Executive Board receive a company car and, depending on availability and the purpose and duration of the given business trip, they may use a driver. Furthermore, members of the Executive Board are entitled to accident and term life insurance as well as the option of (collective) supplementary health insurance. Payments in kind (e.g. a parking space) are also possible.

In individual cases, the Remuneration Committee has the option to grant new members of the Executive Board one-time payments upon taking up office. For instance, this allows for moving and leasing costs or any losses of variable remuneration at the former employer which are incurred by the change to VERBUND to be compensated, upon presentation of proof. This ensures the necessary

flexibility for the Supervisory Board and/or Remuneration Committee for attracting the best possible candidates.

### 3.1.3 Leave

The members of the Executive Board are entitled to annual leave of 30 working days. The leave entitlement expires two years after the end of the year in which it arose. Applying Section 10 of the Leave Act (*Urlaubsgesetz, UrlG*) mutatis mutandis, payment in lieu shall be made for any due leave that has not lapsed when the service relationship is terminated.

### 3.1.4 Pension fund contributions

The members of the Executive Board have the right to a defined contribution pension scheme in the form of an inter-company pension fund. During the term of the Executive Board contract, VERBUND pays contributions amounting to 10% of the fixed gross annual base salary into a pension fund (APK Pensionskasse AG), thus implementing Section 3 of the Federal Regulation on Specimen Contracts (B-VV). The actual amount of the defined contribution pension fund payment depends on the available capital in the pension fund. Retirement takes place according to the approved business plan of the pension fund. Receipt of a pension benefit is based on the entitlement conditions of the Austrian statutory pension. All capital market and actuarial risks are borne by the members of the Executive Board, and there is no obligation for VERBUND to make additional payments.

### 3.1.5 D&O insurance

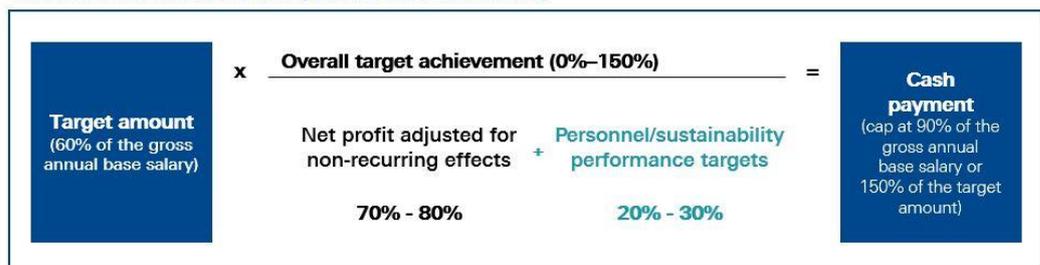
VERBUND has financial loss liability insurance for the executive bodies; the members of the Executive Board are included in this insurance. The costs are borne by the Company.

## 3.2 Variable, performance-related remuneration components

### 3.2.1 Short-term remuneration (Short-Term Incentive)

Members of the Executive Board of VERBUND receive short-term variable remuneration (Short-Term Incentive, STI) in the form of a target bonus model. The following illustration presents the general functioning of the short-term remuneration:

#### Short-term remuneration (Short-Term Incentive)



The payment amount of the short-term remuneration not only depends on the achievement of financial targets but also on selected personnel and sustainability performance targets (ESG targets). Relevant performance criteria are Group net profit adjusted for non-recurring effects with a weighting of 70–80%

as well as up to three personnel and sustainability performance targets with a weighting of 20–30%. Altogether, the defined performance criteria of the STI represent important steering elements for achieving the 2030 strategic targets of VERBUND. The target amount of the short-term remuneration, which defines the payment amount assuming a target achievement of 100%, corresponds to 60% of the fixed gross annual base salary. The maximum STI payment is limited to 150% of the target amount, or 90% of the gross annual base salary.

**Group net profit adjusted for non-recurring effects**

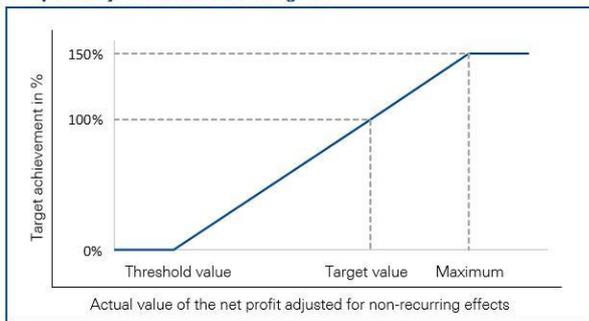
The Group net profit adjusted for non-recurring effects is used as a financial performance criterion. This is aligned with the Group electricity supply from hydropower corresponding to the mean energy capability, wind power and photovoltaic energy as per the volume ascertained in an expert opinion, regulatory effects on the grid and changes in the basis of consolidation. Unusual incidents are handled by mutual agreement on a case-by-case basis.

When defining the target value for the Group net profit adjusted for non-recurring effects, the budget planning of the VERBUND Group is taken into account. The target value is based on a budget updated at the beginning of the financial year to reflect any significant developments since the time the budget was drawn up. To calculate the target achievement, the percentage deviation – from the defined target value – of the Group net profit adjusted for non-recurring effects is determined. The target achievement of the Group net profit pursuant to the target agreement is 100% if the actual value achieved corresponds to the agreed target value. If the actual value achieved is below the threshold value, the target achievement is 0% (“threshold value”). If the actual value achieved exceeds the maximum value, the target achievement is 150% (“maximum value”). Target achievement levels between the defined target achievement points (0%; 100%; 150%) are determined by linear interpolation. Target achievement is rounded to two decimal places.

The weighting of the financial performance criterion and the threshold, target and maximum values are defined in a target agreement to be concluded annually by the Remuneration Committee of the Supervisory Board.

The target achievement curve for the Group net profit adjusted for non-recurring effects is as follows:

**Sample target achievement curve –  
Net profit adjusted for non-recurring effects**



### Personnel and sustainability performance targets (ESG targets)

The personnel and sustainability performance targets are derived from VERBUND's sustainability strategy and are set annually by the Remuneration Committee of the Supervisory Board. Up to three criteria from the categories of environment and energy, economy, as well as social affairs and governance are defined for the personnel and sustainability performance targets and operationalised with specific goals and target values.

The following list reflects the criteria catalogue based on VERBUND's sustainability strategy:

### Criteria catalogue for sustainability performance targets

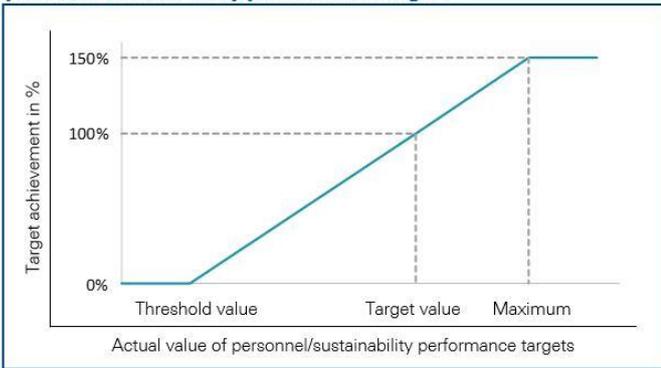
Environment and energy	Economic	Social	Governance
Waste and waste water	Information security and data protection	Occupational health and safety	Compliance and transparency
Biodiversity	Innovation	Attractive employer	Corporate governance
Renewable energy	Customer relations	Diversity and inclusion	Stakeholder engagement
Climate change	Security of supply	Social responsibility	International commitment
Resource and energy consumption	Increasing enterprise value	Sustainable supply chain	Human rights

The target achievement of the personnel and sustainability performance targets is 100% if the actual value achieved corresponds to the agreed target value. If the actual value achieved is below the threshold value, the target achievement is 0% ("threshold value"). If the actual value achieved exceeds the maximum value, the target achievement is 150% ("maximum value"). Target achievement levels between the defined target achievement points (0%; 100%; 150%) are determined by linear interpolation. Target achievement is rounded to two decimal places.

The weighting of the personnel and sustainability performance targets and the threshold, target and maximum values are defined in a target agreement to be concluded annually by the Remuneration Committee of the Supervisory Board.

The target achievement curve for the personnel and sustainability performance targets is therefore as follows:

**Sample target achievement curve for personnel/sustainability performance targets**

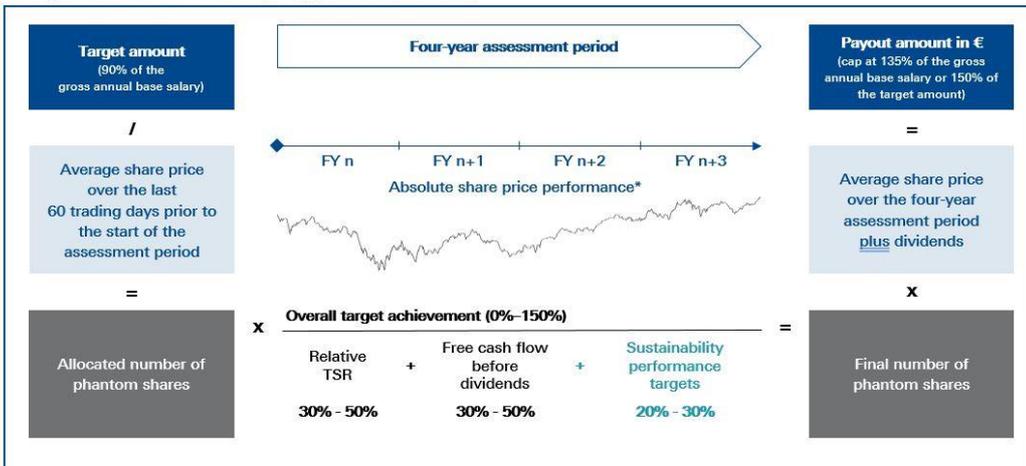


The actual amount of short-term variable remuneration paid out is reported retrospectively in the remuneration report. For this purpose, the threshold, target and maximum values of the individual performance criteria and also the respective target achievement values are disclosed and explained in the remuneration report.

**3.2.2 Long-term variable remuneration (Long-Term Incentive)**

In addition to the short-term variable remuneration, the members of VERBUND’s Executive Board receive long-term variable remuneration (Long-Term Incentive, LTI) in the form of a virtual performance share plan (“phantom share plan”) and a four-year assessment period. The following illustration presents the general function of the long-term remuneration:

**Long-term remuneration (Long-Term Incentive)**



\*Example of share price performance

There is an annual grant of the LTI tranches during the term of the Executive Board service contract.

Relevant performance criteria for assessing the payout amount of the LTI include the relative Total Shareholder Return (“relative TSR”) compared to the companies of a peer group of European energy companies, the free cash flow before dividends, and one or more sustainability target(s) based on the criteria catalogue derived from the sustainability strategy.

Financial targets are taken into account in the LTI at 70–80%. The relative TSR and the free cash flow before dividends are provided as financial targets, which are included in the calculation of the final number of phantom shares with a respective weighting of 30–50%. By taking an internal and an external financial target into account, VERBUND’s long-term growth ambitions are incentivised while VERBUND’s performance on the capital market is assessed in a relevant cross-sectoral comparison, which aligns the interests of the Executive Board more closely with those of the shareholders of VERBUND. The sustainability performance targets are included in the calculation of the final payout amount with a weighting of 20–30%, which also incentivises sustainability behaviour in the LTI.

The target amount of the LTI corresponds to 90% of the fixed gross annual base salary. The maximum payout of the LTI is limited to 150% of the target amount, or 135% of the fixed gross annual base salary.

#### Relative TSR

Total shareholder return (“TSR”) is the percentage amount by which the value of an investment or a company has changed over a period of time. The TSR is calculated by means of the change in share value during a set period plus the value of the dividends distributed over this period under the assumption they had been invested in company shares. To avoid closing-date effects, the absolute TSR is calculated based on the respective closing rates on average in the financial year prior to the start of the assessment period compared with the average during the four-year assessment period.

The relative TSR compares the TSR of VERBUND with the TSR of other companies. To calculate the target achievement of the relative TSR, at the end of the assessment period the absolute TSR of VERBUND is compared with that of a peer group of European energy companies. The peer group is based on the companies included in the impairment testing as part of the consolidated financial statements of the previous financial year, at the beginning of the assessment period for the tranche. The peer group currently comprises the following seven companies plus three other replacement companies, which can be included in the event of serious changes to the companies of the original peer group:

#### Peer group of European energy companies

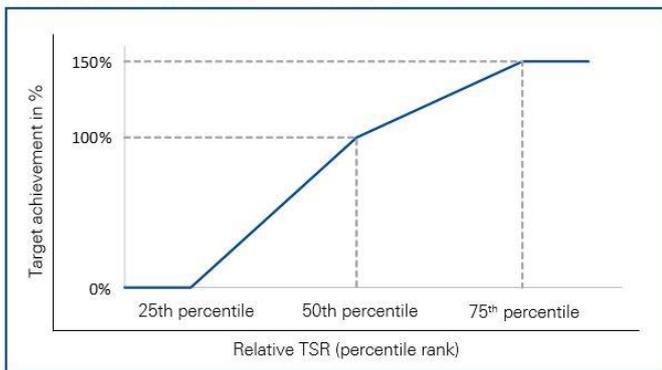
A2A SPA	EDP SA	EDP Renovaveis SA	Endesa SA
Enel SPA	Iberdrola SA	Orsted A/S	SSE PLC
Replacement companies:	BKW Energie AG	Engie SA	RWE AG

Additional companies may be defined as replacement companies by the Remuneration Committee insofar as the previous replacement companies have been included in the peer group, or they themselves are no longer suitable, or the composition of the peer companies for the impairment testing changes.

To calculate the target achievement of the relative TSR, after the end of the assessment period the absolute TSR values of all companies in the peer group are arranged according to the TSR amount – from highest to lowest (without VERBUND). The percentiles are then calculated. The target achievement level of the relative TSR is calculated based on the relative position of VERBUND's TSR value within the peer group. A position at the 25th percentile corresponds to the threshold value, a position at the 50th percentile corresponds to the target value, and a position at the 75th percentile corresponds to the maximum value. The weighting of the relative TSR and the definitive peer group are defined in a target agreement concluded annually by the Remuneration Committee of the Supervisory Board for the respective LTI.

Accordingly, the target achievement curve for the relative TSR is structured as follows:

**Relative TSR target achievement curve**



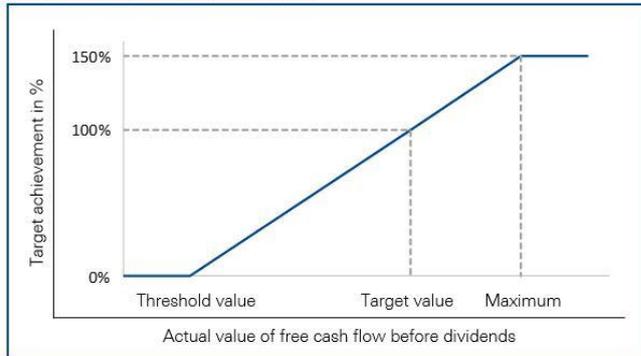
#### **Free cash flow before dividends**

In defining the target value for free cash flow before dividends, the Remuneration Committee takes into account the updated budget and medium-term budget planning. The target achievement of the free cash flow before dividends is based on the average of the actual annual free cash flow before dividends achieved in accordance with the consolidated financial statements during the four-year assessment period of the respective LTI, adjusted in line with the Group net profit and for significant effects from projects and in the regulatory area. To calculate the target achievement, the deviation from the defined target value of the actual average free cash flow before dividends is determined. The target achievement of the free cash flow before dividends is 100% if the actual value achieved corresponds to the agreed target value. If the actual value achieved is below the threshold value, the target achievement is 0% ("threshold value"). If the actual value achieved exceeds the maximum value, the target achievement is 150% ("maximum value"). Target achievement levels between the defined target achievement points (0%; 100%; 150%) are determined by linear interpolation. Target achievement is rounded to two decimal places.

The weighting of free cash flow before dividends and the threshold, target and maximum values are defined in a target agreement concluded annually by the Remuneration Committee of the Supervisory Board for the respective LTI.

Accordingly, the target achievement curve for the free cash flow before dividends is structured as follows:

**Sample target achievement curve for free cash flow before dividends**



**Sustainability performance targets**

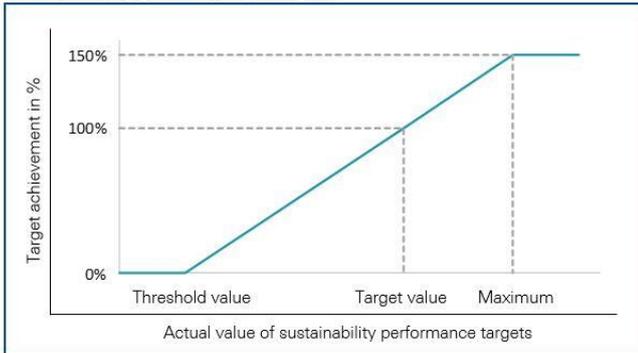
The sustainability performance targets are derived from VERBUND's sustainability strategy. They are defined for each LTI by the Remuneration Committee for each tranche and based on the criteria catalogue derived from VERBUND's sustainability strategy. The criteria catalogue shown for the sustainability performance targets in the short-term variable remuneration is also relevant for the sustainability performance targets in the long-term variable remuneration. One or more criteria from the categories of environment and energy, economy, as well as social and governance are defined for the sustainability performance targets and operationalised with specific targets and target values.

The target achievement of the sustainability performance targets is 100% if the actual value achieved corresponds to the agreed target value. If the actual value achieved is below the threshold value, the target achievement is 0% ("threshold value"). If the actual value achieved exceeds the maximum value, the target achievement is 150% ("maximum value"). Target achievement levels between the defined target achievement points (0%; 100%; 150%) are determined by linear interpolation. Target achievement is rounded to two decimal places.

The weighting of the sustainability performance targets and the threshold, target and maximum value are defined in a target agreement concluded annually by the Remuneration Committee of the Supervisory Board for the respective LTI.

Accordingly, the target achievement curve for the sustainability performance targets is structured as follows:

### Sample target achievement curve for sustainability performance targets



Specific payout amounts of the long-term remuneration are subsequently reported in the remuneration report. For this purpose, the threshold, target and maximum values of the individual performance criteria and also the respective target achievement values are disclosed and explained in the remuneration report.

### 3.3 Other contractual elements

#### 3.3.1 Share Ownership Guideline (SOG)

For the members of the Executive Board there is a share ownership obligation (Share Ownership Guideline, SOG). The SOG strengthens the Company's capital market focus and equity culture, and thereby aligns the interests of the members of the Executive Board and VERBUND's investors.

Each member of the Executive Board is obliged to invest a minimum amount in shares of the Company and to hold these shares legally and economically for the duration of their employment as a member of the Executive Board. The minimum amount to be invested in shares ("SOG target") is 70% of the fixed gross annual base salary.

An accumulation phase of four years is envisaged for achieving the SOG target. During this accumulation phase, the members of the Executive Board are also obliged to fulfil at least 25% of the SOG target each year. This ensures a continuous accumulation to fulfil the SOG target. Relevant to this is the euro amount invested in acquiring company shares from the beginning of the contract, as a member of the Company's Executive Board, since the SOG entered into force. The SOG target must be fully met no later than four years after the start of the accumulation phase. Company shares already held by the Executive Board member at the beginning of the accumulation phase are counted towards the SOG target.

A contractually agreed purchase mechanism via an external provider ensures that the requirements of the Market Abuse Regulation are complied with.

### 3.3.2 Malus and clawback provision

VERBUND contractually ensures that the Remuneration Committee of the Supervisory Board has the opportunity in pre-defined cases to reduce variable remuneration not yet paid, in whole or in part, to zero (“malus”) or to demand that the variable remuneration already paid out be partly or completely returned (“clawback”).

The pre-defined cases include, on the one hand, intentional violations of the statutory obligations of the member of the Executive Board, a material breach of the contractual service obligation, or other material behavioural principles of the Company, from the code of conduct or the compliance guidelines for instance.

Furthermore, the member of the Executive Board must return variable remuneration already paid if and insofar as it becomes clear after payment that the group accounting underlying the calculation of the amount paid was incorrect, and therefore must be corrected in accordance with the relevant accounting standards, and, based on the corrected group accounting and the given remuneration policy, a smaller payment amount or no payment at all would have been due from the variable remuneration.

Any claims for compensation by the Company, in particular those under Section 84(2) AktG, the right of the Company to revoke appointments in accordance with Section 75(4) AktG, and the right of the Company to terminate service contracts for good cause in accordance with Section 1162 of the Austrian Civil Code (ABGB) and Section 27 of the Salaried Employees Act (*Angestelltengesetz*, AngG) remain unaffected by the malus and clawback regulations.

### 3.3.3 Term of contract

The service contracts for members of the Executive Board are limited to a maximum of five years. The maximum term thus corresponds to the maximum duration provided for in the Austrian Stock Corporation Act (AktG) and in the Federal Regulation on Specimen Contracts (B-VV). With the specific agreements on contract terms it is ensured that not all Executive Board contracts terminate at the same time, but instead the terms are staggered (“staggered board approach”).

### 3.3.4 Termination provisions

If a member of the Executive Board is dismissed prematurely for good cause (Section 27 AngG and Section 75(4) AktG), the contractual relationship can be terminated immediately without any further obligations for the Company. In the event of dismissal for other important reasons, the employment contract may be terminated with six months’ notice to the end of a calendar quarter. However, if the service contracts of members of the Executive Board are terminated prematurely without an important reason, a severance payment may be agreed if necessary, taking into account the circumstances of the resignation and the economic situation of the Company. Such severance payment may not compensate more than the remaining term of the contract, and is limited to a maximum of one gross annual base salary. When the premature termination is attributable to the member of the Executive Board, they are not granted severance pay.

In the event of premature termination of an Executive Board contract, the following regulations apply with regard to long-term remuneration: if there is good cause [within the meaning of Section 27 AngG, Section 75(4) AktG], the right to the payout is forfeited. In all other cases, a pro-rata payment is made on the original due date. In the case of death, all plans currently still being implemented are terminated and the payment is initiated with the target amount.

Furthermore, in the event of a change of control, all ongoing tranches of the LTI are subjected to a final assessment and the resulting pro-rata claims are paid as lump sums. The average share price of VERBUND shares on the Vienna Stock Exchange during the actual term (maximum four years), but at least the last three months before the termination of the respective LTI tranche, is used as the authoritative conversion rate for the phantom shares.

#### **4. Deviation from the remuneration policy**

The remuneration policy is based on the Federal Regulation on Specimen Contracts in accordance with the Austrian Public Appointments Act (Stellbg) and the provisions of the Austrian Stock Corporation Act (AktG) and is always binding for all employment contracts of Executive Board members.

However, within the scope of statutory regulations the Supervisory Board is entitled to deviate from the remuneration policy under exceptional circumstances. Exceptional circumstances are situations in which deviating from the remuneration policy is necessary for the long-term development of the Company or for ensuring its profitability. In this context, the Supervisory Board reserves the right to make appropriate adjustments to the annual base salary and raise the upper threshold for the variable remuneration, taking into account the performance of the member of the Executive Board and the composition of the Executive Board on the one hand, and the earnings power of the Company and usual market conditions on the other.

The agreed performance criteria of the LTI are basically unchangeable, unless events occur during the term which, when concluding the given target agreement, were neither foreseeable nor could have been foreseen. Such events include, for example, massive regulatory interventions that represent a departure from long-standing market conditions, national or supranational (economic) sanctions against key market participants, acts of war or extraordinary natural disasters. After such events occur, the chairperson of the Supervisory Board may refer the matter to the Remuneration Committee, who after hearing the given member of the Executive Board shall make the final decision on possibly changing the current LTI under explicitly granted discretionary powers.

Vienna, 19 March 2025

Mag. Martin Ohneberg  
Chairman of the Supervisory Board