



# Corporate Governance Report 2015

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 Public 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in the B-PCGK and declare that, as of the 2014 financial year-end, the applicable rules of the B-PCGK that are not superseded by provisions of the FMABG have been met in their respective areas of responsibility.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 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”.

## 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.

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 Rules of Procedure and regardless of the deputising arrangements set out in these Rules, the Executive Board bears collective responsibility.

### 3 REMUNERATION OF THE EXECUTIVE BOARD AND SUPERVISORY BOARD MEMBERS

The remuneration paid to the two persons comprising the FMA Executive Board exclusively consists of fixed components (there are no variable components) and totalled EUR 256,229.29 gross per person per annum in 2014.

Remuneration paid to the six voting members of the Supervisory Board since the FMA was established in 2001 has totalled EUR 15,300. This can be broken down as follows:

- Chairperson                                    EUR 3,600.00
- Deputy chairperson:                        EUR 2,900.00
- Member:                                        EUR 2,200.00

With regard to the members appointed by Oesterreichische Nationalbank, the remuneration is not paid to the members themselves but to Oesterreichische Nationalbank in accordance with the terms of the employment contracts. The co-opted members nominated by the Austrian Federal Economic Chamber do not receive any payment.

### 4 CONSIDERATION OF GENDER ISSUES

The FMA actively pursues an equality policy and is committed to equal opportunities regardless of an individual's gender, skin colour, nationality, political persuasion or sexual orientation. It works actively and on a sustained basis to ensure that its working environment is free from discrimination and conducive to equal opportunities, promoting a culture of recognition and mutual respect. Moreover, the FMA has been subject to the rules of the Federal Law on the Equal Treatment of Men and Women (B-GIBG; *Bundesgleichbehandlungsgesetz*) since 1 January 2014.

#### 4.1 NON-DISCRIMINATION

In keeping with the terms of the B-GIBG, a working group has been set up dedicated to equal opportunities issues. The working group will submit a proposal for a plan regarding the promotion of women to the Executive Board at the beginning of 2016. The plan will cover such areas as measures to increase the proportion of women in managerial functions. Furthermore, the FMA will be providing the Federal Chancellery of the Republic of Austria with an annual report on income levels, setting out the remuneration received by male and female FMA employees.

## 4.2 GENERAL GENDER APECTS

In terms of gender-neutral language all job advertisements, announcements and publications published by the FMA are either gender-neutrally formulated or contain a gender-neutrality disclaimer as applicable. All advertised positions explicitly welcome female applicants to apply.

## 4.3 PROPORTION OF WOMEN ON THE FMA EXECUTIVE BOARD AND SUPERVISORY BOARD AND IN EXECUTIVE POSITIONS

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 2015, the proportion of women on the Supervisory Board was 25% (two women out of eight members). As at 31 December 2015, 39% of all managerial positions at the FMA were held by women. Across the FMA as a whole, women account for 53.12% of the staff.

During the appointment process for senior positions, attention is already paid to ensure that preference is given to female applicants holding the same level of qualifications as their male counterparts, since there is currently still a considerable gender imbalance at this level. This is done in addition to and irrespective of the plan for the promotion of women to the Executive Board. The ratio of female to male applicants is disclosed to all employees of the FMA following each successful appointment of senior executives.

## 5 COMPATIBILITY OF CAREER AND FAMILY

Since November 2013 the FMA's family friendly corporate culture has been systematically advanced within the scope of the audit "berufundfamilie", which is carried out by the Federal Ministry for Economy, family and Youth. The conversion of the measure plan arising from this was continued in 2015 by the following steps:

- Holding a meeting for employees who are on parental leave. Relevant topics will be addressed in a presentation during the meeting.
- "Contact hold program" in order to stay in contact with employees who are absent because of parental-leave or other reasons.
- Constant exchange of experiences.

## 6 EVALUATION OF PSYCHOLOGICAL STRESS IN THE WORKPLACE

Like all employers in Austria, since January 2013, the FMA has been obliged to assess mental stress factors in the workplace in addition to the physical stress factors. The legal basis is an amendment to the Workers Protection Act, in which the government is reacting to increasing levels of mental stress in the working environment. In March 2015, a procedure for the evaluation of mental stress factors at the Financial Market Authority was established under the supervision of the Institute for Health Psychology. This process included the following steps:

- Online survey by a short questionnaire for work analysis (KFZA)
- Identification of measures to reduce mental stress, taking into consideration the involvement of male and female employees
- Measures documented in the form of a safety and health protection document (SiGe document)

This process was completed in December 2015. The actions documented in the safety and health document have been launched in the personnel department, and can be accessed by the employees of the FMA when needed.