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**EANS-News: OMV Aktiengesellschaft / Report pursuant to section 65 para 1b in conjunction with sections 171 para 1 and 153 para 4 Stock Corporation Act**

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Capital measures/OMV/Austria/Oil/Gas

OMV Aktiengesellschaft  
Corporate register number: 93363z  
ISIN: AT 0000743059

Please note:

This report is legally required in order to be able to transfer shares under the long-term, performance based incentive and compensation programs to employees and managers within OMV Group. Please be aware that the numbers of shares in this document are maximum amounts. The actual number of shares to be transferred depends on the achievement of different criteria, may be significantly smaller and in particular is subject to a separate resolution by the Supervisory Board of OMV Aktiengesellschaft.

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Report pursuant to section 65 para 1b in conjunction with sections 171 para 1 and 153 para 4 Stock Corporation Act

The Executive Board of OMV Aktiengesellschaft ("OMV" or "Company") has been authorized by resolution of the Annual General Meeting of the Company held on May 18, 2016, for period of 5 years from the adoption of the resolution, subject to the approval of the Supervisory Board, to dispose of or utilize stock repurchased or already held by the Company to grant treasury shares to employees, senior employees and/or members of the Executive Board/management boards of the Company or one of its affiliates including for purposes of share transfer programs, in particular long term incentive plans including matching share plans or other stock ownership plans, under exclusion of the general purchasing possibility of shareholders (exclusion of subscription rights). The authorization can be exercised as a whole or in parts or even in several tranches by the Company, by a subsidiary (Section 189a Number 7 Commercial Code) or by third parties for the account of the Company.

The Executive Board and the Supervisory Board of OMV intend to make use of such authorization and to resolve upon an allocation of up to a maximum of 101.111 (for members of the Executive Board), a maximum of 476.297 (for other senior executives) and a maximum of 19.950 (for Potentials) treasury shares in the Company under the Long Term Incentive Plan 2014 (LTIP 2014), which was approved by the Annual General Meeting of the Company on May 14, 2014, and under the Matching Share Plan 2016 (MSP 2016), which was approved by the Annual General Meeting of the Company on May 18, 2016, to members of the Executive Board and senior executives and potentials of the OMV Group. The actual number of shares

to be transferred is subject to performance, depends on the resolution of the Supervisory Board of OMV Aktiengesellschaft and will be published separately. The Executive Board and the Supervisory Board of OMV Aktiengesellschaft, represented by the Remuneration Committee, therefore report as follows.

## R E P O R T:

### 1. Long Term Incentive Plan 2014

#### Plan purpose and objectives

The Long Term Incentive Plan (LTIP) 2014 is a performance based and long-term compensation instrument for the Executive Board, selected senior managers and other employees of OMV Group that promotes mid- and long-term value creation at OMV and aligns the interests of management and shareholders by providing management with the possibility to receive shares in the Company subject to performance (measured against key indicators linked to the medium-term strategy and shareholder return). The plan also seeks to prevent unnecessary risk-taking. The defined performance criteria must not be amended during the performance period of the LTIP 2014.

#### Eligibility

Executive Board members are obliged to participate. Selected senior managers of OMV Group may participate in the LTIP 2014. Other employees of OMV Group that have been nominated via the Career & Succession Planning process ("Potentials") may also participate in the LTIP 2014.

The nomination of senior managers to the LTIP by the Executive Board of OMV Aktiengesellschaft is taking place annually and potential share transfers are based on the performance level of the respective senior manager in the respective year and may be granted pro rata..

#### Personal share ownership rules

There is no requirement for an upfront investment in OMV shares to participate in the LTIP 2014. However, Executive Board members and senior managers are required to build up an appropriate volume of shares in the Company and to hold these shares until retirement or leaving the Company. The shareholding requirement is defined as a percentage of the annual gross base salary (14 times (i) the January gross base salary or (ii) the gross base salary for the first month as participant in the LTIP 2014):

\* CEO: 200%

\* Deputy CEO: 175%

\* Other Executive Board members: 150%

\* Senior managers: 75%

Executive Board members must achieve the required shareholding within 5 years after the start of their respective current contract as Executive Board member.

Basis for the calculation of the respective number of required shares is the average share price over the 3-month period 1 January 2014 - 31 March 2014 (= average of closing prices at Vienna Stock Exchange). Once the above percentage has been reached, subsequent changes in the share price do not influence the number of shares required. In case and to the extent of a salary increase of Executive Board members the number of required shares has to be adapted.

Shares granted to Executive Board members under the Matching Share Plan (MSP) 2016 or to be vested to Executive Board members under the LTIP 2014 as well as investments made for previous LTIPs count towards this shareholding requirement.

Dividends for the required shares held, if any, are paid out in cash. Senior managers are not obliged to hold shares if the holding of the Company's shares is prohibited by law in the countries where the respective senior managers work.

#### Grant levels

The maximum number of shares granted under the LTIP 2014 is expressed as a percentage of the annual gross base salary:

- \* 175% for the CEO
- \* 150% for the Deputy CEO
- \* 125% for other Executive Board members
- \* 112.5% for senior managers

In case the respective Executive Board member is appointed later than 1 January 2014, the grant for 2014 is calculated on a pro rata basis. The same applies for an exit during 2014. The allocation is made by the Supervisory Board or the Remuneration Committee of the Supervisory Board.

#### Plan mechanisms

The maximum number of shares to be granted to the participant at the Vesting Date shall be calculated as follows: The relevant percentage for each participant (as mentioned above) divided by OMV's average share price (= closing price at the Vienna Stock Exchange) over the 3-month period 1 January 2014 to 31 March 2014. The number of shares will be rounded down. Before the Vesting Date the potential shares are "virtual", i.e. the participants do not hold these shares and have no voting or dividend rights. On the Vesting Date, the definite number of shares shall be determined based on the achievement of the performance criteria and then transferred to the participant.

The final number of shares is calculated by multiplying the maximum grant of shares with the overall percentage of performance achievement.

#### Effective\_dates\_and\_term

- o Plan commencement: January 1, 2014, subject to AGM approval
- o Performance period: 3 years (January 1, 2014 to December 31, 2016)
- o Vesting date: March 31, 2017

#### Performance criteria and weightings

The performance criteria focus on sustained value creation across three areas of performance:

- \* 50%: Total Shareholder Return relative to a group of peer companies
- \* 40%: Absolute reported Return on Average Capital Employed, adjusted for acquisitions averaged over the three year performance period
- \* 10%: Sustainability element: Absolute "Safety Performance"

The value of the performance is based on the Action Item Response Rate and contractor management.

In 2014, the specific performance targets were set for the performance period (January 1, 2014 until December 31, 2016) and communicated to plan participants. It is not allowed to modify the performance criteria thereafter.

#### Share transfer/pay-out

To the extent that the shareholding requirement is not fulfilled, the payment will be automatically made in the form of shares until the requirement is reached. Otherwise the Executive Board members and senior managers could opt between (i) single payment in shares, (ii) single payment cash or (iii) cash payment in instalments. Participants had to make this decision at the latest by the third quarter of the year the plan started. If such a decision could not be made due to compliance relevant information, the payment will automatically be made in cash (single payment). The transfer of shares or cash payment to the participants is generally made net after deduction of taxes (in Austria payroll tax deduction).

If the approval of the share transfer has been given by the Supervisory Board on the Vesting Date or earlier, transfer of the shares to be transferred under the LTIP 2014 will be executed on the business day following the Vesting Date, otherwise the transfer takes place with the beginning of the month following the approval, in each case subject to legal restrictions, if any. The Company does not cover any share price risk caused by the delay or by the transfer.

If a payment is made in cash, the amount will be calculated by using OMV's

closing price at the Vienna Stock Exchange on the Vesting Date, if this day is not a business day, then the respective day before.

In case any payment in cash or transfer of shares is based on incorrect data, the amounts will be corrected accordingly.

#### Rules for leaving participants

- Bad leavers: Unvested awards are forfeited
- Good leavers: Unvested awards continue
- Retirement, permanent disability: Unvested awards continue
- Death: Unvested awards are valued as per date of death and settled in cash

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#### Change of control in the ownership structure

In case of early termination of the appointment as an Executive Board member and/or the related employment contract declared by the company following a change of control in OMV, the full amount of the granted award is paid out in cash immediately subject to the projected target achievement at that time.

All other early terminations following a change of control in OMV result in the application of the leaver concept.

#### LTIP for Potentials

For the LTIP for Potentials certain deviations from the LTIP as described above apply. In particular there is no requirement for an own shareholding. The maximum award for each participating person amounts to EUR 35,000.--. Payment is generally made in the form of shares.

## 2. Matching Share Plan 2016

### Plan purpose and objectives

The Matching Share Plan (MSP) 2016, as integral part of the annual bonus agreement is a long-term incentive and compensation vehicle for the members of the Executive Board that promotes the attachment to the Company and the alignment with shareholder interests via a long-term investment in restricted shares of OMV. The plan also seeks to prevent inadequate risk-taking. The MSP provides for a transfer of shares which are counted towards the shareholding requirements under existing and future Long Term Incentive plans until the requirements are reached (see Vesting/Payout below). All shares to be granted under the MSP 2016 will be used to fulfill such personal investment and shareholding requirements under the LTIPs, will be transferred to a trustee deposit account of the Company and will be subject to a holding period.

Based on the resolution of the Annual General Meeting of the Company held on May 18, 2016, an award of shares will be made to Executive Board members to match 100% of their gross annual cash bonus. The maximum gross annual cash bonus can amount to 100% of the annual gross base salary and is based on the following performance criteria: 60% financial targets, 20% efficiency targets and 20% project management.

The shares granted have to be reduced or have to be returned in the case of a clawback event. Furthermore, if the shares were based on incorrect calculations of the bonus, the Executive Board members are obligated to return or pay back benefits obtained due to such wrong figures.

The performance criteria defined for the annual bonus must not be amended during the term of the MSP. However, significant changes in tax, legal and royalty issues might require target adjustments. A cap of 100% of the base salary is applicable.

### Plan mechanisms

After determination of the annual cash bonus by the Remuneration Committee of the Supervisory Board, an equivalent matching bonus grant will be made net (after deduction of taxes) in Company shares which shall be transferred to a trustee deposit, managed by the Company, to be held for three years. Dividends, if any, earned from the vested shares are paid out to the Executive Board members in cash.

#### Determination of number of shares

After determination of the gross annual cash bonus an award of 100% of the gross annual cash bonus earned in the previous year is made in Company shares. The number of shares awarded is calculated as follows:

Gross annual cash bonus amount divided by the average closing price for OMV shares at the Vienna Stock Exchange over the 3-month period November 1, 2016 - January 31, 2017. The resulting number of shares will be rounded down.

#### Effective dates and term

- Plan start: January 1, 2016 as an integral part of the annual bonus agreement
- Vesting Date: March 31, 2017, subject to Supervisory Board approval
- Holding period: 3 years from vesting

#### Share transfer/Pay-out

If the approval of the share transfer has been given by the Supervisory Board on Vesting Date or earlier, transfer of bonus shares will be executed on the business day following the Vesting Date, otherwise the transfer takes place with the beginning of the next month following the authorization. The Company does not cover any share price risk caused by the delay or by transfer.

The delivery of shares to the participants is made net after deduction of taxes (payroll tax deduction), in each case subject to legal restrictions, if any.

#### Leaving Executive Board members

The rules outlined above for the LTIP 2014 apply, provided, however, that for good leavers and in the case of retirement and permanent disability the vesting of unvested awards remains subject to a decision to be made by the Supervisory Board in its discretion.

#### Clawback

Under the following circumstances, the Supervisory Board may reduce the number of shares vesting under the MSP or may request from the Executive Board members a retransfer of shares which have been granted or made under the MPS:

- Adaptions of located financial statements due to miscalculation
- Material failure of risk management which leads to significant damages (like Deep Water Horizon accident, Texas City Refinery accident)
- Serious misconduct of individual Executive Board member which violates Austrian law

#### 3. Number of awardable shares

According to the above mentioned criteria of the LTIP 2014 and the MSP 2016 and the achievements of the performance criteria the maximum number of bonus shares awardable to the current and former members of the Executive Board (EB member) and other senior executives are as below. The actual number of shares to be transferred is subject to a resolution by the Supervisory Board of OMV and will be published separately.

##### (i) Current and former members of the Executive Board:

CEO:

28.177

Deputy CEO:

18.722

|  |        |
|--|--------|
| EB member, responsible for Finance:    | 9.392  |
| EB member, responsible for Upstream:   | 22.904 |
| EB member, responsible for Downstream: | 21.916 |

##### (ii) Other senior executives and Potentials:

Other senior executives:

476.297

Potentials:



