



# **Consolidated Corporate Governance Report 2022**

A1 Group

# Consolidated Corporate Governance Report 2022

## Commitment of the A1 Group to the Corporate Governance Code

The shares of Telekom Austria AG (in the following also "A1 Group") have been listed on the Vienna Stock Exchange since November 2000, where the Austrian Corporate Governance Code (ACGC) is generally accepted. The current version of this Code (January 2023) can be viewed at [www.corporate-governance.at](http://www.corporate-governance.at) and [www.a1.group](http://www.a1.group).

The Corporate Governance Code pursues the goal of responsible management and control of companies geared towards a sustainable and long-term creation of enterprise value. It aims to ensure a high degree of transparency for all stakeholders and to serve as an important guideline for investors. The Code is based on the provisions of Austrian stock company-, stock exchange- and capital market law, EU recommendations and the OECD Principles of Corporate Governance. The A1 Group has been committed to voluntary compliance with the ACGC since 2003. The Group complies with all the legal requirements set out by the ACGC in what are referred to as the "L" rules.

To explain the deviations from the ACGC's "C" rules, the A1 Group has made the following statement regarding Rule 36, Rule 42 and Rule 54 of the ACGC:

- Ad C Rule 36: Given the culture of open discussion within the Supervisory Board, the annual self-assessment of the Supervisory Board as stipulated in Rule 36 of the ACGC is performed every two years. The Supervisory Board in its current form last conducted the self-assessment in the 2021 financial year.
- Ad C Rule 42: The shareholder representatives on the Supervisory Board are appointed in line with the terms of the shareholders' agreement between the controlling shareholder América Móvil and Österreichische Beteiligungs AG (ÖBAG). The Nomination Committee or the entire Supervisory Board submit nomination proposals to the Annual General Meeting as stipulated by these terms, where required by law.
- Ad C Rule 54: The free float of the company (including treasury shares) is 20.58 %. The shareholder representatives on the Supervisory Board are appointed in line with the terms of the shareholders' agreement between the controlling shareholder América Móvil and ÖBAG.

In accordance with Rule 62 of the ACGC, the A1 Group's compliance with the provisions of the ACGC and the accuracy of its public reporting in association with this are evaluated externally every three years. The last evaluation was performed by Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H. for the financial year 2019. This evaluation found that the Consolidated Corporate Governance Report of the company for the

2019 financial year ended December 31, 2019 satisfies the legal provisions of section 243b UGB and section 267a UGB in addition to the requirements of the ACGC and the statements made therein. The next evaluation is planned for the financial year 2022, which will be carried out in the first half of 2023.

## Composition of executive bodies

### The Management Board

The members of the Management Board of Telekom Austria AG as of the end of 2022 were Thomas Arnoldner, Chief Executive Officer (CEO), Alejandro Plater, Chief Operating Officer (COO), and Siegfried Mayrhofer, Chief Financial Officer (CFO).

#### Thomas Arnoldner

Chief Executive Officer (CEO):

Thomas Arnoldner became the Chief Executive Officer of the A1 Group on September 1, 2018. His contract runs until August 31, 2023.

Allocation of business areas: Branding (Group), General Secretariat, Human Resources (Group), Investor Relations, Communications (Group), International Business Development / Group Strategy, Legal / General Counsel, Mergers & Acquisitions, Regulatory Affairs & European Affairs.

Thomas Arnoldner was born in 1977. He studied business administration at the Vienna University of Economics and Business and at the Stockholm School of Economics. Thomas Arnoldner's professional career began at Alcatel Austria in 2003. After holding various positions within the company, he was made the CEO of Alcatel-Lucent Austria AG in 2013. From 2015 to 2016, he was part of the integration team for Nokia's acquisition of Alcatel-Lucent and developed the combined company's European market strategy. From 2016 to 2017, he was in charge of Nokia's European growth strategy in its Smart City, National Broadband Program, and Public Safety areas and responsible for the country strategies of its key growth markets. He was the Managing Director of T-Systems Austria G.m.b.H. from 2017 to 2018.

Thomas Arnoldner holds Supervisory Board mandates at the following subsidiaries: A1 Telekom Austria (Austria), A1 Bulgaria (Bulgaria), A1 Hrvatska (Croatia), A1 Slovenija (Slovenia), A1 Srbija (Serbia), A1 Makedonija (North Macedonia). Thomas Arnoldner is also a member of the Management Board of the parent company (SB Telecom) of A1 Belarus (Belarus). Thomas Arnoldner does not hold any supervisory board mandates outside the A1 Group.

#### **Alejandro Plater**

Chief Operating Officer (COO):

Alejandro Plater was appointed as the Chief Operating Officer (COO) of the A1 Group on March 6, 2015. In the period from August 1, 2015, to August 31, 2018, Alejandro Plater was also the Chief Executive Officer (CEO) in addition to being the COO. His contract runs until August 31, 2023.

Allocation of business areas: Access & Transport (Group), Marketing (Group), Purchasing (Group), Operation (Group), Service Network & IT (Group), Technology & Strategy (Group).

Alejandro Plater, born in 1967, has had a long international career in the telecommunications industry. He started at Ericsson in 1997 as Sales Director for Argentina and shortly thereafter took on the responsibility of Head of Business Development. In 2004, he moved to the group's global headquarters in Stockholm, Sweden, to take up the position of Sales Director for the Latin America region. Two years later, Plater was appointed Sales Director for Mexico and, in the following year, he was appointed Vice President and Key Account Manager. Alejandro Plater studied Business Administration at the University of Buenos Aires and has completed several post-graduate management studies at Columbia University and the Wharton School in the USA and at the London Business School in the UK.

Alejandro Plater holds Supervisory Board mandates at the following subsidiaries: A1 Telekom Austria (Austria), A1 Bulgaria (Bulgaria), A1 Hrvatska (Croatia), A1 Slovenija (Slovenia), A1 Srbija (Serbia), A1 Makedonija (North Macedonia). Alejandro Plater is also a member of the Management Board of the parent company (SB Telecom) of A1 Belarus (Belarus). Alejandro Plater has been a member of the Supervisory Board of the Dutch telecommunications group KPN, in which América Móvil holds a stake, since September 2020.

#### **Siegfried Mayrhofer**

Chief Financial Officer (CFO):

Member of the Management Board since June 1, 2014. His contract runs until August 31, 2023.

Allocation of business areas: Accounting (Group), Compliance (Group), Controlling (Group), Internal Audit (Group), Treasury (Group).

Siegfried Mayrhofer, born in 1967, studied Industrial and Mechanical Engineering at the Graz University of Technology.

He began his professional career in 1994 at Voest Alpine Eisenbahnsysteme in the international division for the acquisition of investments. From 1998 to 2000, he served as a consultant to Constantia Corporate Finance for mergers and acquisitions in various industries.

Siegfried Mayrhofer joined Telekom Austria AG in March 2000. After holding various management positions (including Head of Corporate Planning and Group Controlling, Fixed-Line Controlling, Fixed-Line Accounting), he became CFO of Telekom Austria TA AG in July 2009. Siegfried Mayrhofer was the Chief Financial Officer of A1 Telekom Austria AG from July 8, 2010, to May 31, 2015.

Siegfried Mayrhofer holds Supervisory Board mandates at the following subsidiaries: A1 Telekom Austria (Austria), A1 Bulgaria (Bulgaria), A1 Hrvatska (Croatia), A1 Slovenija (Slovenia), A1 Srbija (Serbia), A1 Makedonija (North Macedonia). Siegfried Mayrhofer is also a member of the Management Board of the parent company (SB Telecom) of A1 Belarus (Belarus). Siegfried Mayrhofer does not hold any supervisory board mandates outside the A1 Group.

#### **Supervisory Board**

The Supervisory Board of Telekom Austria AG comprises ten members, elected by the Annual General Meeting. The Central Works Council of A1 Telekom Austria AG delegates four members and one member is delegated by the Staff Council of Telekom Austria AG. Employee co-determination on the Supervisory Board is a legally regulated aspect of the corporate governance system in Austria.

At the Annual General Meeting on June 27, 2022, the Supervisory Board mandates of Christine Catasta, Daniela Lecuona Torras and Carlos Jarque were extended.

Werner Luksch resigned from the Supervisory Board as of December 31, 2022. Franz Valsky was delegated to the Supervisory Board by the Staff Committee as of January 1, 2023.

## Members of the Supervisory Board of Telekom Austria AG

Name (year of birth)	Nationality	Profession	First appointed	End of current term of office
Edith Hlawati, Chairperson (1957) <sup>1)</sup>	Austria	CEO Österreichische Beteiligungs AG (ÖBAG)	30.05.2018 Chairperson; 28.06.2001 – 29.05.2013 Member of the Supervisory Board	2023 <sup>3)</sup>
Carlos García Moreno Elizondo, Deputy Chairperson (1957)	Mexico	CFO América Móvil, S.A.B. de C.V. (Mexico)	14.08.2014	2023 <sup>3)</sup>
Alejandro Cantú Jiménez (1972)	Mexico	General Counsel América Móvil, S.A.B. de C.V. (Mexico)	14.08.2014	2023 <sup>3)</sup>
Christine Catasta (1958) <sup>2)</sup>	Austria	Certified auditor and tax consultant	06.09.2021	2023 <sup>3)</sup>
Karin Exner-Wöhrer (1971)	Austria	CEO Salzburger Aluminium AG	27.05.2015	2023 <sup>3)</sup>
Peter Hagen (1959)	Austria	Business Consultant	25.05.2016	2024 <sup>4)</sup>
Carlos M. Jarque (1954)	Mexico	Executive Director of International Affairs, Government Relations and Corporate Affairs, América Móvil, S.A.B. de C.V. (Mexico)	14.08.2014	2025 <sup>5)</sup>
Peter F. Kollmann (1962)	Austria	CFO Verbund AG	20.09.2017	2024 <sup>4)</sup>
Daniela Lecuona Torras (1982)	Mexico, Spain	Investor Relations Officer and Sustainability Officer, América Móvil, S.A.B. de C.V.	30.05.2018	2025 <sup>5)</sup>
Oscar Von Hauske Solís (1957)	Mexico	CEO Telmex Internacional (Mexico), Chief Fixed-Line Operations Officer América Móvil, S.A.B. de C.V. (Mexico)	23.10.2012	2023 <sup>3)</sup>

### Members of the Supervisory Board delegated by the Staff Council

Gerhard Bayer (1967)	Austria	Deputy Chairperson of the Central Works Council of A1 Telekom Austria AG	07.10.2020	
Gottfried Kehrner (1962)	Austria	Member of the Central Works Council of A1 Telekom Austria AG	27.10.2010	
Werner Luksch (1967)	Austria	Chairperson of the Central Works Council of A1 Telekom Austria AG Member of the European Works Council of A1 Group	03.08.2007 to 20.10.2010, Re-delegated on 11.01.2011	31.12.2022
Renate Richter (1972)	Austria	Member of the Central Works Council of A1 Telekom Austria AG	12.10.2018	
Alexander Sollak (1978)	Austria	Chairperson of the Staff Council Committee of Telekom Austria AG Secretary-General of the European Works Council of A1 Group	03.11.2010	

1) Other Supervisory Board mandates and similar functions at other listed companies (as per the ACGC): Österreichische Post AG (Chairperson); OMV AG (deputy Chairperson); Verbund AG (1<sup>st</sup> deputy Chairperson).

2) Other Supervisory Board mandates and similar functions at other listed companies (as per the ACGC): Erste Group Bank AG; Verbund AG (2<sup>nd</sup> deputy Chairperson).

3) Term of office ends at the Annual General Meeting dealing with the 2022 financial year (provisionally May/June 2023).

4) Term of office ends at the Annual General Meeting dealing with the 2023 financial year (provisionally May/June 2024).

5) Term of office ends at the Annual General Meeting dealing with the 2024 financial year (provisionally May/June 2025).



## Independence and diversity within the Supervisory Board

The guidelines set out by the Supervisory Board in 2006 to determine the independence of its members were adjusted in 2009 to comply with the modified provisions of the Austrian Corporate Governance Code and are consistent with Annex 1 of the current version of the Code. According to these provisions, the members of the Supervisory Board are deemed to be independent if they have no business or personal relations with the company or its Management Board that could result in a material conflict of interest and thus influence the members' behavior.

The free float of the company (including treasury shares) is 20.58 %. The shareholder representatives on the Supervisory Board are appointed in line with the terms of the shareholders' agreement between the controlling shareholder América Móvil and ÖBAG.

Pursuant to section 95 (5) no. 12 AktG, the Supervisory Board approves contracts between the company and members of the Supervisory Board. In this context, the Supervisory Board approved contracts in connection with communication services between A1 and members of the Supervisory Board and their companies, as well as contracts relating to energy supply and a sales partnership with Verbund AG. All contracts and the sales partnership are based on market standards.

In accordance with section 86 (7) AktG, the Supervisory Board must consist of at least 30 % women and at least 30 % men (gender quota). Based on the declarations by members of the Supervisory Board in accordance with section 86 (9) AktG, singular fulfillment of the gender quota in the Supervisory Board is required. Consequently, at least three of the ten members of the Supervisory Board elected by the Annual General Meeting or Supervisory Board mandates must be women. As of the end of 2020, three of the ten members of the Supervisory Board elected by the Annual General Meeting are women. The "Arbeitsverfassungsgesetz" (Austrian Labor Constitutional Act) imposes special regulations for the fulfillment of the gender ratio among employee representatives, namely that the gender ratio does not apply to employee representatives if there is no group works council.

Five of the 15 members of the Supervisory Board of Telekom Austria AG are women, which corresponds to a share of 33 %. Four of the ten shareholder representatives on the Supervisory Board are women, which corresponds to a share of 40 %. This means that the gender quota of 30 %, which has been mandatory since January 1, 2018, has been met.

The members of the Supervisory Board have a balanced age structure, ranging from 40 to 68 years. Ten of the fifteen members are Austrian nationals and five are Mexican nationals. The Supervisory Board as a whole covers the full spectrum of expertise important to the Company, including telecommunications, finance, digitization and ESG. All shareholder representatives are independent within the meaning of Rule 53 of the Austrian Corporate Governance Code.

## Information concerning the working methods of the Management Board and the Supervisory Board

The Management Board and the Supervisory Board comply with established principles to ensure sustainable, value-enhancing corporate development and is committed to the principles of transparency and a policy of open communication. The group-wide areas of competence and responsibility are clearly regulated by the Articles of Association of Telekom Austria AG and the relevant statutory provisions. In addition, the duties, responsibilities and working methods are also described in greater detail in the Rules of Procedure for the Management Board and the Supervisory Board.

The Management Board is the Group's governing body. The Rules of Procedure for the Management Board govern the allocation of responsibilities and the cooperation within the Management Board. They also contain the information and reporting duties of the Management Board as well as a catalogue of measures requiring the approval of the Supervisory Board. The Management Board meets at least every 14 days to discuss current business developments as well as strategic and operational issues. At these meetings, decisions are made that require the approval of the full Management Board. In addition, there is an ongoing mutual exchange of information on relevant activities and events.

The Management Board is supported in its management activities by the "Leadership Team". It consists of the six CEOs of the operating subsidiaries and the Group HR Director. The Leadership Team provides advice and support in operational and strategic matters of the A1 Group.

To guarantee uniform management of the Group, members of the Management Board of Telekom Austria AG hold Supervisory Board mandates at the following main subsidiaries: A1 Telekom Austria (Austria), A1 Bulgaria (Bulgaria), A1 Hrvatska (Croatia), A1 Slovenija (Slovenia), A1 Srbija (Serbia) and A1 Makedonija (North Macedonia); they are also members of the Management Board of the parent company (SB Telecom) of A1 Belarus (Belarus).

The Management Board defines the strategic focus of the Group in consultation with the Supervisory Board and provides the latter with regular reports on the implementation of the strategy as well as on the company's current situation, including its risk situation. Furthermore, the Supervisory Board is authorized to demand reports from the Management Board at any time on matters concerning the A1 Group. In the interest of good corporate governance, there is also ongoing coordination between the Chairperson of the Supervisory Board and the Chairman of the Management Board with respect to matters that fall within the purview of the Supervisory Board.

The Supervisory Board has set up three committees, which provide effective support by carrying out preparatory work on selected tasks and issues on behalf of the Supervisory Board. The intensive committee work supports the Supervisory Board with regard to a focused discussion and efficient decision-making:

- In the 2022 reporting year, the **Remuneration Committee** consisted of Edith Hlawati (Chair), Carlos García Moreno Elizondo (Deputy) and Oscar Von Hauske Solís. This committee is responsible for regulating relationships between the company and the members of the Management Board and thus for structuring and implementing Management Board remuneration based on the remuneration policy. Resolutions concerning the appointment of Management Board members (or revocation thereof) and granting share-based remuneration elements are resolved by the Supervisory Board as a whole.

In 2022, the Remuneration Committee held six meetings and focused, among other things, on the increased integration of ESG objectives into the remuneration system.

- In line with the statutory provisions, at five committee meetings in 2022 the **Audit Committee** dealt primarily with the audit of and preparation for the adoption of the Annual Financial Statements, the audit of the Consolidated Financial Statements, the proposal for the distribution of profit, the Management Report, the Group Management Report, and the consolidated Corporate Governance Report and the consolidated non-financial report. High priority was also given to monitoring the accounting process, the effectiveness of the internal control system, the internal audit system, and the risk management system as well as the implementation of EU taxonomy. Furthermore, the Audit Committee prepared the appointment of the auditor and verified the independence of the auditor of the Annual and Consolidated Financial Statements, particularly with regard to the performance of additional services.

As of the end of 2022, the Audit Committee consisted of Carlos García Moreno Elizondo as its Chairman and financial expert (in accordance with section 92 (4a) AktG), Christine Catasta, Oscar Von Hauske Solís, Carlos M. Jarque, Peter Hagen, Peter Kollmann and Gerhard Bayer, Werner Luksch and Alexander Sollak as the employee representatives.

- The **Staff and Nomination Committee** submits proposals to the Supervisory Board for appointments to positions on the Management Board and Supervisory Board<sup>1)</sup> that have become vacant, and also deals with questions of succession planning. Its members are Oscar Von Hauske Solís (Chairman), Edith Hlawati, Carlos García Moreno Elizondo, Carlos M. Jarque, Alejandro Cantú Jiménez and Peter Kollmann in addition to Gerhard Bayer, Werner Luksch and Alexander Sollak. The Staff and Nomination Committee did not hold any meetings in the 2022 financial year.

In the 2022 financial year, the Supervisory Board addressed the strategic orientation of the A1 Group and its business performance in detail at six meetings of the Supervisory Board and twelve committee meetings. The main activities of the Supervisory Board in 2022 are compiled in the Supervisory Board's report to the Annual General Meeting.

The following table shows the attendance of the members of the Supervisory Board in 2022:

### Meeting attendance 2022

	Supervisory Board	Audit Committee	Remuneration Committee
Edith Hlawati	6/6		6/6
Carlos García Moreno Elizondo	6/6	5/5	6/6
Christine Catasta	6/6	4/5	
Carlos M. Jarque	6/6	5/5	
Alejandro Cantú	5/6		
Karin Exner-Wöhrer	5/6		
Oscar Von Hauske Solís	6/6	5/5	6/6
Daniela Lecuona Torras	6/6		
Peter F. Kollmann	5/6	4/5	
Peter Hagen	5/6	4/5	
Gerhard Bayer	5/6	5/5	
Werner Luksch	5/6	4/5	
Alexander Sollak	6/6	5/5	
Gottfried Kehrer	6/6		
Renate Richter	4/6		

Details of the remuneration of the Management Board and the Supervisory Board are published in the Remuneration Report and in the Remuneration Policy on the Company's website respectively.<sup>2)</sup>

1) See also information on C Rule 42

2) See [https://cdn1.a1.group/final/en/media/pdf/agm2020\\_Remuneration\\_policy\\_Management\\_Board.pdf](https://cdn1.a1.group/final/en/media/pdf/agm2020_Remuneration_policy_Management_Board.pdf) or [https://cdn1.a1.group/final/en/media/pdf/agm2020\\_Remuneration\\_policy\\_Supervisory\\_Board.pdf](https://cdn1.a1.group/final/en/media/pdf/agm2020_Remuneration_policy_Supervisory_Board.pdf) and [https://cdn1.a1.group/final/en/media/pdf/agm2021\\_Remuneration%20Report.pdf](https://cdn1.a1.group/final/en/media/pdf/agm2021_Remuneration%20Report.pdf)

## Measures to promote Women and Diversity in the A1 Group (Diversity Concept)

Women account for four of the ten shareholder representatives and one of the five employee representatives on the Telekom Austria AG Supervisory Board. There is no female representation on the Management Board of Telekom Austria AG. At the subsidiaries of the A1 Group, eleven management positions (out of a total of 30) and ten Supervisory Board positions are held by women.

The A1 Group has set itself the goal of increasing the share of women in management positions to 40% by 2023, while also raising and keeping the overall share of women in the company at above 40%. In 2022, the share of women in management positions was 36% (2021: 36%), with women accounting for 40% (2021: 39%) of the company's workforce.

Diversity, inclusion and equity are key components of the A1 Group's ESG strategy. Different skills, perspectives and experiences offer a wide range of options for learning together and from each other, and thereby arriving at better solutions for customers, for employees and for the company. Embedding diversity, inclusion and equity in the A1 Group's ESG strategy sets and systematically operationalizes clear and communicated goals.

For A1 Group, diversity, inclusion and equity are not only embedded in the A1 Group Code of Conduct, but also in the Group-wide DE & I Policy. This policy has been published on the A1 Group's ESG website and signed by the Management Board. Management is demonstrating a clear responsibility to this objective by including a diversity target (share of women in management) in its variable remuneration.

Comprehensive information on the promotion of women and diversity can be found in the consolidated non-financial report.

The above principles also apply to the Company's governing bodies. In addition, the Management Board and the Supervisory Board shall be composed of persons who have the necessary knowledge, skills and personal qualifications.

When selecting and appointing members of the company's Management Board, the Supervisory Board places emphasis on the skills and expertise necessary to manage a telecommunications company. Decisions are also based on other criteria such as educational background and career history, age, gender, and general personality traits.

When appointing members to the Supervisory Board, care is taken to ensure that the composition of the Supervisory Board is balanced both professionally and personally, taking into account the aspects of diversity of the Supervisory Board in terms of gender, a balanced age structure and the internationality of its members.

The shareholder representatives on the Supervisory Board and the members of the company's Management Board are appointed in line with the terms of the shareholders' agreement between the controlling shareholder América Móvil and ÖBAG.<sup>3)</sup>

Vienna, February 3, 2023

The Management Board of Telekom Austria AG

Thomas Arnoldner, CEO

Alejandro Douglas Plater, COO

Siegfried Mayrhofer, CFO

<sup>3)</sup> See also information on C Rule 42

# Disclaimer

This document contains forward-looking statements. These forward-looking statements are usually accompanied by words such as ›believe‹, ›intend‹, ›anticipate‹, ›plan‹, ›expect‹ and similar expressions or by ›outlook‹. Actual events may differ materially from those anticipated in these forward-looking statements as a result of a number of factors. Forward-looking statements involve inherent risks and uncertainties. A number of important factors could cause actual results or outcomes to differ materially from those expressed in any forward-looking statement. Neither the A1 Group nor any other person assumes any liability for any such forward-looking statements. The A1 Group will not update these forward-looking statements, whether due to changed factual circumstances, changes in assumptions or expectations.

This report has been carefully prepared and all information has been carefully checked. Nevertheless, the possibility of layout and printing errors cannot be excluded. The use of automated calculation systems may result in rounding differences. The English version of this report is for convenience only; the German version is binding.

This report does not constitute a recommendation or invitation to buy or sell any securities of the A1 Group.

## Imprint

Media owner and publisher:	Telekom Austria AG Lassallestraße 9 1020 Vienna, Austria
Place of publishing:	Vienna, Austria
Editorial deadline:	February 3, 2023





[www.A1.group](http://www.A1.group)