

**wienerberger**

# **Rules of Procedure for the Supervisory Board of Wienerberger AG**

March 27, 2017

Öffentlich/Public

## Table of Contents

§ 1 Meetings of the Supervisory Board	3
§ 2 Quorum, Proposals and Protocol	3
§ 3 Corporate Governance und Compliance	4
§ 4 Relationship to the Managing Board	5
§ 5 Committees and their Quorums	5
§ 6 Presidium	6
§ 7 Audit Committee	6
§ 8 Strategy Committee	7
§ 9 Personnel and Nomination Committee	7
§ 10 Responsibility of the Supervisory Board	8
§ 11 Correspondence on Supervisory Board Matters	8
§ 12 Confidentiality	9

In accordance with § 12 (1) of the Bylaws of the Corporation, the Supervisory Board of Wienerberger AG has approved the following Rules of Procedure for its activities:

## **§ 1 Meetings of the Supervisory Board**

- (1) The Chairperson, or the Vice-Chairperson if the Chairperson is unable to do so, shall convene the meetings of the Supervisory Board by notifying the members at their last known addresses by letter, telex, telefax or e-mail (if the members have provided a telefax number or e-mail address). Meetings may also be held by telephone or in another comparable way (e.g. by video conferencing). The type of meeting is determined by the Chairperson.
- (2) This notice must allow for a period of at least one week between the date of notice and the date of the meeting. The notice must include an agenda, and also indicate the time and place of the meeting. Furthermore, all necessary documentation (proposals and important information for decision-making) must be attached. If the proposals and/or documentation for the meetings are extensive, a summary with key facts and figures should be attached whenever possible. The documentation should be provided to the members of the Supervisory Board in advance whenever possible.
- (3) The Supervisory Board shall be obliged to hold at least four meetings during each business year. These meetings shall be held quarterly.

## **§ 2 Quorum, Proposals and Protocol**

- (1) The Supervisory Board shall be considered to have a quorum when at least three members, including the Chairperson or a Vice-Chairperson, are present. The Chairperson, or a Vice-Chairperson if the Chairperson is unable to do so, shall preside over the meeting. The person who presides over the meeting shall determine the method of voting.
- (2) Resolutions shall be passed by a simple majority of the votes cast. If there is an equal division of votes, the person presiding over the meeting shall cast the deciding vote - also in the case of elections.
- (3) A member of the Supervisory Board may authorize another member of the Supervisory Board in writing to represent him/her at a specific meeting; the member of the Supervisory Board who has delegated a representative shall not be counted in the determination of a quorum (Par. (1)). The right to preside over a meeting is not transferable.
- (4) Resolutions may also be passed in writing (incl. telefax or e-mail), by telephone or in another manner (e.g. video conference) if the Chairperson, or a Vice-Chairperson if the Chairperson is unable to do so, calls for such a resolution and no member of the Supervisory Board objects to this procedure within 3 days from receipt of the circulating letter containing the proposal. Par. (2) shall apply analogously to votes

made in writing. The delegation of a representative in accordance with Par. (3) is not permitted for voting as described in this Par. (4).

- (5) The members of the Managing Board shall take part in the meetings of the Supervisory Board unless the Chairperson of the Supervisory Board, or a Vice-Chairperson if the Chairperson is unable to do so, determines otherwise.
- (6) The auditor shall also be invited to attend the meetings that deal with the approval of the annual financial statements and their preparation as well as the audit of these annual financial statements.
- (7) Proposals made by a member of the Supervisory Board or Managing Board to the Chairperson of the Supervisory Board or its committees shall be placed on the agenda for the next meeting if the relevant topics fall under the jurisdiction of the Supervisory Board or its committees.
- (8) A protocol shall be recorded on the discussions conducted and resolutions passed by the Supervisory Board. This protocol must be signed by the person who presided over the meeting.
- (9) If a member of the Supervisory Board expresses a differing opinion on a particular subject, this opinion must be recorded in the protocol when requested by the member. If a member of the Supervisory Board has an opinion that differs from a resolution passed by this body, he/she may add his/her opinion to the protocol. The person who presided over the meeting may ask this member of the Supervisory Board to add his/her divergent opinion to the protocol in writing.

### **§ 3 Corporate Governance und Compliance**

- (1) Every member of the Supervisory Board is committed to compliance with the regulations of the Austrian Corporate Governance Code that apply to the Supervisory Board, and will familiarize himself/herself with these rules.
- (2) Without prejudice to the relevant provisions of the articles of association, the members of the Supervisory Board commit themselves to resigning from the Supervisory Board upon completion of their 70th year of life with effect as of the end of the following Annual General Meeting by announcement in accordance with § 10 para (6) of the articles of association. This commitment shall not apply if the Supervisory Board – following a proposal by the Personnel and Nomination Committee - asks the respective Supervisory Board member to exercise his/her mandate until not later than the end of its current term because of his/her particular experience and knowledge and the resulting benefits for the Supervisory Board. In this case and upon request by the Supervisory Board, the respective Supervisory Board member shall be obliged to terminate his/her mandate with effect as of the end of the annual general meeting immediately following such request.
- (3) In accordance with Rule 53 of the Austrian Corporate Governance Code, the members of the Supervisory Board who have been elected by the Annual General Meeting or delegated by shareholders based on the Bylaws of the Company should

include a sufficient number of members who are independent of Wienerberger AG and its Management Board; this sufficient number shall be determined by the Supervisory Board.

In keeping with this rule, the Supervisory Board shall determine the criteria for independence based on [Appendix 2](#) and publish this information on the website of Wienerberger AG.

In accordance with [Appendix 2](#), every member of the Supervisory Board shall submit a statement of his/her independence pursuant to [Appendix 3](#) at the first meeting of the Supervisory Board that is held each year.

- (4) Furthermore, every member of the Supervisory Board shall submit a list of the shares in Wienerberger AG that are owned by him/her or by closely related persons (natural and legal persons as defined in § 48a para 1 nr. 9 letter d of the Austrian Stock Exchange Act, see [Appendix 4](#)) in accordance with [Appendix 3](#) at the first meeting of the Supervisory Board that is held each year or on request of the Chairperson of the Supervisory Board. Moreover, every member of the Supervisory Board shall declare his/her agreement with the publication of this information in the annual report and on the website of Wienerberger AG.
- (5) Every member of the Supervisory Board shall declare his/her agreement with the publication of his/her annual remuneration in the annual report and on the website of Wienerberger AG.
- (6) Every member of the Supervisory Board is obliged to comply with the current valid version of the Compliance Guideline of Wienerberger AG.
- (7) Rules of Procedure for the Supervisory Board will be published on the website of Wienerberger AG.
- (8) Every member of the Supervisory Board shall notify the Company (attn. Corporate Legal Services) in writing of any changes in his/her professional function(s), his/her address and/or his/her contact details (telephone number, e-mail-address etc.).

## **§ 4 Relationship to the Managing Board**

The Supervisory Board shall determine the measures and transactions that require its approval in accordance with § 7 Par. (3) of the Bylaws of the Company.

## **§ 5 Committees and their Quorums**

- (1) The Supervisory Board shall form the following committees
  - (1.1) Presidium in accordance with § 6
  - (1.2) Audit Committee in accordance with § 7
  - (1.3) Strategy Committee in accordance with § 8
  - (1.4) Personnel and Nominating Committee in accordance with § 9

- (2) The members and the Chairpersons of the individual committees (as well as the Vice-Chairperson(s)) shall be elected annually in a meeting held following the Annual Shareholders' Meeting, whereby the Chairpersons (with the exception of the Chairperson of the Audit Committee) shall be elected from the ranks of the Chairperson and the Vice-Chairperson(s) of the Supervisory Board. The members of the individual committees may be identical.
- (3) The committees shall be considered to have a quorum if their chairperson or a vice-chairperson and two other members are present. If a committee is comprised of two members, it shall only be considered to have a quorum if both members are present.
- (4) Resolutions shall be passed by a simple majority. If there is an equal division of votes, the person presiding over the meeting shall cast the deciding vote.
- (5) Other members of the Supervisory Board may be admitted to specific committee meetings upon request and without being entitled to a separate fee for this attendance.
- (6) The committees shall provide the Supervisory Board with information on any resolutions passed by these committees at the next meeting of the Supervisory Board.

The regulations governing the Supervisory Board shall also apply to its committees analogously.

## **§ 6 Presidium**

- (1) The Supervisory Board shall form a Presidium from among its members in accordance with § 13 Par. (1) of the Bylaws. This Presidium shall be comprised of the Chairperson and Vice-Chairperson of the Supervisory Board.
- (2) The Chairperson of the Supervisory Board shall also serve as the Chairperson of the Presidium.
- (3) The Presidium shall represent the Company on legal matters together with the members of the Managing Board.
- (4) The Presidium shall decide in all matters involving the relationship between the Company and the members of the Managing Board, unless the full Supervisory Board or Personnel and Compensation Committee is responsible.
- (5) The Presidium shall approve transactions between the Company or Group companies and members of the Managing Board or any related persons or firms with the exception of matters of daily business.

## **§ 7 Audit Committee**

- (1) The Supervisory Board shall form an Audit Committee from among its members in accordance with § 13 Par. (1) of the Bylaws to deal with issues related to accounting and the audit and approval of the annual financial statements, the recommendation

of the Company for the distribution of profit, the directors' report on the analysis of results and the Corporate Governance report, the audit of the consolidated financial statements and preparation of a recommendation for the selection of an auditor. This committee shall be comprised of two or more members, including a financial expert.

- (2) The Audit Committee shall elect a chairperson and vice-chairperson from among its members during the first meeting after its constitution. The Chairperson of the Audit Committee and the financial expert may not have served as members of the Managing Board, key employees or auditors Wienerberger AG or signed the audit opinion for the Company during the past three years.
- (3) The Audit Committee shall hold at least one meeting during each business year, after the end of the business year and before the meeting of the Supervisory Board that is called to approve the annual financial statements. The auditor shall also be invited to this meeting.
- (4) The Audit Committee shall be responsible for examining the reports of the auditors, and thereby determining a suitable basis for the responsibilities of the full Supervisory Board in accordance with Par.(1).

## **§ 8 Strategy Committee**

- (1) The Supervisory Board shall form a Strategy Committee from among its members in accordance with § 13 Par. (1) of the Bylaws. This committee shall be comprised of two or more members, which must include the Chairperson and a Vice-Chairperson of the Supervisory Board.
- (2) The basic function of the Strategy Committee is to discuss the strategy and the development of the company as well as the preparation of resolutions in strategic interests to the Supervisory Board. The Strategy Committee shall be responsible for making decisions on all issues delegated to it by the full Supervisory Board in accordance with § 10, unless these issues are reserved for the full Supervisory Board.
- (3) The Strategy Committee may call in experts for consultation if necessary, whereby these experts shall not gain membership or be able to vote in this committee. These experts shall be invited as deemed necessary.
- (4) The Strategy Committee shall have the right to make decisions in urgent cases, also on issues that fall under the responsibility of the full Supervisory Board as set forth in § 10.
- (5) The Chairperson of the Supervisory Board shall make decisions on disputes over the responsibilities of the Strategy Committee and the full Supervisory Board.

## **§ 9 Personnel and Nomination Committee**

- (1) The Supervisory Board shall form a Personnel and Nomination Committee from among its members in accordance with § 13 Par. (1) of the Bylaws. This committee

shall be comprised of two or more members, which must include the Chairperson and a Vice-Chairperson of the Supervisory Board.

(2) The Personnel and Nomination Committee shall have the following duties:

- 2.1 Preparation of nominations for the Supervisory Board: the Personnel and Nomination Committee shall be responsible for planning the selection of members for the Supervisory Board so as to insure the independence of the Supervisory Board. The Personnel and Nomination Committee shall recommend nominations to the full Supervisory Board, and these nominations shall be presented to the annual general meeting for approval after the endorsement of the full Supervisory Board. Thereby he has to consider the in § 3 stated criteria.
- 2.2 Preparation of appointments to the Managing Board: the Personnel and Nomination Committee shall define a set of requirements for the appointment of members to the Managing Board in accordance with the strategic focus and position of the Company and prepare decisions for the full Supervisory Board based on a defined appointment process and succession planning;
- 2.3 Compensation Issues: In its function as a Compensation Committee, the Personnel and Nomination Committee, shall deal with issues related to the compensation of the members of the Managing Board and the content of employment contracts with the members of the Managing Board;
- 2.4 Measures and transactions requiring approval: the Personnel and Nomination Committee shall approve all matters delegated to it by the full Supervisory Board in accordance with § 10, unless the full Supervisory Board has reserved the right to make these decisions in individual cases.

## **§ 10 Responsibility of the Supervisory Board**

Transactions and measures that require the approval of the full Supervisory Board or its committees are listed in [Appendix 1](#) together with the relevant responsibility.

[Appendix 1](#) shall be considered an integral part of the Rules of Procedure for the Managing Board ([Appendix 3](#)).

## **§ 11 Correspondence on Supervisory Board Matters**

The Chairperson of the Supervisory Board shall conduct all correspondence on matters concerning the Supervisory Board. At the end of his/her term of office, he/she shall pass this correspondence on to his/her successor. If the Chairperson is unable to conduct this correspondence, the Vice-Chairperson shall assume this responsibility if it is necessary for the continued conduct of business.



## § 12 Confidentiality

All documentation and information that members of the Supervisory Board receive in connection with the exercise of their functions (with the exception of information in accordance with [Appendix 2](#) and [Appendix 3](#) as well as other documents and information that is expressly designated for the general public) shall be considered business secrets and shall be subject to strict confidentiality.

In this connection, every member of the Supervisory Board acknowledges that these documents and information regularly contain insider information – even if this designation is not expressly indicated – and these documents and information are subject to the measures set forth in the Compliance Guideline of Wienerberger AG to prevent further distribution.

[Appendix 1:](#) Responsibilities of the Supervisory Board

[Appendix 2:](#) Criteria for the independence of Supervisory Board members in accordance with the Austrian Corporate Governance Code

[Appendix 3:](#) Statement of the Supervisory Board members on their independence in accordance with the Austrian Corporate Governance Code and on their ownership of shares in Wienerberger AG

[Appendix 4:](#) Directors' Dealing, persons subject to reporting requirements in accordance with § 48a Par. 1 Nr. 9 letter d of the Austrian Stock Corporation Act

---

### Wienerberger AG

Wienerbergstrasse 11, Wienerberg City, 1100 Vienna, Austria  
t +43 1 60192-0 | f +43 1 60192-10159 | [office@wienerberger.com](mailto:office@wienerberger.com)  
[www.wienerberger.com](http://www.wienerberger.com)

