

# COMPENSATION REPORT FOR MEMBERS OF THE MANAGEMENT BOARD AND SUPERVISORY BOARD

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**Business Year 2020/21**  
**voestalpine AG**

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

## A. INTRODUCTION

This Compensation Report provides a comprehensive overview of the compensation paid or owed to the members of the Management Board and those of the Supervisory Board of voestalpine AG (also referred to as the “company”) in the business year 2020/21; in doing so, the Report satisfies the requirements of Sections 78c and 98a Austrian Stock Corporation Act (*Aktiengesetz – AktG*).

The present Compensation Report was prepared by the Management Board and the Supervisory Board and will be submitted to the company’s 29<sup>th</sup> Annual General Meeting on July 7, 2021, for a vote.

## B. BUSINESS PERFORMANCE 2020/21

- » Driven by economic factors, revenue declines by 11.4%, from EUR 12.7 billion to EUR 11.3 billion
- » At EUR 1.1 billion, operating result (EBITDA) much better than expected at the start of the business year (business year 2019/20: EUR 1.2 billion); EBITDA margin: 10.1%
- » At EUR 115 million, profit from operations (EBIT) once again clearly positive (2019/20: EUR –89 million)
- » Profit before tax of EUR 11 million (2019/20: EUR –230 million) and profit after tax of EUR 32 million (2019/20: EUR –216 million) once again clearly positive too
- » Cash flows from operating activities rise substantially to EUR 1.6 billion
- » Despite the economic crisis, strong increase in liquidity and decrease in liabilities thanks to consistent measures to lower costs and boost efficiency
- » As of March 31, 2021, gearing ratio falls to 49% (March 31, 2020: 67%)
- » Equity stable at EUR 5.6 billion

voestalpine's business year 2020/21 was defined by an economic downturn of historic proportions. While almost all customer segments saw demand melt away in the first business quarter, starting in the second quarter demand for voestalpine's products rose once again despite renewed lockdowns in many markets and kept rising throughout the business year. The automotive industry, in particular, showed surprising strength once it emerged from its COVID-19-induced low, triggering substantial growth in demand for high-quality steel products. Aerospace and oil & natural gas were hit particularly hard by the crisis. The Railway Systems business segment, by contrast, developed along a stable trajectory throughout the reporting period. The storage technology segment, for its part, posted all-time high orders thanks to booming online commerce.

Even though demand for voestalpine's products rose significantly over the business year 2020/21, the Group's revenue fell by 11.4% to EUR 11.3 billion on account of economic factors. Similarly to the development of revenue, voestalpine also saw a marked upturn in earnings throughout the subsequent quarters. Given the COVID-19 crisis, the decline in EBITDA by 4% to EUR 1.1 billion was moderate. At EUR 115 million, the Group succeeded once again in posting positive EBIT (2019/20: EUR -89 million). As previously communicated, in the business year 2020/21 (mainly its second quarter) EBIT was impacted by impairment losses of EUR 197 million largely attributable to two companies (voestalpine Texas and voestalpine Tubulars).

Cash flows were extremely positive. The Group succeeded in substantially boosting its cash flow from operating activities to EUR 1.6 billion during the business year ended—especially because it reduced working capital by EUR 633 million. This underscores the voestalpine Group's strong ability to fund itself even in a difficult market environment.

Following EUR -230 million in the previous business year, profit before tax for the business year 2020/21 is EUR 11 million and thus slightly positive yet again. At EUR 32 million, the voestalpine Group also succeeded in boosting its after-tax profit (2019/20: EUR -216 million).

The gearing ratio (net financial debt as a percentage of equity) improved year over year, from 67.2% to 48.5% as of the end of March 2021. Consistent working capital management and low investment levels enabled voestalpine to significantly reduce its net financial debt in the business year 2020/21 to EUR 2.7 billion, down from EUR 3.8 billion a year earlier. This was the lowest level since the business year 2014/15. At EUR 5.6 billion, equity as of March 31, 2021, was stable year over year (March 31, 2020: EUR 5.6 billion).

# C. COMPENSATION OF THE MANAGEMENT BOARD

## 1. PRINCIPLES AND AIMS OF THE COMPENSATION POLICY FOR THE MEMBERS OF THE MANAGEMENT BOARD

The currently applicable Compensation Policy for the members of the Management Board was resolved by the Supervisory Board on June 2, 2020, and submitted to the Annual General Meeting on July 1, 2020, for a vote. It was approved with 97.05% of the votes cast. The Policy is available at [www.voestalpine.com](http://www.voestalpine.com) » Investors » Annual Shareholder's Meeting » Annual General Meeting 2020.

The compensation system for the Management Board aims to compensate the Management Board's members in ways appropriate to the size and financial position of voestalpine AG and to offer them incentives for successfully managing and developing the company.

The compensation comprises non-performance-based, fixed elements and performance-based, variable elements.

### OVERVIEW OF THE COMPONENTS OF COMPENSATION

Component	Summary
<b>Performance-based, fixed compensation</b>	
Base salary	Salary determinations consider market standards and competitiveness; as a rule, the base salary is the same for all members of the Management Board excepting the chairman
Ancillary payments and bonuses	Include non-cash benefits, insurance premiums, long-service bonuses, sick pay, special payments in special cases (employee inventions, signing bonuses)
Pension plan	The current Compensation Policy provides for a pension contribution of up to 20% of the annual gross base salary to an industry-wide pension fund; different provisions under legacy contracts entail defined benefit obligations as well as higher contributions to the pension fund.
<b>Performance-based, variable compensation</b>	
Variable compensation	Achievement of particular quantitative and qualitative targets yields a maximum bonus of 250% for the chairman of the Management Board and of 200% for all other members of the Management Board; sustainable action is achieved by setting quantitative targets for three years in each case.

#### a. NON-PERFORMANCE-BASED, FIXED COMPENSATION

Every member of the Management Board is paid a base salary for carrying out their duties as such. This base salary is stipulated in the form of a monthly gross amount that is disbursed 14 times a year (“annual gross base salary”). In addition, ancillary and special payments (= company car, insurance, long-service bonuses, continued pay during sick leave and in case of accidents, employee inventions, signing bonuses) as well as a pension contribution of up to 20% of the annual gross base salary to an industry-wide pension fund may be granted.

Two members of the Management Board are entitled to a defined benefit pension due to pension commitments under legacy contracts or activities within the Group that preceded their appointment to the Management Board. The amount of the contractual pension payable to these two Management Board members depends on the length of their service. The amount of the annual pension equals 1.2% of the most recent annual gross salary for each year of service. However, the pension benefit may not exceed 40% of their most recent annual gross base salary.

A review of the adequacy of the claim to pension resulting from the contributions paid up to the time at which three members of the Management Board were reappointed to their positions was conducted in 2018, and an additional contribution to the existing defined contribution agreement was resolved (= 15% of the annual gross base salary). The additional defined contribution payment is to be disbursed in five annual instalments starting with the business year 2019/20.

#### b. PERFORMANCE-BASED, VARIABLE COMPENSATION

##### TARGET AGREEMENT

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###### Variable compensation

Maximum bonus (200% or 250% of the annual gross base salary)



Variable compensation is contingent on the setting and achievement of financial (i.e., quantitative) and non-financial (i.e., qualitative) targets that must be stipulated annually with the General Committee of voestalpine’s Supervisory Board, but no later than at the start of a business year. The lion’s share of the variable compensation—i.e., 75% or more—is based on quantitative targets.

In any event, the variable compensation must be limited as to the amount, even in case of potential target overachievement. This may be accomplished by stipulating an absolute maximum or a percentage of the fixed compensation ahead of time. The maximum payable bonus is limited to 200% of the fixed compensation (= annual gross base salary) paid to members of the Management Board and to 250% of the fixed compensation paid to the chairman of the Management Board; this maximum bonus can be achieved solely in case of quantitative target overachievement. If the agreed quantitative targets are achieved exactly, a total of up to 80% of the maximum bonus is owed for both the financial and the non-financial targets. Any overachievement of the quantitative targets is considered proportionately until the maximum bonus is reached.

### **Quantitative targets**

The lion's share of the variable compensation—i.e., 75% or more—is based on quantitative targets. The target agreements applicable to the members of the Management Board provide for the following quantitative performance criteria:

- » ROCE (return on capital employed)
- » EBIT (earnings before interest and taxes)

Besides these two quantitative performance criteria, additional performance criteria promoting the company's business strategy may be established, especially those that reflect capital commitments and the creation of liquidity (for example, the ratio of working capital to revenue or free cash flow). In any weighting of the quantitative performance criteria, the ROCE must be considered more significant than EBIT, and EBIT more significant than other performance criteria.

In any event, the specific targets for the two performance criteria, ROCE and EBIT, are determined periodically, i.e., at the start of a given period for a total of three years at minimum. For one, this uncouples the variable compensation system from the annual business and corporate planning process and, for another, ensures that long-term, strategic objectives are considered in the compensation of Management Board members.

In special circumstances, such as an economic crisis, the General Committee may use alternative or additional performance criteria such as free cash flow to replace and/or expand the financial performance criteria that it established for a three-year period. In these special cases, the weighting of the performance criteria specified in the Compensation Policy may be adjusted as well.

Identical quantitative targets are stipulated with all members of the Management Board.

### **Qualitative targets**

The target agreement applicable to the members of the Management Board must establish non-financial performance criteria that account for up to no more than 25% of the variable compensation. When these performance criteria (which may change from year to year) are established, care must be taken to ensure that they promote the company's development in the long term and do not provide incentives for achieving merely short-term results.

### **c. CLAIMS UPON TERMINATION**

In any case, the members of the Management Board are subject to the corporate severance scheme under the Austrian Act on Severance and Retirement Funds for Salaried Employees and Self-Employed Persons (*Betriebliches Mitarbeiter- und Selbständigenvorsorgegesetz – BMSVG*). The company thus is obliged to make contributions to the corporate provision fund in the amount prescribed by law.

Members of the Management Board may be paid contractual severance upon termination of their director's contract by analogy to the Austrian White-Collar Employee Act (in the version that applied immediately prior to the effective date of the amended federal law as per Austrian Federal Gazette (BGBl I 2002/100), the so-called "Old Severance Payment Scheme"). In such cases, the gross severance pay from the corporate provision fund to which a Management Board member is entitled under the provisions of the BMSVG upon termination of their employment must be offset against the contractual gross severance pay.

## 2. COMPENSATION OF THE MEMBERS OF THE MANAGEMENT BOARD 2020/21

The compensation paid to the members of the Management Board as well as the total compensation paid to the Management Board for the business year 2020/21 is shown below.

For one, the compensation in 2020/21 comprises the non-performance-based, fixed compensation actually paid to the members of the Management Board in the business year 2020/21. For another, it comprises the claims, which the members of the Management Board acquired for the business year 2020/21 under the performance-based, variable compensation that is disbursed to them not all at once but instead is paid out to them over the 12 months of the calendar year 2021. Accordingly, a partial payment of the variable compensation for the last three months of the business year 2020/21 (= Q1 2021) and up to May 2021, as determined based on forecasts for the business year 2020/21, was made to the members of the Management Board. The variable compensation to which the members of the Management Board are in fact entitled for the business year 2020/21 will be paid out to them in equal amounts less the previously disbursed partial payment from June 2021 (i.e., from the date on which the General Committee determines whether the targets applicable to the variable compensation were achieved) through to December 2021. This means that the compensation paid to the members of the Management Board of voestalpine AG solely constitutes so-called "owed compensation."

In the business year 2020/21, the company's Management Board comprised the following six members:

- » Dipl.-Ing. Herbert Eibensteiner – Chairman of the Management Board
- » Dipl.-Ing. Dr. Franz Kainersdorfer – Head of the Metal Engineering Division
- » Mag. Dipl.-Ing. Robert Ottel, MBA – Chief Financial Officer
- » Dipl.-Ing. Franz Rotter – Head of the High Performance Metals Division
- » Dipl.-Ing. Dr. Peter Schwab, MBA – Head of the Metal Forming Division
- » Dipl.-Ing. Hubert Zajicek, MBA – Head of the Steel Division

### a. NON-PERFORMANCE-BASED, FIXED COMPENSATION

The non-performance-based, fixed compensation of the members of the Management Board for the business year 2020/21 comprises the annual gross base salary as well as ancillary and special payments (i.e., the noncash compensation, which includes a company car that may be used not only for business purposes but also for private purposes) and group accident insurance.

Moreover, the compensation paid to Dipl.-Ing. Dr. Franz Kainersdorfer; Dipl.-Ing. Franz Rotter; Dipl.-Ing. Dr. Peter Schwab, MBA; and Dipl.-Ing. Hubert Zajicek, MBA, includes a contribution to an industry-wide pension fund that equates to 15% of their respective annual gross base salary. A review of the adequacy of the claim to pension resulting from the contributions paid up to the time at which Dipl.-Ing. Dr. Franz Kainersdorfer, Dipl.-Ing. Franz Rotter, and Dipl.-Ing. Dr. Peter Schwab, MBA, were reappointed to their positions in 2018 was conducted at that time; an additional contribution to the existing defined contribution agreement (= 15% of the annual gross base salary) was resolved. The additional defined contribution payment is to be disbursed in five annual installments starting with the business year 2019/20. Dipl.-Ing. Herbert Eibensteiner and Mag. Dipl.-Ing. Robert Ottel, MBA, are entitled to a defined benefit pension due to pension commitments under legacy contracts or activities within the Group that preceded their appointment to the Management Board (see item C.1.a).



## FIXED COMPENSATION

	Herbert Eibensteiner	Franz Kainersdorfer	Robert Ottel	Franz Rotter	Peter Schwab	Hubert Zajicek
Annual base salary	1,100,000	900,000	900,000	900,000	900,000	900,000
Noncash compensation (especially car, insurance)	12,203	9,293	12,203	12,173	12,203	12,173
Long-service bonus		36,929				
Current pension contribution		135,000		135,000	135,000	135,000
Additional amount (2018 Agreement)		388,606		465,752	564,769	
<b>Total fixed compensation</b>	<b>1,112,203</b>	<b>1,469,828</b>	<b>912,203</b>	<b>1,512,925</b>	<b>1,611,972</b>	<b>1,047,173</b>

In euros

In addition to the pension and insurance contributions mentioned in the foregoing, just as other directors and officers of the voestalpine Group, all members of the Management Board are covered by D&O insurance as well as criminal defense insurance providing adequate coverage, both of which the company has purchased for the entire Group. The cost of these insurance policies benefiting the Management Board members are borne by the company.

### b. PERFORMANCE-BASED, VARIABLE COMPENSATION

The performance-based, variable compensation of the members of the Management Board for the business year 2020/21 is based on a performance target agreement ("Target Agreement 2021"), which the Management Board and the General Committee of the Supervisory Board entered into at the start of the business year 2020/21.

The quantitative performance criteria as per the Target Agreement 2020/21 are: return on capital employed (ROCE), earnings before interest and taxes (EBIT), and ratio of working capital to revenue. The targets for both ROCE and EBIT correspond to the different targets established at the start of the business year 2019/20 for each of the next three business years—and thus also for the business year 2020/21 in toto. For one, this three-year plan uncouples the variable compensation system from the annual business and corporate planning process and, for another, it ensures that long-term, strategic objectives are considered in the compensation of the Management Board members. The target, ratio of working capital to revenue, was determined at the start of the business year 2020/21. Neither the performance criteria nor the corresponding targets were adjusted during the business year.

The qualitative targets stipulated for all of the members of the Management Board in the business year 2020/21 were, first, preparation of a review of the 2025+ Strategy and, second, preparation of a sustainability strategy as well as subsequent presentation of each to the Supervisory Board. Structurally speaking, the sustainability strategy submitted to the Supervisory Board in this connection follows the three-pillar model, "Economy, Environment, and Society," and is conceived as a comprehensive framework based on the best-in-class approach. Sustainability is an integral part of the voestalpine Group's strategy. As such, it is intended to have a positive impact in the long term on voestalpine's strategic goals and other core strategic elements: technology, innovation, quality, and human resources. voestalpine's most pressing task in this connection involves preparing options for lowering CO<sub>2</sub> emissions also with respect to the supply chains.

The General Committee determined whether targets had been achieved on June 8, 2021, among other things on the basis of the company's audited consolidated financial statements. Pursuant to the target achievement thus determined, the variable compensation of the members of the Management Board is as follows:

## VARIABLE COMPENSATION

	<b>Chairman of the Management Board</b>	<b>Members of the Management Board</b>
	Herbert Eibensteiner	Franz Kainersorfer, Robert Ottel, Franz Rotter, Peter Schwab, Hubert Zajicek
Annual gross base salary	1,100,000	900,000
Maximum bonus in % of the annual gross salary	250	200
<b>Quantitative targets (60% of the maximum bonus)</b>	<b>60</b>	<b>60</b>
Actual degree of target achievement	33.05	33.05
Target achievement in % of the maximum bonus	19.83	19.83
Target achievement in % of the annual gross base salary	49.58	39.66
Variable compensation	545,325	356,940
<b>Qualitative targets (20% of the maximum bonus)</b>	<b>20</b>	<b>20</b>
Actual degree of target achievement	100.00	100.00
Target achievement in % of the maximum bonus	20.00	20.00
Target achievement in % of the annual gross base salary	50.00	40.00
Variable compensation	550,000	360,000
<b>Total</b>		
Target achievement in % of the maximum bonus	39.83	39.83
Target achievement in % of the annual gross base salary	99.58	79.66
<b>Variable Compensation</b>	<b>1,095,325</b>	<b>716,940</b>

In euros

## c. TOTAL COMPENSATION

The total compensation paid to the Management Board for the business year 2020/21 is EUR 12,346,329 (2019/20: EUR 9,760,702). Of this amount, the non-performance-based, fixed compensation is EUR 7,666,304 (2019/20: EUR 7,159,943) and the performance-based, variable compensation is EUR 4,680,025 (2019/20: EUR 2,600,759).

The following table shows the total compensation paid to the Management Board, broken down by the non-performance-based, fixed components and the performance-based, variable components (including their ratios) paid to each individual member of the Management Board:<sup>1</sup>

<sup>1</sup> This presentation is based on the form proposed by the Austrian Financial Reporting and Auditing Committee (AFRAC) in AFRAC Statement 37 (Compensation Report under the Austrian Stock Corporation Act). In contrast to the specifications of the Compensation Policy applicable to the members of the Management Board of voestalpine AG, in this presentation long-service bonuses are not shown as fixed compensation.

**TOTAL COMPENSATION – BUSINESS YEAR 2020/21**

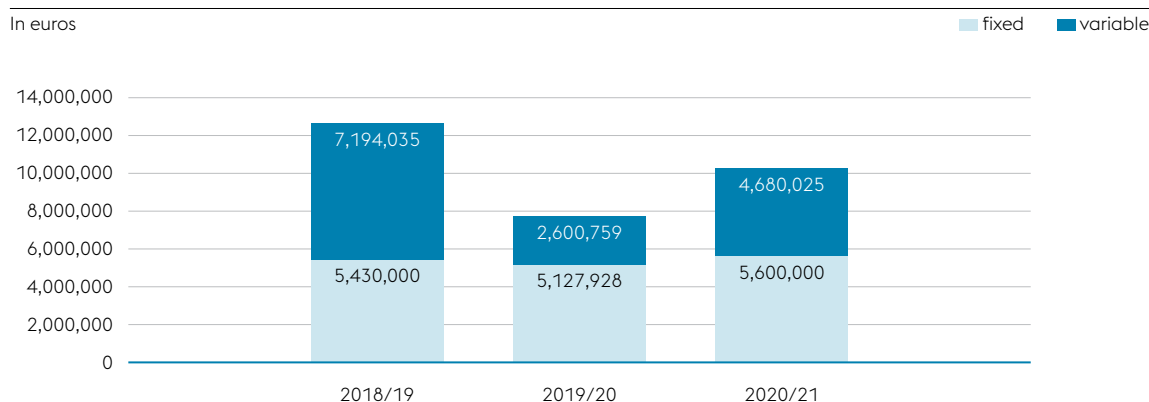
	<b>Herbert Eibensteiner</b>	<b>Franz Kainersdorfer</b>	<b>Robert Ottel</b>	<b>Franz Rotter</b>	<b>Peter Schwab</b>	<b>Hubert Zajicek</b>
<b>Fixed compensation</b>						
Annual base salary	1,100,000	900,000	900,000	900,000	900,000	900,000
Noncash compensation (in particular, company car, accident insurance)	12,203	9,293	12,203	12,173	12,203	12,173
Contributions to the industry-wide pension fund		135,000		135,000	135,000	135,000
Additional amount (2018 Agreement)		388,606		465,752	564,769	
<b>Subtotal</b>	<b>1,112,203</b>	<b>1,432,899</b>	<b>912,203</b>	<b>1,512,925</b>	<b>1,611,972</b>	<b>1,047,173</b>
<b>Variable compensation</b>						
Annual bonus	1,095,325	716,940	716,940	716,940	716,940	716,940
Disbursement prior-year bonus	0	0	0	0	0	0
<b>Subtotal</b>	<b>1,095,325</b>	<b>716,940</b>	<b>716,940</b>	<b>716,940</b>	<b>716,940</b>	<b>716,940</b>
<b>Compensation from affiliates<sup>1</sup></b>						
Salary for activities as managing directors in subsidiaries	0	0	0	0	0	0
<b>Subtotal</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Other compensation</b>						
One-time severance payment	0	36,929	0	0	0	0
<b>Subtotal</b>	<b>0</b>	<b>36,929</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Compensation from previous work in corporate body</b>						
Pension	0	0	0	0	0	0
<b>Subtotal</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total compensation</b>						
Fixed	1,112,203	1,432,899	912,203	1,512,925	1,611,972	1,047,173
Variable	1,095,325	716,940	716,940	716,940	716,940	716,940
Affiliates <sup>1</sup>	0	0	0	0	0	0
Other	0	36,929	0	0	0	0
Pension (former Manage- ment Board members)	0	0	0	0	0	0
<b>Total</b>	<b>2,207,528</b>	<b>2,186,768</b>	<b>1,629,143</b>	<b>2,229,865</b>	<b>2,328,912</b>	<b>1,764,113</b>
<i>Relative percentage of fixed components (in %)</i>	50.38	67.21	55.99	67.85	69.22	59.36
<i>Relative percentage of variable components (in %)</i>	49.62	32.79	44.01	32.15	30.78	40.64

<sup>1</sup> Members of the Management Board of voestalpine AG do not have a claim to compensation for serving on corporate bodies of Group companies and affiliates.

In euros

The following table shows the development of the non-performance-based, fixed components (excluding noncash compensation, pension fund contributions, and long service bonuses) as well as of the performance-based, variable components in the past three business years:

## COMPENSATION OVER THREE YEARS



The compensation of the members of the Management Board for the business year 2020/21 corresponds to the current Compensation Policy. The development on the whole—but particularly that of the performance-based, variable component—clearly shows the strong correlation of the compensation of the Management Board members and the company's performance.

At EUR 13.6 billion, the voestalpine Group posted a new all-time revenue high in the business year 2018/19, but was unable to replicate this positive trend on the earnings side compared with the business year 2017/18. EBIT was about EUR 780 million, and ROCE was 7%. For the voestalpine Group, the business year 2019/20 was defined by a massive dampening of sentiment in the economic environment owing to the worldwide trade conflicts. These developments hit Europe's export-driven industry, which accounts for about two-thirds of the Group's revenue, particularly hard. The automotive segment, which is important to the voestalpine Group, slumped worldwide. Add to that globally rising iron ore prices in the face of simultaneously falling steel prices. An upward trend did not make itself felt for the first time until the start of the fourth quarter of the business year 2019/20, only to be brought to a sudden standstill by the outbreak of the COVID-19 pandemic. EBIT for the business year 2019/20 was EUR -89 million and the ROCE was -0.8%. Group working capital in percent of revenue deteriorated from 32.4% to 34.6%. voestalpine's business year 2020/21 was defined by an economic downturn of historic proportions. While almost all customer segments saw demand melt away in the first business quarter, starting in the second quarter demand for voestalpine's products rose once again despite renewed lockdowns in many markets and kept rising throughout the business year. The automotive industry, in particular, showed surprising strength once it emerged from its COVID-19-induced low, triggering substantial growth in demand for high-quality steel products. Even though demand for voestalpine's products rose significantly over the business year 2020/21, the Group's revenue fell

by 11.4% to EUR 11.3 billion on account of economic factors. Similarly to the development of revenue, voestalpine also saw a marked upturn in earnings throughout the subsequent quarters. Given the COVID-19 crisis, the decline in EBITDA by 4% to EUR 1.1 billion was moderate. At EUR 115 million, the Group succeeded in returning to positive EBIT despite impairment losses of EUR 197 million. The return on capital employed (ROCE) is 1.14%. There was also a substantial improvement in the Group's working capital as a percentage of revenue, specifically, from 34.6% to 30.8%. The development of the variable compensation of the Management Board members reflects the Group's performance.

For one, the selected quantitative performance criteria provide an incentive to utilize the capital available to the company as best as possible; for another, they incentivize the members of the Management Board to focus on the company's earnings. The qualitative targets serve to address issues currently relevant to the company such as, in the business year 2020/21, the review of its 2025+ Strategy as well as the preparation of a sustainability strategy that zeroes in on the issue that is absolutely central to voestalpine: the decarbonization of steelmaking.

#### d. INFORMATION ON SHARE-BASED PAYMENTS

As per the Compensation Policy for the members of the Management Board, voestalpine AG does not make share-based payments to them.

#### e. ANNUAL CHANGE IN COMPENSATION, THE GROUP'S PERFORMANCE, AND THE AVERAGE COMPENSATION OF THE OTHER EMPLOYEES OF voestalpine AG

	Compensation <sup>1</sup>		Difference		Compensation <sup>1</sup>		Difference	
	2018/19	2019/20	2018/19 vs. 2019/20 absolute	2018/19 vs. 2019/20 in %	2020/21	2019/20 vs. 2020/21 absolute	2019/20 vs. 2020/21 in %	
Herbert Eibensteiner <sup>2</sup>	1,918,110	1,415,605	-502,505	-26.20	2,195,325	779,720	55.08	
Franz Kainersdorfer	1,918,110	1,190,000	-728,110	-37.96	1,616,940	426,940	35.88	
Robert Ottel	1,918,110	1,190,000	-728,110	-37.96	1,616,940	426,940	35.88	
Franz Rotter	1,918,110	1,190,000	-728,110	-37.96	1,616,940	426,940	35.88	
Peter Schwab	1,918,110	1,190,000	-728,110	-37.96	1,616,940	426,940	35.88	
Hubert Zajicek <sup>3</sup>		604,164			1,616,940	1,012,776	167.63	
Wolfgang Eder <sup>4</sup>	3,033,485	948,918						
<b>Total</b>	<b>12,624,035</b>	<b>7,728,687</b>	<b>-4,895,348</b>	<b>-38.78</b>	<b>10,280,025</b>	<b>2,551,338</b>	<b>33.01</b>	

<sup>1</sup> Fixed compensation (excluding noncash compensation, pension fund contributions, and long service bonuses) and variable compensation.

<sup>2</sup> Chairman of the Management Board since July 3, 2019.

<sup>3</sup> Member of the Management Board since July 4, 2019.

<sup>4</sup> Chairman of the Management Board until July 3, 2019.

In euros

	2018/19	2019/20	Difference 2018/19 vs. 2019/20		2020/21	Difference 2019/20 vs. 2020/21	
			absolute	in %		absolute	in %
<b>Key Performance Indicators</b>							
Revenue	13,560.7	12,717.2	-843.5	-6.22	11,266.6	-1,450.6	-11.41
EBITDA	1,564.6	1,181.5	-383.1	-24.49	1,134.5	-47.0	-3.98
EBIT	779.4	-89.0	-868.4	-111.42	115.2	204.2	229.45
ROCE	7.01%	-0.78%	-7.79%		1.14%	1.92%	

In millions of euros

	2018/19	2019/20	Difference 2018/19 vs. 2019/20		2020/21	Difference 2019/20 vs. 2020/21	
			absolute	in %		absolute	in %
Employees in Austria (FTE)	21,927	21,521	-406	-1.85	20,855	-666	-3.09
Average compensation of all employees in Austria based on FTEs (EUR)	62,655	60,922	-1,733	-2.77 <sup>5</sup>	60,355	-567	-0.93 <sup>6</sup>

<sup>5</sup> The reduction follows, in particular, from the earnings-related reduction in the performance-based, variable components of the executives, less overtime as well as the elimination of general performance bonuses.

<sup>6</sup> The reduction largely follows from the broad-based implementation of short time work programs.

#### f. PAYMENTS TO FORMER MANAGEMENT BOARD MEMBERS

In the business year 2020/21, the pension fund made a total of EUR 1,539,912 (2019/20: EUR 1,516,457) in pension payments to five former members of the Management Board entitled to defined benefit pension agreements.

# D. COMPENSATION OF THE SUPERVISORY BOARD

## 1. PRINCIPLES AND AIMS OF THE COMPENSATION POLICY FOR THE MEMBERS OF THE SUPERVISORY BOARD

The currently applicable Compensation Policy for the members of the Supervisory Board was resolved by the Supervisory Board on June 2, 2020, and was submitted to the Annual General Meeting on July 1, 2020, for a vote. It was approved with 77.68% of the votes cast.

The compensation paid to the Supervisory Board is intended to compensate the Supervisory Board members elected by the Annual General Meeting (“shareholder representatives”) in a way that is appropriate to the size and financial position of voestalpine AG, is based on prevailing market rates, and is competitive. The compensation is designed to enable the company as an international, listed Group to recruit sufficiently experienced and competent individuals to serve on its Supervisory Board. The individuals representing the Works Council on the Supervisory Board are not paid any compensation.

Solely the Annual General Meeting determines the compensation of the Supervisory Board. The annual compensation of the members of the Supervisory Board and the method of calculating it has been enshrined in Article 15 of the Articles of Association since the 2006 Annual General Meeting and thus is not subject to separate annual resolutions at the Annual General Meeting.

- » All members of the Supervisory Board are paid a fee of EUR 500 per meeting of the Supervisory Board or one of its committees that they attend, and their cash outlays as well as appropriate travel expenses are reimbursed to them.
- » Over all, the elected members of the Supervisory Board are paid an amount per business year that is equivalent to one per-mille (0.1%) of the profit after tax pursuant to the adopted consolidated financial statements. This amount must be distributed among the Chairman, the Deputy Chairman/Chairmen, and all other members of the Supervisory Board as follows: 100% for the Chairman, 75% for the Deputy Chairman/Chairmen, and 50% for all other members, with a minimum of EUR 27,000 for the Chairman; a minimum of EUR 20,000 for the Deputy Chairman/Chairmen; and a minimum of EUR 13,000 for all other members of the Supervisory Board. The compensation is limited to four times the stated amounts. Compensation paid to a Supervisory Board member whose term of office begins or ends during a business year is prorated.

Just as other directors and officers of the voestalpine Group, all members of the Supervisory Board are covered by D&O insurance as well as criminal defense insurance providing adequate coverage, both of which the company has purchased for the entire Group. The cost of these insurance policies benefiting the members of the Supervisory Board are borne by the company.

## 2. COMPENSATION OF THE MEMBERS OF THE SUPERVISORY BOARD IN 2020/21

The total compensation paid to the members of the Supervisory Board (including attendance fees) for the business year 2020/21 is EUR 179,000 (2019/20: EUR 179,250).

The compensation of the Supervisory Board for the business year 2020/21 shall be disbursed no later than 14 days from the Annual General Meeting on July 7, 2021. Attendance fees are paid quarterly. The individuals representing the Works Council on the Supervisory Board are not paid any compensation.

Just as other directors and officers of the voestalpine Group, all members of the Supervisory Board are covered by D&O insurance as well as criminal defense insurance providing adequate coverage, both of which the company has purchased for the entire Group. The cost of these insurance policies benefiting the members of the Supervisory Board are borne by the company.

The compensation of the members of the Supervisory Board for the business year 2020/21 breaks down as follows:

### BUSINESS YEAR 2020/21

Member of the Supervisory Board	Compensation <sup>1</sup>	Attendance Fees <sup>2</sup>	Total
Dr. Joachim Lemppenau (Chairman)	27,000	6,500	33,500
Dr. Heinrich Schaller (Deputy Chairman)	20,000	6,500	26,500
KR Dr. Franz Gasselsberger, MBA	13,000	4,000	17,000
Dr. Wolfgang Eder	13,000	4,000	17,000
Mag. Ingrid Jörg	13,000	4,000	17,000
Dr. Florian Khol	13,000	4,000	17,000
Mag. Maria Kubitschek	13,000	4,000	17,000
Prof. Elisabeth Stadler	13,000	4,000	17,000
Josef Gritz		4,000	4,000
Sandra Fritz		4,000	4,000
Hans-Karl Schaller		5,000	5,000
Gerhard Scheidreiter		4,000	4,000
<b>Total</b>	<b>125,000</b>	<b>54,000</b>	<b>179,000</b>

<sup>1</sup> Compensation owed for the business year 2020/21 and paid in July 2021.

<sup>2</sup> The attendance fees were paid on a quarterly basis during the business year 2020/21.

In euros



The compensation of the members of the Supervisory Board for the business year 2019/20 breaks down as follows:

#### BUSINESS YEAR 2019/20

Member of the Supervisory Board	Compensation <sup>1</sup>	Attendance Fees <sup>2</sup>	Total
Dr. Joachim Lemppenau (Chairman)	27,000	7,000	34,000
Dr. Heinrich Schaller (Deputy Chairman)	20,000	7,000	27,000
KR Dr. Franz Gasselsberger, MBA	13,000	4,500	17,500
Dr. Wolfgang Eder <sup>3</sup>	9,750	3,000	12,750
Mag. Ingrid Jörg <sup>3</sup>	9,750	3,000	12,750
Dr. Florian Khol <sup>3</sup>	9,750	2,500	12,250
Mag. Maria Kubitschek <sup>3</sup>	9,750	3,000	12,750
Prof. Elisabeth Stadler <sup>3</sup>	9,750	2,000	11,750
Dr. Hans-Peter Hagen <sup>4</sup>	3,250	1,500	4,750
Dr. Michael Kutschera, MCJ. (NYU) <sup>4</sup>	3,250	1,500	4,750
Prof. emer. Dr. Helga Nowotny, Ph.D. <sup>4</sup>	3,250	1,500	4,750
Mag. Dr. Josef Peischer <sup>4</sup>	3,250	1,000	4,250
Josef Gritz		4,500	4,500
Friedrich Hofstätter <sup>5</sup>		1,000	1,000
Sandra Fritz <sup>6</sup>		3,500	3,500
Hans-Karl Schaller		6,500	6,500
Gerhard Scheidreiter		4,500	4,500
<b>Gesamt</b>	<b>121,750</b>	<b>57,500</b>	<b>179,250</b>

<sup>1</sup> Compensation owed for the business year 2019/20 and paid in July 2020.

<sup>2</sup> The attendance fees were paid on a quarterly basis in the business year 2019/20.

<sup>3</sup> Member of the Supervisory Board since July 3, 2019.

<sup>4</sup> Member of the Supervisory Board until July 3, 2019.

<sup>5</sup> Member of the Supervisory Board until June 15, 2019.

<sup>6</sup> Member of the Supervisory Board since June 15, 2019.

In euros

## E. OTHER INFORMATION AND EXPLANATIONS

In the business year 2020/21, there were no deviations from the applicable Compensation Policy for the members of the Management Board and the applicable Compensation Policy for the members of the Supervisory Board.

Given the outcome of the vote (see item D.1.), the Supervisory Board discussed and revised the Compensation Policy adopted by the Annual General Meeting on July 1, 2020, for the members of the Supervisory Board. In contrast to the currently applicable variable compensation as stipulated in the Articles of Association, which includes minimum and maximum compensation, the revised Compensation Policy provides for a fixed amount, which may differ from person to person, is governed by the given individual's responsibilities on the Supervisory Board or its committees and all associated tasks and activities, and must be resolved by the Annual General Meeting.

It will be submitted to the Annual General Meeting on July 7, 2021, for a vote. In line with this Compensation Policy, a proposal will be submitted to the Annual General Meeting on July 7, 2021, to amend Article 15 of the Articles of Association and to provide for resolution by the Annual General Meeting in a new provision of the Articles of Association.

See [www.voestalpine.com](http://www.voestalpine.com) » Investors » Annual Shareholder's Meeting » Annual General Meeting 2021 for the revised Compensation Policy and the proposal of both the Management Board and the Supervisory Board regarding the amendment of Article 15 of the Articles of Association.

Linz, Austria, June 8, 2021

Joachim Lemppenau  
Chairman of the Supervisory Board

Linz, Austria, June 7, 2021

Herbert Eibensteiner  
Chairman of the Management Board

Franz Kainersdorfer  
Member of the Management Board

Robert Ottel  
Member of the Management Board

Franz Rotter  
Member of the Management Board

Peter Schwab  
Member of the Management Board

Hubert Zajicek  
Member of the Management Board



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**voestalpine**

ONE STEP AHEAD.