



CORPORATE GOVERNANCE REPORT 2024

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

The Federal Public Corporate Governance Code's objective (B-PCGK; *Bundes Public Corporate Governance Kodex*) is to increase the transparency of corporate governance and its supervision and to make it more comprehensible, while also clarifying the role played by the state and state-owned entities. Since it was originally passed by the Federal Government on 30 October 2012, the Code has been reviewed based on practical experiences, new legal provisions and involving several departments in the intervening years. The amendments and supplements have been incorporated into the Federal Public Corporate Governance Code 2017 (B-PCGK 2017). The B-PCGK was passed by the Federal Government on 28 June 2017 and applies from the 2017 financial year.

In accordance with point 3.4.3, the definition of "state-owned enterprises" also includes "public-law institutions (...) as defined in Article 126b of the Federal Constitutional Act (B-VG; *Bundes-Verfassungsgesetz*) that are subject to supervision by the Federal Government". Furthermore, in accordance with 4.1, the B-PCGK applies to state-owned enterprises with more than ten employees or annual revenue of € 300 000 unless statutory regulations that are binding on the enterprise concerned do not prevent this. The Code contains rules that are mandatory, which are denoted by a "K", as well as "Comply or Explain" rules denoted by a "C".

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

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

1.1 DECLARATION

The FMA's Executive Board and Supervisory Board, 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the B-PCGK and declare that, as of the end of the 2024 financial year, the applicable rules of the B-PCGK that are not superseded by provisions of the FMABG have been met in their respective areas of responsibility.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.

¹In the interests of readability, any academic titles used do not distinguish between genders. The terms used apply to all genders in the interests of gender neutrality.

2 DECLARATION BY THE EXECUTIVE BOARD AND SUPERVISORY BOARD OF THE FMA

2.1 THE FMA'S EXECUTIVE BOARD

The FMA's Executive Board is made up of Helmut Ettl, born on 23 August 1965, and Eduard Müller, born on 31 August 1962.

Helmut Ettl was appointed for the first time on 14 February 2008, and subsequently reappointed on 14 February 2013, 14 February 2018 and 14 February 2023. Eduard Müller was appointed on a temporary basis on 01 February 2020 and officially appointed on 06 July 2020.

Articles 5 to 7 of the Financial Market Authority Act (FMABG) describe the appointment, term of office and duties of the FMA's Executive Board.

Neither of the Executive Board Members perform any mandates in the oversight bodies of other entities.

In accordance with its legal mandate, the FMA has 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" (K-8.3.3.2).

2.2 THE FMA'S SUPERVISORY BOARD

Composition of the FMA's Supervisory Board:

<p>Chairperson <i>Alfred Lejsek (BMF) until 30.06.2024</i> <i>Harald Waiglein (BMF) since 01.07.2024</i></p> <p>Vice-Chairperson <i>Governor Robert Holzmann (OeNB)</i></p>		
<p>Members</p>		<p>Co-opted Members</p>
<p>Gabriela de Raaij (OeNB)</p>	<p>Elisabeth Gruber (BMF)</p>	<p>Prof. Louis Norman-Audenhove (WKO)</p>
<p>Vice Governor Gottfried Haber (OeNB) until 12.09.2024</p>	<p>Beate Schaffer (BMF) until 30.06.2024</p>	<p>Dr. Franz Rudorfer (WKO)</p>
<p>Thomas Steiner (OeNB) since 27.09.2024</p>	<p>Manuel Zahrer (BMF) since 01.07.2024</p>	
<p>Karin Turner-Hrdlicka (OeNB)</p>	<p>Nadine Wiedermann-Ondrej (BMF)</p>	

Mr. Lejsek, born in 1959, was appointed for the first time on 01 September 2001. Mr. Lejsek stood down as a member of the FMA's Supervisory Board on 30 June 2024.

Mr. Waiglein, born in 1967, was appointed for the first time on 01 July 2024. His current term of office ends on 31 August 2026.

Prof. Holzmann (Governor, OeNB), born in 1949, was appointed for the first time on 01 September 2019. His current term of office ends on 31 August 2026.

Prof. Haber (Vice Governor, OeNB), born in 1972, was appointed for the first time on 11 July 2019. He stood down as a member of the FMA's Supervisory Board on 12 September 2024.

Dr. Steiner, born in 1980, was appointed for the first time on 27 September 2024. His current term of office ends on 31 August 2026.

Dr. de Raaij, born in 1968, was appointed for the first time on 01 February 2014. Her current term of office ends on 31 August 2026.

Dr. Turner-Hrdlicka, born in 1976, was appointed for the first time on 03 January 2018. Her current term of office ends on 2 January 2028.

Dr. Wiedermann-Ondrej, born in 1977, was appointed for the first time on 01 August 2023. Her current term of office ends on 2 January 2028.

Ms. Gruber, born in 1967, was appointed for the first time on 18 September 2017. Her current term of office ends on 31 August 2026.

Dr. Schaffer, born in 1959, was appointed for the first time on 01 July 2013. Dr. Schaffer stood down as a member of the FMA's Supervisory Board on 30 June 2024.

Dr. Zahrer, born in 1983, was appointed for the first time on 01 July 2024. His current term of office ends on 31 August 2026.

Co-opted Members:

Dr. Rudorfer, born in 1960, was co-opted on 05 October 2012, and has been part of the Supervisory Board ever since.

Prof. Norman-Audenhove, born in 1954, was co-opted on 21 April 2023, and has been part of the Supervisory Board ever since.

None of the members of the FMA's Supervisory Board are members of a committee of the Supervisory Board of the FMA, as there are no supervisory board committees.

3 FUNCTIONING OF THE EXECUTIVE BOARD AND THE SUPERVISORY BOARD OF THE FMA

3.1 EXECUTIVE BOARD

In accordance with Article 5 para. 1 FMABG, the FMA Executive Board is a collegial body comprising two persons. Pursuant to Article 4 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 members of the Management Board (Executive Board) (K-15.2.3). In accordance with Article 2 para. 4 of the FMA's Rules of Procedure and regardless of the deputising arrangements set out in these Rules, the Executive Board bears collective responsibility.

Article 10 para. 2 FMABG defines what activities and measures require the approval of the Supervisory Board.

3.2 SUPERVISORY BOARD

Five Supervisory Board meetings were held in 2024.

- 15 March 2024
- 26 April 2024
- 12 June 2024
- 24 September 2024
- 25 November 2024

The focus of the activities of the Supervisory Board in 2024 at its meetings was as follows:

A report was given pursuant to Article 6 para. 5 FMABG to the Supervisory Board on a quarterly basis about the general performance of the financial market and the conduct of supervision during the reporting period.

These reporting points are addressed by the FMA's Quarterly Report and the corresponding fixed agenda points in the Supervisory Board meetings.

Pursuant to Article 16a para. 3 FMABG the Supervisory Board is informed on a quarterly basis about the audit areas and the material findings of audit activities conducted by the internal audit function. The Head of the Internal Audit Function also participated at the supervisory board meeting on 15 March 2024.

Pursuant to Article 10 para. 2 FMABG the following require the approval of the Supervisory Board:

- the financial plan to be drawn up by the Executive Board including the investment and staff plan;
the financial, investment and staff plan for 2025 pursuant to Article 17 FMABG was approved in the Supervisory Board meeting on 25 November 2024.
- Investments, which have not been authorised in the investment plan, as well as the taking out of loans which exceed € 75 000;
In 2024, one investment pursuant to Article 10 para. 2 no. 2 FMABG was submitted for approval and approved in the 108th meeting of the Supervisory Board on 24 September 2024.
- the acquisition, disposal and encumbrance of real estate;
no real estate was acquired or disposed of in 2024, and no encumbrance occurred.
- the annual financial statement to be drawn up by the Executive Board;
the audited annual financial statement 2023 was approved by the Supervisory Board in its meeting on 26 April 2024.
- Rules of Procedure pursuant to Article 6 para. 2 FMABG and amendments thereto;
The Supervisory Board approved an amendment to the Rules of Procedure in its meeting on 15 April 2024. Further amendments to the Rules of Procedure were approved by the Supervisory Board in its meeting on 25 November 2024.
- The Compliance Code pursuant to Article 6 para. 4 and amendments thereto;
An amendment to the FMA's Compliance Code was approved by the Supervisory Board in its meeting on 25 November 2024.
- The appointment of FMA employees to management functions directly subordinate to the Executive Board (second management level) as well as their dismissal and termination of employment;
In 2024, there were agenda items regarding the appointment of FMA staff members for managerial positions (directly) subordinate to the Executive Board tabled and approved in the supervisory board meetings held on 15 March 2024, 12 June 2024, and 24 September 2024.
- The annual report to be drawn up pursuant to Article 16 para. 3 FMABG;
The Supervisory Board approved the 2023 Annual Report on 26 April 2024.
- The conclusion of collective labour agreements and works agreements
The amendments to the operational agreements for the pension company commitment for staff members of the FMA and address flexible working hours pursuant to Article 10 para. 2 no. 9 FMABG were tabled and approved in the supervisory board meeting on 25 November 2024.

All members of the Supervisory Board participated at least half of the meetings of the Supervisory Board during 2024.

4 REMUNERATION OF THE MEMBERS OF THE EXECUTIVE AND SUPERVISORY BOARDS

The FMA's two Executive Directors' remuneration consists exclusively of fixed components (no variable components are intended) and amounts to € 345,171.40 before taxes per head in 2024.

The costs of contractual old-age pension contributions for the Executive Directors are € 28,304.08 per person in 2024.

The remuneration for the eight member of the supervisory board with voting rights totals € 19,700 per annum. The amount can be broken down as follows:

- Chairperson: € 3,600
- Vice-Chairperson: € 2,900
- Member: € 2,200

The remuneration of the members appointed by the Oesterreichische Nationalbank is not paid to the members themselves but to the Oesterreichische Nationalbank, in accordance with the terms of their employment contracts. The members co-opted by the Austrian Economic Chambers do not receive any remuneration.

5 CONSIDERATION OF GENDER ISSUES

The FMA actively pursues an equality policy and is committed towards equal opportunities regardless of an individual's gender, age, ethnicity, religion and ideology or sexual orientation as well as promoting diversity. 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. The Federal Equal Treatment Act (B-GIBG) has applied to the FMA since 01 January 2014.

5.1 NON-DISCRIMINATION AND INCLUSION

5.1.1 NON-DISCRIMINATION

A particular remit for the promotion of women is enshrined in the Federal Equal Treatment Act. Based on this, the FMA implemented a plan regarding the promotion of women for the first time for the period from 2016 to 2021, with a new plan regarding the promotion of women being drawn up for the period from 2022 to 2027. This plan was updated in 2024.

The principle of non-discrimination is particularly expressed in the Federal Equal Treatment Act in terms of gender parity in terms of the total number of employees, as well as for managerial staff and in the Specialist Career Programme (*Fachkarriere*). Due to the family-friendly working conditions at

the FMA and the ongoing promotion of greater flexibility in the workplace, the gender equality target for staff members has been achieved from the outset and met consistently every year.

The proportion of women in managerial positions in the FMA (37.04 %) has ultimately fallen. The FMA views this as a cause to implement more measures to promote women in management positions in the coming years, to ensure that the FMA achieves its objective in the foreseeable future to meet the target of gender equality in the filling of managerial positions at all levels. Ongoing efforts continue to be made to achieve the target level of 50% of managerial roles being held by women. The promotion of gender equality in the special career programme is also a significant personnel development issue. The proportion of women in the specialist career programme (Fachkarriere) currently stands at 45.63 %.

As a measure for the promotion of women it is stipulated that particular consideration is given when allocating thematic expertise, working in (inter)national committees and working groups to female employees (also those working part-time). Regarding access to training and education programmes attention is paid to ensure that women are afforded equal consideration, as well as addressing the continuing professional development needs of female colleagues. In recent times we have observed a balanced representation of the respective genders on an ongoing basis in relation to training and education programmes.

Overall, there is a strong focus on actively promoting women's potential, also with the scope of the specialist and managerial career paths. As part of the appointment process for managerial staff, the equal opportunities officers (Gleichbehandlungsbeauftragten) and the works council (Betriebsrat) are furnished with a right of information and right to ask questions about the nominations in advances, before they are communicated to the applicants. Finally, diversity is also considered regarding the composition of the hearing committee.

With regarding to achieving equality, diversity and inclusion objectives, in its "Fit for Future – FMA 2025" programme, the FMA also evaluated, reconsidered and adapted the issues addressing existing development pathways, corporate culture and transparency about employment relationships at the FMA. In the area of corporate culture, in 2024, building on *Unsere Werte des Miteinanders* (Our values of togetherness) concepts were drawn up for implementing and activating these values in the FMA's processes and routines, as well as for developing the FMA culture further. They have also been incorporated in various processes in relation to managerial staffing appointments and development pathways.

Furthermore, the current home office arrangement makes a sustainable contribution to the compatibility of career and family or private life in general and therefore takes individual life circumstances into account in a flexible manner.

From an equality perspective, during the course of the work programme for "Fit for Future – FMA 2025" addressed important issues in 2024 regarding the sustainable promotion and strengthening

of equal treatment, inclusion and a culture of respect in the FMA, and drew up measures to be implemented in the years to come.

5.1.2 INCLUSION

In November 2023, due to necessary conditions (5 registered disabled staff members) being met, for the first time the FMA elected disabled persons' representatives (BVPs; Behindertenvertrauenspersonen) for a period of 5 years.

The disabled persons representatives' objectives between November 2023 and November 2028 are:

- an accessible and discrimination-free working environment
- a quota for the employment of staff members with disabilities being met
- inclusion and equality
- the perception of the FMA as an inclusive authority

To achieve these aims, the BVPs cooperate closely with the works council and participate in works council meetings on an ongoing basis. Among other measures, the BVP are planning an internal information offensive, and in 2024 were in contact with various external stakeholders to increase the level of inclusion in the FMA's inclusive recruiting process. In addition, they attend training measures for safeguarding the interests of disabled persons as optimally as possible.

The FMA's washrooms were renovated in 2023 to ensure their accessibility for staff members with reduced mobility, and regular meetings are held with the staff members they represent at the FMA to be able to address (further) issues. The FMA has also established a general reporting channel that allows all FMA staff members to contact the BVPs.

5.2 GENERAL GENDER ASPECTS

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

5.3 PROPORTION OF WOMEN IN THE FMA EXECUTIVE BOARD, SUPERVISORY BOARD AND IN MANAGERIAL POSITIONS

In accordance with Article 5 para. 2 FMABG, the members of the FMA's Executive Board are appointed by the Federal President, following proposals by the Federal Government. Currently there are no women in the Executive Board.

The FMA's Supervisory Board is appointed by the Federal Minister of Finance pursuant to Article 8 FMABG, apart from the co-opted members. The Oesterreichische Nationalbank names persons for the function of deputy chairperson as well as three additional members of the Supervisory Board. In addition, the Supervisory Board shall co-opt two members named by the Austrian Economic Chambers; however, they shall have no voting right. As of 31 December 2024, the proportion of women on the Supervisory Board was 40 % (four women out of ten members).

As of 31 December 2024, 37.04% of all managerial positions (including Executive Board members, Managing Directors of Departments, Heads of Divisions and Team Leaders) at the FMA are held by women. Women account for 52.28 % of the FMA's total staff.

In addition to, and irrespective of, the obligation to draw up the plan regarding the promotion of women pursuant to Article 11a B-GIBG, during the appointment process for senior positions, attention is constantly paid to ensure that preference is given to female applicants holding the same level of qualifications, where the gender ratio at the respective management level is still male dominated.

Following the selection process for a managerial position, the ratio of female to male applicants is disclosed to all the FMA's employees.

5.4 FMA WOMEN'S NETWORK (FMA-FRAUENNETZWERK)

In 2024, the FMA Women's Network once again helped to strengthen the exchange and networking of women both within the FMA and externally via various events dealing with topics specifically of interest to women.

In addition, the network continued its cooperation with the OeNB Women's Forum as well as the women's networks in other supervisory authorities, such as the ECB and the SSM.

6 PROMOTION OF COMPATIBILITY OF CAREER AND FAMILY LIFE

In September 2013, an FMA kindergarten was opened to improve the compatibility of career and family life for the FMA's staff. Kinderfreunden Wien operates the FMA's kindergarten. The children are split into two groups, with a nursery group (Kleinkindgruppe) for children aged between six months and three years, and family group (Familiengruppe) for children aged between two and a half and six years. The FMA's kindergarten is in constant contact with the OeNB's kindergarten, with joint events being held, such as the lantern festival (Laternenfest) and the summer party (Sommerfest). During holiday periods, where it is expedient to do so, the two kindergartens combine.

7 IMPLEMENTATION OF FMA'S STRATEGY FOR 2025

In 2023, the FMA's transformation programme ("Fit for Future – FMA 2025") was launched, laying the foundation for an agile and forward-looking supervisory authority. The comprehensive transformation process, which ran until the end of 2024 led to significant advances, including:

- Optimisation of data-driven work: new SupTech tools improve data analysis, including the reorganisation of data management.
- Modernisation of the entire working environment: technical infrastructure for employees has been updated. In addition, a staff training programme in cooperation with a university has been relaunched.
- Data-Driven Supervision and holistic market supervision: A new IT strategy as well as the IT project "360° supervision" have enabled the comprehensive and centralised storage of all relevant aspects about market participants to ensure more effective monitoring.
- Innovation Lab: a dedicated platform for innovation to allow the testing and implementation of new technologies, such as AI-based analytical processing using natural language processing and large language models.
- New communications formats: "Reden wir über Aufsicht" (Let's talk about supervision) has been developed as a concise format to clearly present supervisory expectations and facilitate dialogue with market participants.

While these initiatives only represent a fraction of the outcomes from the transformation programme, the results as a whole contribute towards successfully implementing the "FMA 2025" strategy, and to position the FMA as a transformation-oriented organisation in the long-term. The next step will involve permanently anchoring these transformational impulses into the organisation's culture, to ensure that it also remains flexible, able to innovate and in tune with the times in the future. Among other initiatives, new and more agile forms of cooperation have been created to allow transformation to continue in a lean and efficient way.

8 SUSTAINABILITY

As an organisation, the FMA is committed to the topic of sustainability and understands this as fulfilling the 17 Sustainable Development Goals (SDGs) adopted by the United Nations as part of its "Transforming our world: the 2030 Agenda for Sustainable Development", with the Republic of Austria, as a member country of the United Nations, has committed itself to implementing these sustainable development goals.

8.1 THE FMA'S LIQUIDITY MANAGEMENT

Investments are made on an ongoing basis with the Federal Government through the Austrian Treasury (OeBFA; Österreichische Bundesfinanzierungsagentur) as part of the FMA's liquidity management.

OeBFA provides an option for "green investment", where the proceeds of "green securities" are solely invested in funding projects with ecological and climate-relevant benefits, e.g. renewable energies, public transport, sustainable agriculture and water infrastructure. Before investing available liquid means, the FMA asks OeBFA about the respective current interest rates for a "conventional variety" as well as for a "green variety". In 2024, the FMA made use of this "green investment" option for part of its liquidity management, provided that doing so was also justifiable from the perspectives of economy and expedience.

8.2 THE FMA'S FACILITY MANAGEMENT

Part of the FMA's environmental policy is to draw up a certified environmental programme with the objective of also becoming a role model organisation in relation to sustainability achieved by decarbonisation, climate neutrality, waste avoidance and the circular economy in operating the FMA and creating a link between the ecological benefits and economical conduct of business.

Furthermore, the FMA also conducts input-output analyses about significant consumption. Individual environmental aspects are regularly analysed, regarding activities in and for the FMA, and environmental indicators determined to identify room for improvement. In addition, a waste law register, sustainability dashboard, FMA Environmental Brochure and an environmental programme have all been established.

In 2024, the following material sustainability measures were taken:

- Various energy saving measures have been implemented in relation to heating, and the amount of heating used has been strongly reduced compared with previous years.
- Implementation of a new printer strategy (Reduced number of office printers)
- Bike servicing for staff members' bicycles
- Holding the Supervisory Conference as a "Green Meeting"
- Implementing a dashboard towards the management for controlling purposes containing significant environmental figures about energy, consumption and the FMA's CO₂ footprint.

The issue of sustainability has great significance at the FMA in everyday (home) office life, as well as for business travel and commuting.

The FMA's annual strategy states that sustainability and protection of the environment are to be ensured by means of an environmental programme. An audit plan defines the focus of audits for the

following year. Measures derived from the outcomes of audits improve the FMA's sustainability scorecards in social, ecological and economic terms.

The FMA has evaluated potential savings, assessed its environmental scorecard and drawn up a list of improvement measures, as part of its efforts to obtain the OeKoWin/Oeko Business certificate. Significant elements of ESG reporting have already been implemented in the FMA's reporting (sustainability, management, corporate governance, annual and holding report). Further quantitative ESG goals are planned for the FMA's ESG reporting.

9 EXTERNAL EVALUATION OF COMPLIANCE WITH THE RULES OF THE FEDERAL CORPORATE GOVERNANCE CODE

The most recent evaluation of compliance with the rules of the Public Corporate Governance Code was conducted by a legal practice in January 2023. According to the review performed by the external inspector, the FMA complied with the rules set out in the B-PCGK for the evaluation period from 01 January 2018 until 31 December 2022. The next external evaluation of PCGK compliance by the FMA in accordance with Chapter 15.5 of the B-PCGK 2017 is scheduled to take place in 2027.