

## PRESS INFORMATION

### **bpv Hügel on corporate governance-development: Austrian parliament resolves upon 30% gender quota (“women’s quota”) for supervisory boards**

***Corporate Governance and Gender Diversity – On 28 June 2017 the Austrian parliament resolved upon a 30% gender quota (“women’s quota”) for supervisory boards of listed corporations and corporations with more than 1.000 employees. The “Equal Treatment Act of Women and Men in Supervisory Boards” will become effective with 1 January 2018.***

**Vienna, 29 June 2017.** The quota is mandatory for listed stock companies and companies with more than 1,000 employees. In the future, at least 30% of the supervisory board members must be women. Also men are protected for constitutional equal treatment reasons and must be represented with 30% in the board.

The gender quota is not applicable for “single gender companies”: Only in case the entire work force of a company comprises at least 20% of one gender, this gender must be represented in the supervisory board with the 30% quota. *“With this quota the legislation mixes up corporate governance objectives with respect to the composition of the supervisory board and the gender representation in the workforce”,* comments Christoph Nauer, partner with bpv Hügel.

It is admissible that the shareholder representatives and the members of the supervisory board delegated by the works council together fulfil the gender quota. If one side exceeds the quota, the requirements of the other side are reduced. But this also applies reciprocal: If one side does not meet the quota, the quota increases within the shareholder representatives or the works council delegates, respectively. In Germany regularly the option for a separate fulfilment of the quota is chosen. This option is also provided under Austrian law: If the majority of shareholder representatives or works council delegates, respectively, objects, the quota applies separately.

Surprisingly, the gender quota is only applicable for supervisory boards consisting of six or more members (shareholder representatives). This is unique in Austria compared to the German provisions on the gender quota. *“This threshold leads to the curious result that supervisory boards consisting of five male members are still admissible; if the supervisory board consists of six members, just four male members are admissible”,* analyses Daniel Reiter, attorney at law with bpv Hügel.

The sanctions in case of breaches of the quota are serious: the election of the candidate to the supervisory board is void. A supervisory board member elected in breach of the quota is not legally effective appointed as board member and has no voting rights.

The Equal Treatment Act of Women and Men in Supervisory Boards is applicable for supervisory board elections as of the year 2018. Current supervisory board mandates are not affected. Supervisory boards will have to search for female board candidates for supervisory board elections in upcoming shareholders’ meetings.

**About bpv Hügel**

bpv Hügel Rechtsanwälte GmbH is one of Austria's leading law firms. The firm is frequently called upon in matters that require specialized legal knowledge, an understanding of commercial matters and extensive experience. The full-service law firm is represented in Austria with offices in Vienna, Mödling and Baden. bpv Hügel operates an office in Brussels and is also member of the alliance "bpv LEGAL" with law firms in Bratislava, Bucharest, Budapest and Prague.

**Contact**

bpv Hügel Rechtsanwälte GmbH  
Dr. Christoph Nauer  
Office: +43 2236 89 33 77  
E-mail: [christoph.nauer@bpv-huegel.com](mailto:christoph.nauer@bpv-huegel.com)  
<http://www.bpv-huegel.com>