



# Corporate Governance Report 2013

FMA Executive Board and Supervisory Board Report pursuant to  
the Federal Public Corporate Governance Code (B-PCGK)

The Federal Corporate Governance Code (B-PCGK; *Bundes Corporate Governance Kodex*) was adopted by the Austrian Federal Government on 30 October 2012. Its aim is to make the management and supervision of state-owned enterprises more transparent and verifiable, while also providing a clearer definition of the role played by the state and state enterprises in the capacity of owner.

In accordance with point 3.4.3, the definition of “state-owned enterprises” also includes “public-law institutions (...) as defined in Article 126b of B-VG that are subject to supervision by the federal government”. Additionally, pursuant to point 4.1, the B-PCGK applies to state-owned enterprises with more than ten employees or annual income of EUR 300,000 unless such application is prevented by statutory regulations that are binding on the enterprise concerned. Unlike the Austrian Corporate Governance Code (ÖCGK), which is primarily aimed at (listed) joint stock companies, the B-PCGK is aimed at a heterogeneous mix of entities, also including enterprises with a range of different regimes under company law. Consequently, the mandatory “L” rules contained in the B-PCGK are not a direct rendering of the statutory rules that are otherwise directly applicable to the enterprise. It must therefore be concluded that the intention when drawing up the B-PCGK was that mandatory statutory provisions governing the organisational set-up of an enterprise should take precedence over the corresponding rules contained in the Code.

The Austrian Financial Market Authority (FMA) falls within the intended scope of the Code as envisaged by the federal government. The FMA’s statutory bodies avail themselves of this opportunity to commit to the terms of the B-PCGK in their area of responsibility insofar as the Code’s application is not limited by specific statutory rules, notably the Financial Market Authority Act (FMABG; *Finanzmarktaufsichtsbehördengesetz*).

## 1 DECLARATION BY THE EXECUTIVE BOARD AND SUPERVISORY BOARD OF THE FMA

### 1.1 DECLARATION

The Executive Board and Supervisory Board of the FMA, in their capacity as the FMA’s statutory bodies (management and supervisory body), commit to the principles enshrined in the B-PCGK and declare that, as of the 2013 financial year-end, the applicable rules of the B-PCGK that are not superseded by provisions of the FMABG have been met in their respective areas of responsibility. The terms of the B-PCGK shall also be deemed to be observed provided that the reasons for any deviation are explained.

In keeping with this (L-12.1), the following deviation from an applicable C rule is explained and justified.

## 1.2 DEVIATION

Pursuant to C rule 8.3.3.2, the terms of any D&O liability insurance policy should include a deductible of at least 10% of the claim up to a maximum of one and a half times the annual remuneration of the manager concerned. An appropriate deductible should be agreed with members of the supervisory body when taking out such an insurance policy.

In accordance with the explanations regarding Article 14 para. 3 FMABG, all persons involved in supervisory activities should fulfil their remit free from the burden of any personal financial risks. The *Core Principles* of the international supervisory bodies also stipulate that the personal financial risks of the supervisors must be adequately covered, with the aim of further securing the effective enforcement of supervisory tasks.

In accordance with the legal mandate, the FMA has therefore taken out an insurance policy for its bodies and employees. The policy terms do not include a deductible of “at least 10% of the claim up to a maximum of one and a half times the annual remuneration of the manager concerned”.

The FMA is not a company operating a business and, in accordance with Article 16 para. 1 FMABG, is expressly required to operate within the confines of its statutory remit. Given that the risks to which the management and/or supervisors of a supervisory authority are exposed as they carry out their work cannot be compared to those faced when managing a company on the market, this type of deductible would not have a comparable influence on the actions of the individuals concerned.

## 2 DESCRIPTION OF THE EXECUTIVE BOARD OF THE FMA

The FMA is headed by Helmut Ettl, born on 23 August 1965, and Klaus Kumpfmüller, born on 29 November 1969.

Helmut Ettl was appointed for the first time on 14 February 2008 and reappointed on 14 February 2013. His current term of office ends on 13 February 2018. Klaus Kumpfmüller was appointed for the first time on 14 February 2013. His current term of office ends on 13 February 2018.

Dr. Kurt Pribil, born on 20 January 1957, was a member of the FMA Executive Board until February 2013. He had been appointed for the first time on 22 October 2001. Dr. Pribil resigned from his position with effect from 13 February 2013.

In accordance with Article 5 para. 1 FMABG, the FMA Executive Board is a collegial body comprising two persons. Pursuant to Article 5 para. 2 of the FMA’s Rules of Procedure, the Executive Board takes decisions by unanimous vote. There is no provision for an allocation of responsibilities among the managers (L-12.2.3). In accordance with Article 3 of the FMA’s



## 4.1 PROPORTION OF WOMEN ON THE FMA EXECUTIVE BOARD AND SUPERVISORY BOARD

In accordance with Article 6 FMABG, the members of the FMA's Executive Board are appointed by the Federal President on the basis of proposals from the Federal Government. There are currently no women on the Executive Board.

The FMA's Supervisory Board is appointed by the Federal Minister of Finance pursuant to Article 8 FMABG, with the exception of the co-opted members. Oesterreichische Nationalbank nominates the deputy chair and two further members of the Supervisory Board. The Supervisory Board also has two co-opted non-voting members proposed by the Austrian Federal Economic Chamber (WKO). As at 31 December 2013, the proportion of women on the Supervisory Board was 12.5% (one woman out of eight members). As at 1 February 2014, the proportion of women on the Supervisory Board was 25% (two women out of eight members).

As at 31 December 2013, there were 25 women holding managerial positions at the FMA (including Executive Board, directors, heads of divisions and team leaders). This equates to a proportion of 26% of all managerial positions at the FMA. Across the FMA as a whole, women account for 51.67% of the staff.

## 4.2 MEASURES TO INCREASE THE PROPORTION OF WOMEN IN MANAGEMENT, IN THE SUPERVISORY BODY AND IN EXECUTIVE POSITIONS

As part of the work to implement the B-GBG, the terms of which have been binding on the FMA since 1 January 2014, successive measures to increase the proportion of women in managerial functions are to be implemented. Initial planning has already begun, with the working group on equal opportunities due to present a proposed plan for the promotion of women to the Executive Board by the end of 2015 at the latest.

A family-oriented corporate culture is already an integral component of the FMA's human resources policy, since motivated and satisfied employees are our most valuable resource. Based on our conviction and sense of social responsibility in this regard, and with a view to further strengthening the FMA's reputation as an attractive employer, we continued to be committed to the goal of helping our employees reconcile their careers with family life.

Alongside our numerous family-friendly measures and benefits – including our flexible working time model – the FMA has also been providing in-house childcare since

November 2013. This marks a further advance in the consistent and efficient implementation of our work/life balance concept.

Since January 2014, the FMA has also offered fathers the opportunity to take parental leave immediately following the birth of a child (referred to as the *Papamonat*).

In November 2013 the FMA was awarded the state quality mark for family-friendly HR policy by the Federal Ministry of Economy, Family and Youth, confirming that our efforts are on the right track.

The diverse range of target agreements and a detailed timetable for their implementation have been drawn up and adopted during an audit. A project group for the work/life balance project is to be set up in future, comprising a project manager (Director of Services), an external consultant and 13 audit officers from the different FMA departments and the FMA Works Council.

The agreed aims of the work/life balance project are in particular:

Awareness of the subject of work/life balance is to be increased internally through the appointment of a central contact person responsible for the issue and the creation of a dedicated area on the intranet. In terms of how it presents itself to the outside world, meanwhile, the FMA is also looking to emphasise the issue of work/life balance, for example by integrating the concept into its mission statement and making targeted use of the certificate logo in various communication channels.

At the same time, HR policy is to be made even more family-friendly and more heavily geared around different life stages, using such measures as the creation of an audit project group and regular quality assurance of these measures by external providers. A further aim lies in improving awareness of women's issues by setting up a women's network and offering events and training specifically geared towards female employees.

Additionally, a framework for all employees with regard to reconciling their working lives with family commitments is currently being prepared. The aim is to guarantee a uniform approach to such issues as teleworking or part-time working. At the same time, a programme designed to help employees who are on parental leave keep in touch with the FMA during their absence is also being set up.

All of the measures that have already been or are being implemented are aimed at further increasing the proportion of women in managerial positions at the FMA. The goal in introducing the corresponding structures and guidelines is to make combining an executive career at the FMA with a fulfilled family life a realistic objective for female employees.