

To the Management Board of  
voestalpine AG  
voestalpine-Straße 1  
4020 Linz

Vienna, May 26, 2023  
MK/jdu ext 2412  
mkrimmel@deloitte.at

## **Report on the evaluation of the compliance with the Austrian Corporate Governance Code by voestalpine AG in fiscal year 2022/23 (except rules 77 through 83)**

Dear Sirs!

Due to the listing of the stocks of voestalpine AG on the Prime Market of the Vienna Stock Exchange, the compliance with the standards of the Austrian Corporate Governance Code 2023 ("OeCGK 2023") is mandatory for the Executive Board and the Supervisory Board. According to standard 62 of OeCGK, a regular external evaluation of the compliance with OeCGK is recommended.

voestalpine AG follows this recommendation and, therefore, the Executive Board instructed us to evaluate voestalpine AG's compliance with the C-rules of the OeCGK 2023 in the fiscal year 2022/23. Goal of the evaluation is to present a picture of voestalpine AG's compliance with the Austrian Corporate Governance principles to the public.

### Management's responsibilities

The Management of the company is responsible for the preparation of the Corporate Governance Report 2022/23 in line with the OeCGK 2023.

### Auditor's responsibility

Our responsibility is to express a conclusion 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 materially in line with the applicable laws under OeCGK 2023.

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 according to the principle of independence and materiality in order to provide a limited level of assurance.

A limited assurance engagement is substantially less in scope than an audit 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:

- Inquiry of representatives and employees of voestalpine AG
- Sample review of relevant documents and records (especially articles of association of voestalpine AG, rules of procedure of the Executive Board and Supervisory Board, Supervisory Board minutes, etc.), to the extent to which they and their content are required to comply with the standards of the code
- Review of the explanations of the deviations from “C-Rules” as part of the Corporate Governance report of voestalpine AG for fiscal year 2022/23, and examination of their compliance with requirements of OeCGK 2023.

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.

#### Conclusion

During our evaluation, nothing has come to our attention that causes us to believe that the Corporate Governance Report is not prepared, in all material aspects, with the OeCGK 2023.

Since we were also engaged as auditors of the Company for the financial year 2022/23, our engagement did not include adherence with the C rules 77 to 83 of the OeCGK 2023.

#### Limitation of use

The purpose of this engagement is to provide voestalpine AG support in the form of an external evaluation of the Corporate Governance Report. Our report may only be published on voestalpine AG’s website 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 or passing to third parties (for example, annexes to the report) is not permitted.

Engagement terms and conditions

We issue this report on the basis of the engagement concluded with the Company, which is also based, with effect towards third parties, on the General Conditions of Contract for the Public Accounting Professions annexed to this report.

Our liability is limited to claims for damages based on at least gross negligence on our part. Liability for slight negligence is excluded. We shall not be liable for the activities of any external auditors or attorneys who may have been called in. Insofar as claims for damages against us do not exist or no longer exist, claims based on another legal ground (e.g. warranty, error) are also excluded.

As far as legally permissible, our liability in case of gross negligence towards the Company and also towards third parties (this also in case of several claimants or bases of claims) is limited to the total maximum liability amount of five times the fee received (excluding any cash expenses and out-of-pocket expenses and excluding value added tax) but not more than ten times the minimum insurance sum of the professional liability insurance pursuant to section 11 of the Austrian Professional Accountants and Tax Advisors Act 2017 (Wirtschaftstreuhandberufsgesetz 2017).

Claims for damages are limited to the actual damage. We shall only be liable for loss of profit in the event of intent or gross negligence, to the extent permitted by law. We are not liable for unforeseeable or untypical damages that we could not have expected

Vienna, May 26, 2023

**Deloitte Audit Wirtschaftsprüfungs GmbH**

Marieluise Krimmel m.p.  
Certified Public Accountant (Austria)

pp. Monika Viertlmayer m.p.  
Certified Public Accountant (Austria)

Attachments:

English translation of the Corporate Governance Report of voestalpine AG  
for 2022/23 (complimentary translation prepared by the Company)

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

This English translation of this report was prepared for the client's convenience only. It is not a legally binding translation of the German audit report.

# CONSOLIDATED CORPORATE GOVERNANCE REPORT 2022/23

## COMMITMENT TO THE CODE OF CORPORATE GOVERNANCE

The Austrian Code of Corporate Governance (the “Code”) provides domestic stock corporations with a framework for managing and monitoring their companies. It serves to establish a system for managing and controlling companies and groups that is accountable and geared toward creating sustainable, long-term value. This is designed to ensure a high degree of transparency for all stakeholders of a company.

The Code is based on the provisions of Austrian stock corporation, stock exchange, and capital market law; the EU recommendations regarding the responsibilities of members of supervisory boards and the compensation of directors; and the OECD Principles of Corporate Governance. The Code has undergone a number of revisions since 2002. The present Corporate Governance Report is based on the Code’s most recent amendment, which was adopted in January 2023.

» The Code can be accessed at

[www.corporate-governance.at](http://www.corporate-governance.at)

The Code achieves validity when companies voluntarily undertake to adhere to it. The Management Board and the Supervisory Board of voestalpine AG decided as early as 2003 to recognize the Austrian Code of Corporate Governance and have also accepted and implemented the amendments introduced since that date. voestalpine AG is thus committed to complying with the Austrian Code of Corporate Governance as amended.

In the business year 2022/23, voestalpine AG complied with the Code’s mandatory “L Rules” in addition to all “C Rules”—with the exception of C Rule 39, from which it deviated—and all “R Rules.”<sup>1</sup>

<sup>1</sup>The Austrian Code of Corporate Governance contains the following rules: “L Rules” (= Legal) are measures prescribed by law; non-compliance with the “C Rules” (= Comply or Explain) must be justified; “R Rules” (= Recommendations) are recommendations.

Under the Code's provisions, any non-compliance with its C Rules (*comply or explain*) must be explained and justified. By providing the following explanation, voestalpine AG is adhering to the Code's requirements:

Rule 39:

Under C Rule 39, the majority of committee members shall satisfy the independence criteria established by the Supervisory Board in accordance with C Rule 53. In addition to one employee representative, the General and Compensation Committee includes two members elected by the Annual General Meeting. Having been elected Chairman of the Supervisory Board of voestalpine AG with effect from April 1, 2022, pursuant to the Supervisory Board's rules of procedure Dr. Wolfgang Eder also chairs both the General Committee (which simultaneously serves as the Nominating Committee) and the Compensation Committee. Owing to his prior position as Chairman of the Management Board of voestalpine AG until July 3, 2019, Dr. Eder does not fulfill one of the Supervisory Board's criteria of independence as stipulated in Rule 53 of the Code. As a result, these two committees do not comply with Rule 39 of the Code, because the majority of the committee members elected by the Annual General Meeting do not fulfill the independence criteria required by the Supervisory Board. By electing Dr. Eder as Chairman of the Supervisory Board and thus also Chairman of the General and Compensation Committee, the Supervisory Board is relying—in the company's interest with regard to these key responsibilities—on his many years of experience in both the industry and management as well as his insights into the Group.

## COMPOSITION OF THE MANAGEMENT BOARD

### » Dipl.-Ing. Herbert Eibensteiner

Chairman of the Management Board	Assigned areas of responsibility within the Group: Corporate Development; R&D and Innovation Strategy; Strategic Human Resources Management; Corporate Communications and Corporate Image; Compliance; Legal; M&A; Strategic Environmental Management; Investor Relations; Information Competence Center (Trade & Statistics); Internal Audit
Born 1963; Member of the Management Board since 04/01/2012; Chairman of the Management Board since 07/03/2019	
End of his current term of office: 03/31/2024	Positions at material subsidiaries <sup>2</sup> of the voestalpine Group: voestalpine Stahl GmbH, Chairman of the Supervisory Board; voestalpine High Performance Metals GmbH, Chairman of the Supervisory Board; voestalpine Metal Engineering GmbH, Chairman of the Supervisory Board; voestalpine Metal Forming GmbH, Chairman of the Supervisory Board

### » Dipl.-Ing. Dr. Franz Kainersdorfer

Head of the Metal Engineering Division	Assigned area of responsibility within the Group: Group's Long-Term Energy Supply
Born 1967; Member of the Management Board since 07/01/2011;	Positions at material subsidiaries <sup>2</sup> of the voestalpine Group:
End of his current term of office: 03/31/2024; Member of the Supervisory Board of VA Erzberg GmbH, Eisenerz, Austria;	voestalpine Metal Engineering GmbH, Chairman of the Executive Management Board; voestalpine Stahl GmbH, Member of the Supervisory Board; voestalpine High Performance Metals GmbH, Member of the Supervisory Board; voestalpine Metal Forming GmbH, Member of the Supervisory Board; voestalpine Stahl Donawitz GmbH, Chairman of the Supervisory Board; voestalpine Rail Technology GmbH, Chairman of the Supervisory Board; voestalpine Tubulars GmbH, Chairman of the Supervisory Board; voestalpine Rohstoffbeschaffungs GmbH, Deputy Chairman of the Advisory Board; voestalpine Wire Rod Austria GmbH, Member of the Supervisory Board

### » Mag. Dipl.-Ing. Robert Ottel, MBA

Chief Financial Officer (CFO)	Assigned areas of responsibility within the Group: Corporate Accounting and Reporting; Controlling including Investment Controlling; Group Treasury; Taxes; Management Information Systems; Risk Management; Information Technology
Born 1967; Member of the Management Board since 04/01/2004;	
End of his current term of office: 03/31/2024; Deputy Chairman of the Supervisory Board of APK-Pensionskasse AG, Vienna, Austria; Member of the Supervisory Board of Wiener Börse AG, Vienna, Austria	Positions at material subsidiaries <sup>2</sup> of the voestalpine Group: voestalpine Stahl GmbH, Deputy Chairman of the Supervisory Board; voestalpine High Performance Metals GmbH, Deputy Chairman of the Supervisory Board; voestalpine Metal Engineering GmbH, Deputy Chairman of the Supervisory Board; voestalpine Metal Forming GmbH, Deputy Chairman of the Supervisory Board

<sup>2</sup> The material subsidiaries listed in this Report are the divisions' lead companies as well as subsidiaries of the voestalpine Group with revenue of over EUR 200 million.

» Dipl.-Ing. Franz Rotter

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Head of the High Performance Metals Division Born 1957; Member of the Management Board since 01/01/2011; End of his current term of office: 03/31/2024	Assigned area of responsibility within the Group: health & safety  Positions at material subsidiaries <sup>2</sup> of the voestalpine Group: voestalpine High Performance Metals GmbH, Chairman of the Executive Management Board; voestalpine Stahl GmbH, Member of the Supervisory Board; voestalpine Metal Engineering GmbH, Member of the Supervisory Board; voestalpine Metal Forming GmbH, Member of the Supervisory Board; voestalpine BÖHLER Edelstahl GmbH, Member of the Supervisory Board; Buderus Edelstahl GmbH, Chairman of the Supervisory Board; Uddeholms AB, Member of the Executive Board; voestalpine High Performance Metals Deutschland GmbH, Member of the Advisory Board; Villares Metals S.A., Member of the Supervisory Board; voestalpine BÖHLER Aerospace GmbH, Member of the Supervisory Board; voestalpine High Performance Metals Pacific Pte. Ltd., Member of the Board of Directors
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» Dipl.-Ing. Dr. Peter Schwab, MBA

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Head of the Metal Forming Division Born 1964; Member of the Management Board since 10/01/2014; End of his current term of office: 03/31/2024; Chairman of the Supervisory Board of Austrian Institute of Technology (AIT), Vienna, Austria	Assigned area of responsibility within the Group: Procurement Strategy  Positions at material subsidiaries <sup>2</sup> of the voestalpine Group: voestalpine Metal Forming GmbH, Chairman of the Executive Management Board; voestalpine Stahl GmbH, Member of the Supervisory Board; voestalpine High Performance Metals GmbH, Member of the Supervisory Board; voestalpine Metal Engineering GmbH, Member of the Supervisory Board; voestalpine Automotive Components Cartersville LLC, Member of the Board; voestalpine Automotive Components Dettingen GmbH & Co KG, Chairman of the Advisory Board; voestalpine Automotive Components Schwäbisch Gmünd GmbH & Co KG, Chairman of the Advisory Board; voestalpine Krems GmbH, Chairman of the Supervisory Board; voestalpine Sadef nv, Chairman of the Executive Board; voestalpine Precision Strip GmbH, Chairman of the Supervisory Board; voestalpine Automotive Components Bunschoten B.V., Chairman of the Supervisory Board; Nedcon B.V., Member of the Supervisory Board
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» Dipl.-Ing. Hubert Zajicek, MBA  
(since 07/04/2019)

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Head of the Steel Division Born 1968; Member of the Management Board;	Assigned area of responsibility within the Group: Raw Materials
End of his current term of office: 03/31/2024	Positions at material subsidiaries <sup>2</sup> of the voestalpine Group:
Member of the Board of Directors of ArcelorMittal Texas HBI Holdings LLC, Portland, Texas, USA	voestalpine Stahl GmbH, Chairman of the Executive Management Board; voestalpine High Performance Metals GmbH, Member of the Supervisory Board; voestalpine Metal Engineering GmbH, Member of the Supervisory Board; voestalpine Metal Forming GmbH, Member of the Supervisory Board; voestalpine Grobblech GmbH, Chairman of the Supervisory Board; voestalpine Steel & Service Center GmbH, Chairman of the Supervisory Board; Logistik Service GmbH, Chairman of the Supervisory Board; voestalpine Rohstoffbeschaffungs GmbH, Chairman of the Advisory Board

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<sup>2</sup> The material subsidiaries listed in this Report are the divisions' lead companies as well as subsidiaries of the voestalpine Group with revenue of over EUR 200 million.

## COMPOSITION OF THE SUPERVISORY BOARD

» Dr. Wolfgang Eder Born 1952	Chairman of the Supervisory Board (since 04/01/2022) Initial appointment: 07/03/2019 Former Chairman of the Management Board of voestalpine AG, Linz, Austria; Chairman of the Supervisory Board of Infineon Technologies AG, Neubiberg/Munich, Germany (until 02/16/2023); Chairman of the Supervisory Board of Mayr-Melnhof Karton AG, Vienna, Austria (since 04/26/2023);
» Dr. Heinrich Schaller Born 1959	Deputy Chairman of the Supervisory Board (since 07/04/2012) Initial appointment: 07/04/2012 CEO of Raiffeisenlandesbank Oberösterreich AG, Linz, Austria; Second Deputy Chairman of the Supervisory Board of Raiffeisen Bank International AG, Vienna, Austria; Second Deputy Chairman of the Supervisory Board of AMAG Austria Metall AG, Braunau-Ranshofen, Austria
» KR Dr. Franz Gasselsberger, MBA Born 1959	Member of the Supervisory Board Chairman of the Audit Committee (since 07/03/2019) Initial appointment: 07/01/2004 CEO of Oberbank AG, Linz, Austria; Member of the Supervisory Board of Bank für Tirol und Vorarlberg Aktiengesellschaft, Innsbruck, Austria; Member of the Supervisory Board of BKS Bank AG, Klagenfurt, Austria; Member of the Supervisory Board of Lenzing AG, Lenzing, Austria
» Mag. Ingrid Jörg Born 1969	Member of the Supervisory Board Initial appointment: 07/03/2019 President of Aerospace and Transportation, Constellium Switzerland AG, Zurich, Switzerland
» Dr. Florian Khol Born 1971	Member of the Supervisory Board Initial appointment: 07/03/2019 Attorney at law; partner at Binder Grösswang Rechtsanwälte GmbH, Vienna, Austria
» Mag. Maria Kubitschek Born 1962	Member of the Supervisory Board Initial appointment: 07/03/2019 Former Deputy Director of the Federal Chamber of Workers/Vienna Chamber of Workers, Vienna, Austria
» Prof. Elisabeth Stadler Born 1961	Member of the Supervisory Board Initial appointment: 07/03/2019 Chairwoman of the Management Board of Vienna Insurance Group AG (Wiener Versicherung Gruppe), Vienna, Austria; Chairwoman of the Supervisory Board of Österreichische Post Aktiengesellschaft, Vienna, Austria (since 04/20/2023); Member of the Supervisory Board of OMV Aktiengesellschaft, Vienna, Austria
» Dr. Joachim Lemppenau † Born 1942 deceased on 09/27/2022 <sup>3</sup>	Member of the Supervisory Board (until 03/31/2022) Initial appointment: 07/07/1999 Former Chairman of the Management Board of Volksfürsorge Versicherungsgruppe, Hamburg, Germany

<sup>3</sup> Following the death of Dr. Lemppenau, the Supervisory Board resolved not to fill the now vacant seat on the Supervisory Board until his term of office officially ends at the Annual General Meeting in 2024.

Delegated by the Works Council:

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» Josef Gritz Born 1959	Member of the Supervisory Board Initial delegation: 01/01/2000 Chairman of the Works Council for Workers of voestalpine Stahl Donawitz GmbH, Donawitz, Austria
» Sandra Fritz Born 1977	Member of the Supervisory Board (since 06/15/2019) Initial delegation: 06/15/2019 Member of the Works Council for Salaried Employees of voestalpine AG, Linz, Austria
» Hans-Karl Schaller Born 1960	Member of the Supervisory Board Initial delegation: 09/01/2005 Chairman of the Group Works Council of voestalpine AG, Linz, Austria; Chairman of the European Works Council of voestalpine AG, Linz, Austria
» Gerhard Scheidreiter Born 1964	Member of the Supervisory Board Initial delegation: 01/01/2012 Chairman of the Works Council for Workers of voestalpine BÖHLER Edelstahl GmbH & Co KG, Kapfenberg, Austria

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All Supervisory Board positions held by the shareholder representatives end as of the close of the Annual General Meeting of voestalpine AG tasked with adopting resolutions regarding the business year 2023/24.

None of the members of the Supervisory Board missed more than one half of the meetings of the Supervisory Board during the business year just ended.

## COMPENSATION REPORT FOR MANAGEMENT BOARD AND SUPERVISORY BOARD

The compensation of the members of the Management Board and the members of the Supervisory Board for the business year 2022/23 is accounted for as part of the Compensation Report to be prepared in accordance with Sections 78c and 98a Austrian Stock Corporation Act (*Aktiengesetz – AktG*). The Compensation Report will be submitted to the Annual General Meeting on July 5, 2023, for a vote and subsequently published on the company's website. There will be no separate reporting on compensation as part of the Consolidated Corporate Governance Report.

## INFORMATION REGARDING THE INDEPENDENCE OF THE MEMBERS OF THE SUPERVISORY BOARD

Under Rule 53 of the Austrian Code of Corporate Governance (the "Code"), the majority of the members elected to the Supervisory Board by the Annual General Meeting shall be independent of the company and its Management Board. The Supervisory Board shall establish and publish criteria regarding such independence (see [www.voestalpine.com](http://www.voestalpine.com) » Investors » Corporate Governance).

Based on the criteria established by the Supervisory Board, seven out of eight members elected to the Supervisory Board by the Annual General Meeting have confirmed that they consider themselves to be independent. The Supervisory Board member Dr. Wolfgang Eder pointed out in his confirmation that, given his position as Chairman of the Management Board of voestalpine AG until July 3, 2019, he does not fulfill one of the Supervisory Board's criteria of independence. With the exception of Dr. Heinrich Schaller (who represents the shareholder, Raiffeisenlandesbank Oberösterreich Invest GmbH & Co OG) and Mag. Maria Kubitschek (who represents the voestalpine Mitarbeiterbeteiligung Privatstiftung), none of the Supervisory Board members elected by the Annual General Meeting are shareholder members with an investment of more than 10 % in voestalpine AG or represent the interests of such shareholders (Rule 54).

As legal counsel to voestalpine AG and its subsidiaries, the law firm Binder Grösswang Rechtsanwälte GmbH, of which the Supervisory Board member Dr. Florian Khol is a partner, provided legal services in the business year 2022/23, particularly in connection with matters related to corporate, capital market, and civil law. Fees for these matters were billed at customary market rates. For the business year 2022/23, total net fees of EUR 32,237.67 (2021/22: EUR 19,237) were incurred for services provided by Binder Grösswang Rechtsanwälte GmbH. The Supervisory Board member Prof. Elisabeth Stadler is Chairwoman of the Management Board of Vienna Insurance Group AG (Wiener Versicherung Gruppe – VIG). The voestalpine Group has purchased insurance policies from VIG at terms and conditions customary for the market and industry primarily for the following areas: property/business interruptions, corporate liability, and transportation. In the business year 2022/23, VIG accounted for about 33.8 % (2021/22: about 35.5 %) of the voestalpine Group's premiums for insurance programs.

## COMMITTEES OF THE SUPERVISORY BOARD

The Articles of Association authorize the Supervisory Board to appoint committees from among its ranks and to define their rights and responsibilities. The committees may also be given the right to make decisions. In accordance with the ratio defined in Section 110 (1) Austrian Labor Constitution Act (*Arbeitsverfassungsgesetz – ArbVG*), the employee representatives on the Supervisory Board have the right to nominate members with a seat and a vote for Supervisory Board committees. The following Supervisory Board committees have been established:

#### GENERAL COMMITTEE

The General Committee simultaneously serves as the Nomination Committee as defined in the Code. The Chairman of the Supervisory Board and one or all of his deputies are members of the General Committee. With the exception of matters concerning relations between the company and the members of the Management Board, pursuant to Section 110 (1) ArbVG one or two employee representatives are also members of the General Committee.

The General Committee is responsible for executing, amending, or rescinding directors' contracts with members of the Management Board as well as for all matters associated with the administration of Management Board members' stock option plans. As the Nomination Committee, the General Committee submits recommendations to the Supervisory Board concerning candidates for positions on the Management and/or Supervisory Board that are becoming vacant. The General Committee is authorized to make decisions in urgent cases.

Members of the General Committee of the Supervisory Board:

- » Dr. Wolfgang Eder (Chairman)
- » Dr. Heinrich Schaller
- » Hans-Karl Schaller

#### AUDIT COMMITTEE

The Audit Committee is tasked with the responsibilities set forth in Section 92 (4a) AktG and in Rule 40 of the Code. Hence it is responsible for monitoring the financial reporting process; reviewing and monitoring the auditor's independence and supervising their work; reviewing and preparing the adoption of the annual financial statements; reviewing the proposal for the appropriation of earnings, the Management Report, and the Consolidated Corporate Governance Report; and approving non-audit services. It is also tasked with monitoring the consolidated financial reporting process, reviewing the Group's Consolidated Financial Statements, and submitting a recommendation for the selection of the auditor. Furthermore, the Audit Committee is responsible for monitoring the effectiveness of the Group-wide internal control system, Internal Audit, and the risk management system as well as for reporting the findings from its reviews to the Supervisory Board.

**Members of the Audit Committee of the Supervisory Board:**

- » KR Dr. Franz Gasselsberger, MBA (Chairman)
- » Dr. Wolfgang Eder
- » Dr. Joachim Lemppenau † (deceased on September 27, 2022)
- » Dr. Heinrich Schaller
- » Hans-Karl Schaller
- » Josef Gritz

#### COMPENSATION COMMITTEE

The Compensation Committee consists of at least two shareholder representatives, including the Chairman of the Supervisory Board. It prepares proposals for the Compensation Policy applicable to the members of the Management Board and monitors whether the directors' contracts with Management Board members comply with the policy.

Members of the Compensation Committee of the Supervisory Board:

- » Dr. Wolfgang Eder (Chairman)
- » Dr. Heinrich Schaller
- » Hans-Karl Schaller

In the business year 2022/23, the majority of members of all Supervisory Board committees met the criteria for independence pursuant to Rule 53 of the Austrian Code of Corporate Governance. In addition to one employee representative, the General and Compensation Committee includes two members elected by the Annual General Meeting. Having been elected Chairman of the Supervisory Board of voestalpine AG with effect from April 1, 2022, pursuant to the Supervisory Board's rules of procedure Dr. Wolfgang Eder also chairs both the General Committee (which simultaneously serves as the Nominating Committee) and the Compensation Committee. Owing to his prior position as Chairman of the Management Board of voestalpine AG until July 3, 2019, Dr. Eder does not fulfill one of the Supervisory Board's criteria of independence as stipulated in Rule 53 of the Code. As a result, these two committees do not comply with Rule 39 of the Code, because the majority of the committee members elected by the Annual General Meeting do not fulfill the independence criteria required by the Supervisory Board. By electing Dr. Eder as Chairman of the Supervisory Board and thus also Chairman of the General and Compensation Committee, the Supervisory Board is relying—in the company's interest with regard to these key responsibilities—on his many years of experience in both the industry and management as well as his insights into the Group.

## NUMBER OF AND SIGNIFICANT CONTENT OF THE SUPERVISORY BOARD AND COMMITTEE MEETINGS IN THE BUSINESS YEAR 2022/23

During the business year 2022/23, the Supervisory Board fulfilled its responsibilities under the law and the Articles of Association, holding six plenary sessions, three meetings of the Audit Committee, and six meetings of the General Committee.

In both the General Committee and the Audit Committee meetings, the Management Board provided comprehensive verbal and written information on the development of the company's business as well as its position and financial management.

In addition to the regular reports on the Group's current business and financial position, the meetings of the Supervisory Board dealt especially with matters related to sustainability, innovation and information technology—all of which will determine the future. Preparations for the first steps toward decarbonizing the company's plants in Linz and Donawitz (both in Austria) undoubtedly took center stage in these discussions during the business year just ended. Already in March 2022, the Supervisory Board gave its approval to carry out the preliminary work needed for climate-friendly steel production in Austria. In March 2023, it approved the next step in this process: With an investment volume of some EUR 1.5 billion, an electric arc furnace is to be built at each of the two sites, replacing two of the five blast furnaces currently in use. According to the greentec steel project plan, decisions regarding facilities and suppliers will be made before the end of 2023, construction will start in 2024, and both units will be commissioned in 2027. From then on, the Group will be saving up to 30 % of the current CO<sub>2</sub> emissions. This equates to about 5 % of Austria's overall annual CO<sub>2</sub> emissions, making the project the country's largest singular undertaking in terms of climate action. voestalpine's long-term aim is to pave the way for carbon-neutral steel production. To achieve this goal by 2050 at the latest, the Group is already researching several new processes, and investing in pilot projects exploring alternative pathways in steel production. These include research projects such as the H2FUTURE hydrogen pilot facility at the Linz plant for manufacturing and using "green" hydrogen on an industrial scale, as well as the testing facilities at the Donawitz plant for carbon-neutral steel production based on direct reduction of iron ore using hydrogen. Yet more research projects focus on storing and reusing unavoidable residual emissions.

Another key Group project in terms of both innovation and sustainability is the construction of the new stainless steel plant in Kapfenberg which entered its final phase in the past business year with the successful start of commissioning.

The Supervisory Board also dealt with issues such as the security of the voestalpine Group's supplies of raw materials and energy in the long term, particularly in light of new decarbonization technologies, and a wholly integrated circular economy approach to establishing expanded material cycles.

The General Committee addressed, in addition to questions of remuneration, above all the procedures for filling positions on the Management Board after the current term expires in March 2024, as well as preparatory work for the election of the new Supervisory Board at the 2024 Annual General Meeting.

The Audit Committee concerned itself chiefly with the preparation and review of voestalpine AG's Consolidated and Annual Financial Statements, the auditor's independence, and topics related to the current and future structure of the internal control system, the risk management system, and Internal Audit.

The auditor from Deloitte Audit Wirtschaftsprüfungs GmbH attended all three meetings of the Audit Committee in the business year 2022/23 and was available for questions and discussions.

At its meeting on March 21, 2023, the Supervisory Board also carried out the self-evaluation required under Rule 36 of the Code and, after asking the Management Board to leave the room, used a list of questions to address the general cooperation between the Management Board and the Supervisory Board, the quality and scope of the documents made available to the Supervisory Board, and organizational issues.

## PRINCIPLES OF THE voestalpine GROUP'S COMPENSATION POLICY

Employees' total compensation takes the form of fixed, market-rate salaries, some of which are supplemented by variable compensation.

The amount of the fixed salaries is based on the activities, role, and position of the given employee, as well as their individual experience and expertise. Any relevant statutory requirements and contracts under collective bargaining agreements or works agreements are complied with as applicable. In the event of supplementary, variable compensation, the amount of this compensation component is contingent on the achievement of stipulated targets. Depending on the given employee's role, both qualitative and quantitative targets are agreed. The qualitative targets are usually set for one business year at a time, whereas the quantitative targets are usually set either for one business year at a time or for a minimum of three years.

Requirements applicable to managing directors and officers of the Group in Austria concern the amount of the maximum possible variable compensation and the weighting of the targets. Compensation packages for all other employees are determined by each individual company in line with market conditions, taking into account both local practice and local requirements. Various compensation elements are possible in this regard, including non-monetary components:

- » Pension plans (e.g., the Austrian pension fund)
- » Insurance (e.g., accident insurance)
- » Discounts at the cafeteria
- » Coupons

The compensation packages of managing directors and officers always include variable compensation (bonus) and, in some cases, a pension plan and a company car.

## COMPOSITION OF THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD

Professional suitability (i.e., whether the candidate possesses the requisite competence and experience) and personality traits (e.g., personal integrity) are material criteria in the selection and appointment of Management Board members. In addition, age and gender are also factors in the decision-making process. Independent management audits by external advisers, which are conducted as necessary, ensure that the decisions are based on objective evaluations. At present, there are no women on the Management Board of voestalpine AG. The members of the Management Board are between 54 and 65 years of age and possess a variety of educational credentials (primarily in technical fields) along with wide-ranging professional and international management experience. The shareholder representatives on the Supervisory Board are elected by the Annual General Meeting in accordance with the applicable statutory framework. At this time, the Supervisory Board includes four women and one non-Austrian national. The members of the Supervisory Board are between 52 and 71 years of age and possess a wide range of professional expertise along with professional and management experience.

### STEPS FOR PROMOTING WOMEN

In the business year 2022/23, the percentage of female executives<sup>5</sup> was 13.6 %, thus upscale slightly from 12.9 % in the previous business year. One woman has been appointed to a divisional management position since the business year 2013/14.

As part of internal leadership development efforts, great importance is placed on continuing to increase the number of female participants. The Group thus takes care to ensure that women are represented at each training level of the Leadership Development Program (“value:program”). Thanks to the consistent implementation of the Group’s self-imposed commitment to boost the employment of women in all of the Group’s divisions, the share of women in voestalpine’s three-stage executive development program (pre-stage, stage 1, stage 2: total of 215 female and male participants) in the business year 2022/23 was raised to an impressive 23.3 % (previous year: 12.2 %).

Overall, the percentage of women in the voestalpine Group in the business year 2022/23 was 15.7 % (previous year: 15.4 %). There are industry-specific, historical, and cultural reasons for this percentage—which remains low compared with other industries. In the public’s consciousness, the image of a steel and technology group still conforms to the image of heavy industry, with the result that broad-based recruitment of female employees is a challenging undertaking. Nonetheless, the percentage of women in the voestalpine Group among salaried employees up to the age of 30 is now about 39.3 %. Despite all of our efforts, however, women still only account for a mere 9.7 % among workers.

None of the voestalpine Group companies currently uses explicit “female quotas” when filling particular positions. Instead, the general aim is to raise the percentage of women in the Group at all levels through appropriate measures that will have a long-term effect. This includes a number of activities, some of which are country-specific, e.g., participation in the “Girls’ Day,” the specific advancement of women in technical trades requiring apprenticeships, and/or boosting the hiring of female graduates of technical schools and universities. In addition, the establishment and expansion of in-house child care facilities and/or collaborations with external facilities is being accelerated. Such facilities and collaborations can be found at the Group’s plants in Linz and Leoben/Donawitz, Austria, for instance. These offerings are supplemented by flexible work and shift

<sup>5</sup> The basis of the calculation is the number of employees (headcount).

models; enhanced technical training geared to women; upskilling opportunities for apprentices and assistants; mentoring programs; special health programs; guidance on equality and non-discrimination; and so forth. As a result of these efforts, by now women are also employed in leadership positions in the company's traditionally male-dominated, technical areas. Women also hold executive positions in the financial, legal, strategic, communications, and human resources departments in a number of Group companies.

As part of the annual Human Resources Report, data on the percentage of women in executive positions is regularly collected and analyzed based on qualifications and training programs for the purpose of monitoring the long-term impact of all measures.

## EXTERNAL EVALUATION OF COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Austrian Code of Corporate Governance provides for a regular external evaluation of the company's compliance with the Code. This evaluation was carried out by the Group's auditor as part of the audit of the 2022/23 annual financial statements. The review did not bring to light any facts and circumstances that would cause us to assume that the company's Consolidated Corporate Governance Report 2022/23 does not comply with material aspects of the Code. Compliance with the Code's C rules pertaining to the auditor (Rules 77 through 83) was reviewed and confirmed by the law firm WOLF THEISS Rechtsanwälte GmbH & Co KG. This review confirmed that, in the business year 2022/23, voestalpine AG complied with Rules 77 through 83 of the Code to the extent that they are C-Rules.

The external review report may be viewed on the company's website: [www.voestalpine.com](http://www.voestalpine.com).

Linz, Austria, May 26, 2023

The Management Board

Herbert Eibensteiner e.h.

Franz Kainersdorfer e.h.

Robert Ottel e.h.

Franz Rotter e.h.

Peter Schwab e.h.

Hubert Zajicek e.h.

This report is a translation of the original German-language report, which is solely valid.

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

Recommended for use by the Board of the Chamber of Tax Advisers and Auditors, last recommended in its decision of April 18, 2018

## Preamble and General Items

(1) Contract within the meaning of these Conditions of Contract refers to each contract on services to be rendered by a person entitled to exercise profession in the field of public accounting exercising that profession (de facto activities as well as providing or performing legal transactions or acts, in each case pursuant to Sections 2 or 3 Austrian Public Accounting Professions Act (WTBG 2017). The parties to the contract shall hereinafter be referred to as the "contractor" on the one hand and the "client" on the other hand).

(2) The General Conditions of Contract for the professions in the field of public accounting are divided into two sections: The Conditions of Section I shall apply to contracts where the agreeing of contracts is part of the operations of the client's company (entrepreneur within the meaning of the Austrian Consumer Protection Act. They shall apply to consumer business under the Austrian Consumer Protection Act (Federal Act of March 8, 1979 / Federal Law Gazette No. 140 as amended) insofar as Section II does not provide otherwise for such business.

(3) In the event that an individual provision is void, the invalid provision shall be replaced by a valid provision that is as close as possible to the desired objective.

## SECTION I

### 1. Scope and Execution of Contract

(1) The scope of the contract is generally determined in a written agreement drawn up between the client and the contractor. In the absence of such a detailed written agreement, (2)-(4) shall apply in case of doubt:

(2) When contracted to perform tax consultation services, consultation shall consist of the following activities:

- a) preparing annual tax returns for income tax and corporate tax as well as value-added tax (VAT) on the basis of the financial statements and other documents and papers required for taxation purposes and to be submitted by the client or (if so agreed) prepared by the contractor. Unless explicitly agreed otherwise, documents and papers required for taxation purposes shall be produced by the client.
- b) examining the tax assessment notices for the tax returns mentioned under a).
- c) negotiating with the fiscal authorities in connection with the tax returns and notices mentioned under a) and b).
- d) participating in external tax audits and assessing the results of external tax audits with regard to the taxes mentioned under a).
- e) participating in appeal procedures with regard to the taxes mentioned under a).

If the contractor receives a flat fee for regular tax consultation, in the absence of written agreements to the contrary, the activities mentioned under d) and e) shall be invoiced separately.

(3) Provided the preparation of one or more annual tax return(s) is part of the contract accepted, this shall not include the examination of any particular accounting conditions nor the examination of whether all relevant concessions, particularly those with regard to value added tax, have been utilized, unless the person entitled to exercise the profession can prove that he/she has been commissioned accordingly.

(4) In each case, the obligation to render other services pursuant to Sections 2 and 3 WTBG 2017 requires for the contractor to be separately and verifiably commissioned.

(5) The aforementioned paragraphs (2) to (4) shall not apply to services requiring particular expertise provided by an expert.

(6) The contractor is not obliged to render any services, issue any warnings or provide any information beyond the scope of the contract.

(7) The contractor shall have the right to engage suitable staff and other performing agents (subcontractors) for the execution of the contract as well as to have a person entitled to exercise the profession substitute for him/her in executing the contract. Staff within the meaning of these Conditions of Contract refers to all persons who support the contractor in his/her operating activities on a regular or permanent basis, irrespective of the type of underlying legal transaction.

(8) In rendering his/her services, the contractor shall exclusively take into account Austrian law; foreign law shall only be taken into account if this has been explicitly agreed upon in writing.

(9) Should the legal situation change subsequent to delivering a final professional statement passed on by the client orally or in writing, the contractor shall not be obliged to inform the client of changes or of the consequences thereof. This shall also apply to the completed parts of a contract.

(10) The client shall be obliged to make sure that the data made available by him/her may be handled by the contractor in the course of rendering the services. In this context, the client shall particularly but not exclusively comply with the applicable provisions under data protection law and labor law.

(11) Unless explicitly agreed otherwise, if the contractor electronically submits an application to an authority, he/she acts only as a messenger and this does not constitute a declaration of intent or knowledge attributable to him/her or a person authorized to submit the application.

(12) The client undertakes not to employ persons that are or were staff of the contractor during the contractual relationship, during and within one year after termination of the contractual relationship, either in his/her company or in an associated company, failing which he/she shall be obliged to pay the contractor the amount of the annual salary of the member of staff taken over.

### 2. Client's Obligation to Provide Information and Submit Complete Set of Documents

(1) The client shall make sure that all documents required for the execution of the contract be placed without special request at the disposal of the contractor at the agreed date, and in good time if no such date has been agreed, and that he/she be informed of all events and circumstances which may be of significance for the execution of the contract. This shall also apply to documents, events and circumstances which become known only after the contractor has commenced his/her work.

(2) The contractor shall be justified in regarding information and documents presented to him/her by the client, in particular figures, as correct and complete and to base the contract on them. The contractor shall not be obliged to identify any errors unless agreed separately in writing. This shall particularly apply to the correctness and completeness of bills. However, he/she is obliged to inform the client of any errors identified by him/her. In case of financial criminal proceedings he/she shall protect the rights of the client.

(3) The client shall confirm in writing that all documents submitted, all information provided and explanations given in the context of audits, expert opinions and expert services are complete.

(4) If the client fails to disclose considerable risks in connection with the preparation of financial statements and other statements, the contractor shall not be obliged to render any compensation insofar as these risks materialize.

(5) Dates and time schedules stated by the contractor for the completion of the contractor's products or parts thereof are best estimates and, unless otherwise agreed in writing, shall not be binding. The same applies to any estimates of fees: they are prepared to best of the contractor's knowledge; however, they shall always be non-binding.

(6) The client shall always provide the contractor with his/her current contact details (particularly the delivery address). The contractor may rely on the validity of the contact details most recently provided by the client, particularly have deliveries made to the most recently provided address, until such time as new contact details are provided.

### 3. Safeguarding of Independence

(1) The client shall be obliged to take all measures to prevent that the independence of the staff of the contractor be jeopardized and shall himself/herself refrain from jeopardizing their independence in any way. In particular, this shall apply to offers of employment and to offers to accept contracts on their own account.

(2) The client acknowledges that his/her personal details required in this respect, as well as the type and scope of the services, including the performance period agreed between the contractor and the client for the services (both audit and non-audit services), shall be handled within a network (if any) to which the contractor belongs, and for this purpose transferred to the other members of the network including abroad for the purpose of examination of the existence of grounds of bias or grounds for exclusion and conflicts of interest. For this purpose the client expressly releases the contractor in accordance with the Data Protection Act and in accordance with Section 80 (4) No. 2 WTBG 2017 from his/her obligation to maintain secrecy. The client can revoke the release from the obligation to maintain secrecy at any time.

#### 4. Reporting Requirements

(1) (Reporting by the contractor) In the absence of an agreement to the contrary, a written report shall be drawn up in the case of audits and expert opinions.

(2) (Communication to the client) All contract-related information and opinions, including reports, (all declarations of knowledge) of the contractor, his/her staff, other performing agents or substitutes ("professional statements") shall only be binding provided they are set down in writing. Professional statements in electronic file formats which are made, transferred or confirmed by fax or e-mail or using similar types of electronic communication (that can be stored and reproduced but is not oral, i.e. e.g. text messages but not telephone) shall be deemed as set down in writing; this shall only apply to professional statements. The client bears the risk that professional statements may be issued by persons not entitled to do so as well as the transfer risk of such professional statements.

(3) (Communication to the client) The client hereby consents to the contractor communicating with the client (e.g. by e-mail) in an unencrypted manner. The client declares that he/she has been informed of the risks arising from the use of electronic communication (particularly access to, maintaining secrecy of, changing of messages in the course of transfer). The contractor, his/her staff, other performing agents or substitutes are not liable for any losses that arise as a result of the use of electronic means of communication.

(4) (Communication to the contractor) Receipt and forwarding of information to the contractor and his/her staff are not always guaranteed when the telephone is used, in particular in conjunction with automatic telephone answering systems, fax, e-mail and other types of electronic communication. As a result, instructions and important information shall only be deemed to have been received by the contractor provided they are also received physically (not by telephone, orally or electronically), unless explicit confirmation of receipt is provided in individual instances. Automatic confirmation that items have been transmitted and read shall not constitute such explicit confirmations of receipt. This shall apply in particular to the transmission of decisions and other information relating to deadlines. As a result, critical and important notifications must be sent to the contractor by mail or courier. Delivery of documents to staff outside the firm's offices shall not count as delivery.

(5) (General) In writing shall mean, insofar as not otherwise laid down in Item 4. (2), written form within the meaning of Section 886 Austrian Civil Code (ABGB) (confirmed by signature). An advanced electronic signature (Art. 26 eIDAS Regulation (EU) No. 910/2014) fulfills the requirement of written form within the meaning of Section 886 ABGB (confirmed by signature) insofar as this is at the discretion of the parties to the contract.

(6) (Promotional information) The contractor will send recurrent general tax law and general commercial law information to the client electronically (e.g. by e-mail). The client acknowledges that he/she has the right to object to receiving direct advertising at any time.

#### 5. Protection of Intellectual Property of the Contractor

(1) The client shall be obliged to ensure that reports, expert opinions, organizational plans, drafts, drawings, calculations and the like, issued by the contractor, be used only for the purpose specified in the contract (e.g. pursuant to Section 44 (3) Austrian Income Tax Act 1988). Furthermore, professional statements made orally or in writing by the contractor may be passed on to a third party for use only with the written consent of the contractor.

(2) The use of professional statements made orally or in writing by the contractor for promotional purposes shall not be permitted; a violation of this provision shall give the contractor the right to terminate without notice to the client all contracts not yet executed.

(3) The contractor shall retain the copyright on his/her work. Permission to use the work shall be subject to the written consent by the contractor.

#### 6. Correction of Errors

(1) The contractor shall have the right and shall be obliged to correct all errors and inaccuracies in his/her professional statement made orally or in writing which subsequently come to light and shall be obliged to inform the client thereof without delay. He/she shall also have the right to inform a third party acquainted with the original professional statement of the change.

(2) The client has the right to have all errors corrected free of charge if the contractor can be held responsible for them; this right will expire six months after completion of the services rendered by the contractor and/or – in cases where a written professional statement has not been delivered – six months after the contractor has completed the work that gives cause to complaint.

(3) If the contractor fails to correct errors which have come to light, the client shall have the right to demand a reduction in price. The extent to which additional claims for damages can be asserted is stipulated under Item 7.

#### 7. Liability

(1) All liability provisions shall apply to all disputes in connection with the contractual relationship, irrespective of the legal grounds. The contractor is liable for losses arising in connection with the contractual relationship (including its termination) only in case of willful intent and gross negligence. The applicability of Section 1298 2<sup>nd</sup> Sentence ABGB is excluded.

(2) In cases of gross negligence, the maximum liability for damages due from the contractor is tenfold the minimum insurance sum of the professional liability insurance according to Section 11 WTBG 2017 as amended.

(3) The limitation of liability pursuant to Item 7. (2) refers to the individual case of damages. The individual case of damages includes all consequences of a breach of duty regardless of whether damages arose in one or more consecutive years. In this context, multiple acts or failures to act that are based on the same or similar source of error as one consistent breach of duty if the matters concerned are legally and economically connected. Single damages remain individual cases of damage even if they are based on several breaches of duty. Furthermore, the contractor's liability for loss of profit as well as collateral, consequential, incidental or similar losses is excluded in case of willful damage.

(4) Any action for damages may only be brought within six months after those entitled to assert a claim have gained knowledge of the damage, but no later than three years after the occurrence of the (primary) loss following the incident upon which the claim is based, unless other statutory limitation periods are laid down in other legal provisions.

(5) Should Section 275 Austrian Commercial Code (UGB) be applicable (due to a criminal offense), the liability provisions contained therein shall apply even in cases where several persons have participated in the execution of the contract or where several activities requiring compensation have taken place and irrespective of whether other participants have acted with intent.

(6) In cases where a formal auditor's report is issued, the applicable limitation period shall commence no later than at the time the said auditor's report was issued.

(7) If activities are carried out by enlisting the services of a third party, e.g. a data-processing company, any warranty claims and claims for damages which arise against the third party according to law and contract shall be deemed as having been passed on to the client once the client has been informed of them. Item 4. (3) notwithstanding, in such a case the contractor shall only be liable for fault in choosing the third party.

(8) The contractor's liability to third parties is excluded in any case. If third parties come into contact with the contractor's work in any manner due to the client, the client shall expressly clarify this fact to them. Insofar as such exclusion of liability is not legally permissible or a liability to third parties has been assumed by the contractor in exceptional cases, these limitations of liability shall in any case also apply to third parties on a subsidiary basis. In any case, a third party cannot raise any claims that go beyond any claim raised by the client. The maximum sum of liability shall be valid only once for all parties injured, including the compensation claims of the client, even if several persons (the client and a third party or several third parties) have sustained losses; the claims of the parties injured shall be satisfied in the order in which the claims have been raised. The client will indemnify and hold harmless the contractor and his/her staff against any claims by third parties in connection with professional statements made orally or in writing by the contractor and passed on to these third parties.

(9) Item 7. shall also apply to any of the client's liability claims to third parties (performing agents and vicarious agents of the contractor) and to substitutes of the contractor relating to the contractual relationship.

#### 8. Secrecy, Data Protection

(1) According to Section 80 WTBG 2017 the contractor shall be obliged to maintain secrecy in all matters that become known to him/her in connection with his/her work for the client, unless the client releases him/her from this duty or he/she is bound by law to deliver a statement.

(2) Insofar as it is necessary to pursue the contractor's claims (particularly claims for fees) or to dispute claims against the contractor (particularly claims for damages raised by the client or third parties against the contractor), the contractor shall be released from his/her professional obligation to maintain secrecy.

(3) The contractor shall be permitted to hand on reports, expert opinions and other written statements pertaining to the results of his/her services to third parties only with the permission of the client, unless he/she is required to do so by law.

(4) The contractor is a data protection controller within the meaning of the General Data Protection Regulation ("GDPR") with regard to all personal data processed under the contract. The contractor is thus authorized to process personal data entrusted to him/her within the limits of the contract. The material made available to the contractor (paper and data carriers) shall generally be handed to the client or to third parties appointed by the client after the respective rendering of services has been completed, or be kept and destroyed by the contractor if so agreed. The contractor is authorized to keep copies thereof insofar as he/she needs them to appropriately document his/her services or insofar as it is required by law or customary in the profession.

(5) If the contractor supports the client in fulfilling his/her duties to the data subjects arising from the client's function as data protection controller, the contractor shall be entitled to charge the client for the actual efforts undertaken. The same shall apply to efforts undertaken for information with regard to the contractual relationship which is provided to third parties after having been released from the obligation to maintain secrecy to third parties by the client.

#### 9. Withdrawal and Cancellation („Termination“)

(1) The notice of termination of a contract shall be issued in writing (see also Item 4. (4) and (5)). The expiry of an existing power of attorney shall not result in a termination of the contract.

(2) Unless otherwise agreed in writing or stipulated by force of law, either contractual partner shall have the right to terminate the contract at any time with immediate effect. The fee shall be calculated according to Item 11.

(3) However, a continuing agreement (fixed-term or open-ended contract on – even if not exclusively – the rendering of repeated individual services, also with a flat fee) may, without good reason, only be terminated at the end of the calendar month by observing a period of notice of three months, unless otherwise agreed in writing.

(4) After notice of termination of a continuing agreement and unless otherwise stipulated in the following, only those individual tasks shall still be completed by the contractor (list of assignments to be completed) that can (generally) be completed fully within the period of notice insofar as the client is notified in writing within one month after commencement of the termination notice period within the meaning of Item 4. (2). The list of assignments to be completed shall be completed within the termination period if all documents required are provided without delay and if no good reason exists that impedes completion.

(5) Should it happen that in case of a continuing agreement more than two similar assignments which are usually completed only once a year (e.g. financial statements, annual tax returns, etc.) are to be completed, any assignments exceeding this number shall be regarded as assignments to be completed only with the client's explicit consent. If applicable, the client shall be informed of this explicitly in the statement pursuant to Item 9. (4).

#### 10. Termination in Case of Default in Acceptance and Failure to Cooperate on the Part of the Client and Legal Impediments to Execution

(1) If the client defaults on acceptance of the services rendered by the contractor or fails to carry out a task incumbent on him/her either according to Item 2. or imposed on him/her in another way, the contractor shall have the right to terminate the contract without prior notice. The same shall apply if the client requests a way to execute (also partially) the contract that the contractor reasonably believes is not in compliance with the legal situation or professional principles. His/her fees shall be calculated according to Item 11. Default in acceptance or failure to cooperate on the part of the client shall also justify a claim for compensation made by the contractor for the extra time and labor hereby expended as well as for the damage caused, if the contractor does not invoke his/her right to terminate the contract.

(2) For contracts concerning bookkeeping, payroll accounting and administration and assessment of payroll-related taxes and contributions, a termination without prior notice by the contractor is permissible under Item 10. (1) if the client verifiably fails to cooperate twice as laid down in Item 2. (1).

#### 11. Entitlement to Fee

(1) If the contract fails to be executed (e.g. due to withdrawal or cancellation), the contractor shall be entitled to the negotiated compensation (fee), provided he/she was prepared to render the services and was prevented from so doing by circumstances caused by the client, whereby a merely contributory negligence by the contractor in this respect shall be excluded; in this case the contractor need not take into account the amount he/she obtained or failed to obtain through alternative use of his/her own professional services or those of his/her staff.

(2) If a continuing agreement is terminated, the negotiated compensation for the list of assignments to be completed shall be due upon completion or in case completion fails due to reasons attributable to the client (reference is made to Item 11. (1)). Any flat fees negotiated shall be calculated according to the services rendered up to this point.

(3) If the client fails to cooperate and the assignment cannot be carried out as a result, the contractor shall also have the right to set a reasonable grace period on the understanding that, if this grace period expires without results, the contract shall be deemed ineffective and the consequences indicated in Item 11. (1) shall apply.

(4) If the termination notice period under Item 9. (3) is not observed by the client as well as if the contract is terminated by the contractor in accordance with Item 10. (2), the contractor shall retain his/her right to receive the full fee for three months.

#### 12. Fee

(1) Unless the parties explicitly agreed that the services would be rendered free of charge, an appropriate remuneration in accordance with Sections 1004 and 1152 ABGB is due in any case. Amount and type of the entitlement to the fee are laid down in the agreement negotiated between the contractor and his/her client. Unless a different agreement has verifiably been reached, payments made by the client shall in all cases be credited against the oldest debt.

(2) The smallest service unit which may be charged is a quarter of an hour.

(3) Travel time to the extent required is also charged.

(4) Study of documents which, in terms of their nature and extent, may prove necessary for preparation of the contractor in his/her own office may also be charged as a special item.

(5) Should a remuneration already agreed upon prove inadequate as a result of the subsequent occurrence of special circumstances or due to special requirements of the client, the contractor shall notify the client thereof and additional negotiations for the agreement of a more suitable remuneration shall take place (also in case of inadequate flat fees).

(6) The contractor includes charges for supplementary costs and VAT in addition to the above, including but not limited to the following (7) to (9):

(7) Chargeable supplementary costs also include documented or flat-rate cash expenses, traveling expenses (first class for train journeys), per diems, mileage allowance, copying costs and similar supplementary costs.

(8) Should particular third party liabilities be involved, the corresponding insurance premiums (including insurance tax) also count as supplementary costs.

(9) Personnel and material expenses for the preparation of reports, expert opinions and similar documents are also viewed as supplementary costs.

(10) For the execution of a contract wherein joint completion involves several contractors, each of them will charge his/her own compensation.

(11) In the absence of any other agreements, compensation and advance payments are due immediately after they have been requested in writing. Where payments of compensation are made later than 14 days after the due date, default interest may be charged. Where mutual business transactions are concerned, a default interest rate at the amount stipulated in Section 456 1<sup>st</sup> and 2<sup>nd</sup> Sentence UGB shall apply.

(12) Statutory limitation is in accordance with Section 1486 of ABGB, with the period beginning at the time the service has been completed or upon the issuing of the bill within an appropriate time limit at a later point.

(13) An objection may be raised in writing against bills presented by the contractor within 4 weeks after the date of the bill. Otherwise the bill is considered as accepted. Filing of a bill in the accounting system of the recipient is also considered as acceptance.

(14) Application of Section 934 ABGB within the meaning of Section 351 UGB, i.e. rescission for *laesio enormis* (lesion beyond moiety) among entrepreneurs, is hereby renounced.

(15) If a flat fee has been negotiated for contracts concerning bookkeeping, payroll accounting and administration and assessment of payroll-related taxes and contributions, in the absence of written agreements to the contrary, representation in matters concerning all types of tax audits and audits of payroll-related taxes and social security contributions including settlements concerning tax assessments and the basis for contributions, preparation of reports, appeals and the like shall be invoiced separately. Unless otherwise agreed to in writing, the fee shall be considered agreed upon for one year at a time.

(16) Particular individual services in connection with the services mentioned in Item 12. (15), in particular ascertaining whether the requirements for statutory social security contributions are met, shall be dealt with only on the basis of a specific contract.

(17) The contractor shall have the right to ask for advance payments and can make delivery of the results of his/her (continued) work dependent on satisfactory fulfillment of his/her demands. As regards continuing agreements, the rendering of further services may be denied until payment of previous services (as well as any advance payments under Sentence 1) has been effected. This shall analogously apply if services are rendered in installments and fee installments are outstanding.

(18) With the exception of obvious essential errors, a complaint concerning the work of the contractor shall not justify even only the partial retention of fees, other compensation, reimbursements and advance payments (remuneration) owed to him/her in accordance with Item 12.

(19) Offsetting the remuneration claims made by the contractor in accordance with Item 12. shall only be permitted if the demands are uncontested and legally valid.

### 13. Other Provisions

(1) With regard to Item 12. (17), reference shall be made to the legal right of retention (Section 471 ABGB, Section 369 UGB); if the right of retention is wrongfully exercised, the contractor shall generally be liable pursuant to Item 7. or otherwise only up to the outstanding amount of his/her fee.

(2) The client shall not be entitled to receive any working papers and similar documents prepared by the contractor in the course of fulfilling the contract. In the case of contract fulfillment using electronic accounting systems the contractor shall be entitled to delete the data after handing over all data based thereon – which were prepared by the contractor in relation to the contract and which the client is obliged to keep – to the client and/or the succeeding public accountant in a structured, common and machine-readable format. The contractor shall be entitled to an appropriate fee (Item 12. shall apply by analogy) for handing over such data in a structured, common and machine-readable format. If handing over such data in a structured, common and machine-readable format is impossible or unfeasible for special reasons, they may be handed over in the form of a full print-out instead. In such a case, the contractor shall not be entitled to receive a fee.

(3) At the request and expense of the client, the contractor shall hand over all documents received from the client within the scope of his/her activities. However, this shall not apply to correspondence between the contractor and his/her client and to original documents in his/her possession and to documents which are required to be kept in accordance with the legal anti-money laundering provisions applicable to the contractor. The contractor may make copies or duplicates of the documents to be returned to the client. Once such documents have been transferred to the client, the contractor shall be entitled to an appropriate fee (Item 12. shall apply by analogy).

(4) The client shall fetch the documents handed over to the contractor within three months after the work has been completed. If the client fails to do so, the contractor shall have the right to return them to the client at the cost of the client or to charge an appropriate fee (Item 12. shall apply by analogy) if the contractor can prove that he/she has asked the client twice to pick up the documents handed over. The documents may also further be kept by third parties at the expense of the client. Furthermore, the contractor is not liable for any consequences arising from damage, loss or destruction of the documents.

(5) The contractor shall have the right to compensation of any fees that are due by use of any available deposited funds, clearing balances, trust funds or other liquid funds at his/her disposal, even if these funds are explicitly intended for safekeeping, if the client had to have anticipated the counterclaim of the contractor.

(6) To secure an existing or future fee payable, the contractor shall have the right to transfer a balance held by the client with the tax office or another balance held by the client in connection with charges and contributions, to a trust account. In this case the client shall be informed of the transfer. Subsequently, the amount secured may be collected either after agreement has been reached with the client or after enforceability of the fee by execution has been declared.

### 14. Applicable Law, Place of Performance, Jurisdiction

(1) The contract, its execution and the claims resulting from it shall be exclusively governed by Austrian law, excluding national referral rules.

(2) The place of performance shall be the place of business of the contractor.

(3) In absence of a written agreement stipulating otherwise, the place of jurisdiction is the competent court of the place of performance.

## SECTION II

### 15. Supplementary Provisions for Consumer Transactions

(1) Contracts between public accountants and consumers shall fall under the obligatory provisions of the Austrian Consumer Protection Act (KSChG).

(2) The contractor shall only be liable for the willful and grossly negligent violation of the obligations assumed.

(3) Contrary to the limitation laid down in Item 7. (2), the duty to compensate on the part of the contractor shall not be limited in case of gross negligence.

(4) Item 6. (2) (period for right to correction of errors) and Item 7. (4) (asserting claims for damages within a certain period) shall not apply.

(5) Right of Withdrawal pursuant to Section 3 KSChG:

If the consumer has not made his/her contract statement in the office usually used by the contractor, he/she may withdraw from the contract application or the contract proper. This withdrawal may be declared until the contract has been concluded or within one week after its conclusion; the period commences as soon as a document has been handed over to the consumer which contains at least the name and the address of the contractor as well as instructions on the right to withdraw from the contract, but no earlier than the conclusion of the contract. The consumer shall not have the right to withdraw from the contract

1. if the consumer himself/herself established the business relationship concerning the conclusion of this contract with the contractor or his/her representative,

2. if the conclusion of the contract has not been preceded by any talks between the parties involved or their representatives, or

3. in case of contracts where the mutual services have to be rendered immediately, if the contracts are usually concluded outside the offices of the contractors, and the fee agreed upon does not exceed €15.

In order to become legally effective, the withdrawal shall be declared in writing. It is sufficient if the consumer returns a document that contains his/her contract declaration or that of the contractor to the contractor with a note which indicates that the consumer rejects the conclusion or the maintenance of the contract. It is sufficient if this declaration is dispatched within one week.

If the consumer withdraws from the contract according to Section 3 KSChG,

1. the contractor shall return all benefits received, including all statutory interest, calculated from the day of receipt, and compensate the consumer for all necessary and useful expenses incurred in this matter,

2. the consumer shall pay for the value of the services rendered by the contractor as far as they are of a clear and predominant benefit to him/her.

According to Section 4 (3) KSChG, claims for damages shall remain unaffected.

(6) Cost Estimates according to Section 5 Austrian KSChG:

The consumer shall pay for the preparation of a cost estimate by the contractor in accordance with Section 1170a ABGB only if the consumer has been notified of this payment obligation beforehand.

If the contract is based on a cost estimate prepared by the contractor, its correctness shall be deemed warranted as long as the opposite has not been explicitly declared.

(7) Correction of Errors: Supplement to Item 6.:

If the contractor is obliged under Section 932 ABGB to improve or complement his/her services, he/she shall execute this duty at the place where the matter was transferred. If it is in the interest of the consumer to have the work and the documents transferred by the contractor, the consumer may carry out this transfer at his/her own risk and expense.

(8) Jurisdiction: Shall apply instead of Item 14. (3)

If the domicile or the usual residence of the consumer is within the country or if he/she is employed within the country, in case of an action against him/her according to Sections 88, 89, 93 (2) and 104 (1) Austrian Court Jurisdiction Act (JN), the only competent courts shall be the courts of the districts where the consumer has his/her domicile, usual residence or place of employment.

(9) Contracts on Recurring Services:

(a) Contracts which oblige the contractor to render services and the consumer to effect repeated payments and which have been concluded for an indefinite period or a period exceeding one year may be terminated by the consumer at the end of the first year, and after the first year at the end of every six months, by adhering to a two-month period of notice.

(b) If the total work is regarded as a service that cannot be divided on account of its character, the extent and price of which is determined already at the conclusion of the contract, the first date of termination may be postponed until the second year has expired. In case of such contracts the period of notice may be extended to a maximum of six months.

(c) If the execution of a certain contract indicated in lit. a) requires considerable expenses on the part of the contractor and if he/she informed the consumer about this no later than at the time the contract was concluded, reasonable dates of termination and periods of notice which deviate from lit. a) and b) and which fit the respective circumstances may be agreed.

(d) If the consumer terminates the contract without complying with the period of notice, the termination shall become effective at the next termination date which follows the expiry of the period of notice.