

**wienerberger**

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

Corporate Secretary

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In accordance with Art. 12 para. 1 of the Bylaws of the Company, the Supervisory Board of Wienerberger AG approved the following Rules of Procedure for its activities:

## Preamble

The tasks/responsibilities of a supervisory board under Austria's two-tier board system consist in

- supervising the company's management,
- supporting the company's top management in strategic decision-making, and the
- ex-post control of the management's decisions/acts/measures.

As a consequence, the Supervisory Board assumes part of the company's entrepreneurial responsibility. While the responsibility for the strategic and operational management of the company remains with the Managing Board, the Supervisory Board participates in corporate decision-making in accordance with its Rules of Procedure. These Rules of Procedure aim at implementing certain relevant provisions of applicable EU legislation, the Austrian Stock Corporation Act, and the rules of the Austrian Code of Corporate Governance within the legal framework of the Supervisory Board's work. To the extent not expressly stipulated herein, the aforementioned sources of law shall apply.

## § 1 Meetings of the Supervisory Board

- (1) The Chairperson, or the First, Second, etc. Deputy 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 or e-mail (if the members have provided an e-mail address). Meetings may also be held by telephone or in another comparable way (e.g. by video conferencing, provided that mutual communication is ensured in an authentic manner). The type of meeting to be held shall be determined by the Chairperson.
- (2) The invitation to a Supervisory Board meeting must allow for a period of at least one week between the date of receipt of the invitation and the date of the meeting, or two weeks in the case of a request by the Managing Board or a member of the Supervisory Board (Sec. 94 para. 1 Stock Corporation Act). In urgent cases, the Chairperson may shorten the minimum period of notice in the interest of the Company. The invitation must include an agenda and indicate the time and place of the meeting. Furthermore, all the necessary documentation (proposals and important information for decision-making) should be attached

whenever practically feasible. If the proposals and/or documentation for the meetings are extensive, a summary with key facts and figures should be attached whenever possible. If possible, the documentation should be provided to the members of the Supervisory Board in advance of the meeting. The Supervisory Board may use the services of an electronic information platform to that effect, i.e. a virtual data room in which the documents for meetings are uploaded and accessible to all Board members and/or the members of the Committee concerned.

- (3) The Supervisory Board is obliged to hold at least four meetings per business year. These meetings shall be held quarterly.

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

- (1) The Supervisory Board shall be considered to have a quorum when at least three members, including the Chairperson or a Deputy Chairperson, are present at the meeting in person or on any form permissible under sect. 1 para. 1 hereof. The Chairperson, or the First, Second, etc. Deputy Chairperson if the Chairperson is unable to do so, shall preside over the meeting. The person presiding over the meeting shall determine the method of voting. The constituent meeting of the Supervisory Board shall be chaired by the previous Chairperson, in the absence of such Chairperson it shall be chaired by the First, Second, etc. Deputy Chairperson, and in the absence of such Deputy Chairperson it shall be chaired by the longest-serving member of the Supervisory Board. The same shall apply *mutatis mutandis* in case neither the Chairperson nor any of his/her Deputies are able to preside over a meeting.
- (2) Resolutions shall be passed by a simple majority of the votes cast. In the event of a tie, the person presiding over the meeting shall cast the deciding vote. This also applies 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. A Supervisory Board member represented by proxy shall not be counted in the determination of a quorum (para. 1). The right to preside over a meeting is not transferable.
- (4) Resolutions may also be passed in writing (incl. e-mail), by telephone or in another comparable manner if the Chairperson calls for such a resolution and no member of the Supervisory Board objects to this procedure in writing within 24 hours of

receipt of the circular letter containing the proposal, but not later than upon voting/decision-making in writing or by telephone. Para. 2 applies *mutatis mutandis* to votes cast in writing. The delegation of a representative in accordance with para. 3 is not permitted for votes as described in this para. 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 Deputy Chairperson if the Chairperson is unable to do so, determines otherwise.
- (6) The auditor shall also be invited to attend the meetings dealing 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 the Managing Board to the Chairperson of the Supervisory Board or its Committees shall be placed on the agenda for the next meeting, provided the topics of such proposals are within the jurisdiction of the Supervisory Board or its Committees. Proposals made in connection with agenda items not previously announced shall be deliberated and resolved upon in the meeting, provided that all Supervisory Board members are present and do not object to the deliberation of or resolution on such proposals. Within the Chairperson's sole discretion and in the absence of objections by the members present, resolutions on agenda items not previously announced may be passed in the absence of some of the members, subject to subsequent consent by the absent members. Minutes shall be drawn up on the discussions conducted and resolutions passed by the Supervisory Board. The minutes must be signed by the person who presided over the meeting.
- (8) Minutes shall be drawn up as summary minutes unless the Chairperson decides otherwise. In particular, the Chairperson has to take the criticality of the matter and the intensity of the discussions and negotiations into account.
- (9) If a member of the Supervisory Board expressing a dissenting opinion or agreeing with the majority position requests that his/her opinion be recorded in the minutes this request is to be met, unless minutes are drawn up verbatim anyway. If a member of the Supervisory Board expressing an opinion dissenting from or agreeing with a resolution adopted by the Supervisory Board his/her opinion can be recorded verbatim upon the member's request, unless minutes are drawn up verbatim anyway. The Chairperson may ask the member concerned to state his/her dissenting or approving opinion in writing to be added to the minutes.

- (10) The aforementioned provisions regarding the minutes of Supervisory Board meetings also apply, *mutatis mutandis*, to meetings of the Committees of the Supervisory Board.

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

- (1) Every member of the Supervisory Board is committed to compliance with the rules of the Austrian Corporate Governance Code applying to the Supervisory Board, and has to familiarize himself/herself with these rules. This applies, in particular, to the rules regarding the maximum number of functions held by Supervisory Board members in external companies.
- (2) Without prejudice to the relevant provisions of the Bylaws, the members of the Supervisory Board commit themselves to resigning from the Supervisory Board upon having reached the age of 75, effective as of the end of the following Annual General Meeting, by announcing their resignation in accordance with Art. 10 para 6 of the Bylaws. This commitment shall not apply if the Supervisory Board – following a proposal by the Nomination and Remuneration Committee - asks the respective Supervisory Board member to exercise his/her mandate until not later than the end of his/her current term, given 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 agrees to resign from his/her mandate as of the end of the following annual general meeting if requested to do so by the Supervisory Board.
- (3) In accordance with Rule 53 of the Austrian Corporate Governance Code, the members of the Supervisory Board elected by the Annual General Meeting or delegated by shareholders pursuant to the Bylaws of the Company are to include a sufficient number of members who are independent of Wienerberger AG and its Managing Board; it is up to the Supervisory Board to determine the number to be regarded as sufficient. In keeping with this rule, the Supervisory Board shall determine the criteria for independence based on Appendix 2 and publish the relevant information on the website of Wienerberger AG. In accordance with Appendix 2, each 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, each 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 Art. 3 para. 1.26 of the Market

Abuse Regulation, see Appendix 4) in accordance with Appendix 3 at the first meeting of the Supervisory Board that is held each year or upon the request of the Chairperson of the Supervisory Board. Moreover, every member of the Supervisory Board shall declare his/her agreement to publication of such information in the Annual Report and on the website of Wienerberger AG.

- (5) Each member of the Supervisory Board shall declare his/her agreement to publication of his/her remuneration received from the Company, an attendance list regarding the Board and Committee meetings of the previous year, and such other information as the Supervisory Board may deem appropriate, in the Annual Report and on the website of Wienerberger AG.
- (6) Each member of the Supervisory Board is obliged to comply with the current version of the Capital Market-Compliance-Directive of Wienerberger AG.
- (7) The Rules of Procedure of the Supervisory Board are to be published on the website of Wienerberger AG.
- (8) Each member of the Supervisory Board shall notify the Company (attn. Corporate Secretary) 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.).
- (9) All Supervisory Board members shall ensure that they have sufficient time and resources available to devote to the needs of their role, including preparation for and attendance at meetings of the Supervisory Board and its Committees, the Annual General Meeting, any visit of the Supervisory Board to the Company's international operations and any other reasonable demands relating to the Supervisory Board's work. In particular, no Supervisory Board member shall hold more than five mandates in listed companies. In determining the number of mandates, non-executive roles shall count as one mandate, chair roles as two, and executive roles as three mandates. Supervisory Board members shall inform the Chairperson of the Supervisory Board in advance of any potential conflicts of interest arising from their other activities, disclosing all mandates held. Before accepting any external executive or non-executive board function, all members of the Supervisory Board shall inform the Chairperson of the Supervisory Board of the envisaged assumption of that function, trying to reach an agreement thereupon.
- (10) The Committee Chairpersons shall be prepared to respond to any shareholder questions on the relevant Committee's activities at the company's Annual General Meeting.

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

In addition to the transactions requiring approval pursuant to sect. 95 para. 5 of the Stock Corporation Act, the Supervisory Board may determine the measures and transactions that require its approval pursuant to sect. 95 para. 5 of the Stock Corporation Act in conjunction with Art. 7 para. 3 of the Bylaws of the Company.

## **§ 5 Corporate Secretary**

- (1) Corporate Secretary or a person nominated by Corporate Secretary shall act as the secretary of the Supervisory Board and its Committees and ensure that the Supervisory Board and its Committees receive relevant information and documents in a timely manner to enable that full and proper consideration is given to the issues concerned.
- (2) Corporate Secretary shall minute the proceedings and decisions of all Supervisory Board and Committee meetings, including the names of the members present.
- (3) Corporate Secretary shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly.
- (4) Draft minutes of Supervisory Board and Committee meetings shall be agreed upon with the Chairperson of the Supervisory Board or the Committee Chairperson and circulated promptly among all members of the Supervisory Board and, in case of Committee minutes, all members of the respective Committee.

## **§ 6 Committees and their Quorums**

- (1) The Supervisory Board shall set up the following committees:
  - i) Audit and Risk Committee pursuant to § 7
  - ii) Nomination and Remuneration Committee pursuant to § 8
  - iii) Sustainability and Innovation Committee pursuant to § 9

Without prejudice to legal provisions in effect, the Supervisory Board may at any time establish additional committees or dissolve existing ones, merge them or distribute a committee's responsibilities to several committees.

- (2) The members and the Chairpersons of the individual committees (as well as the Deputy Chairperson(s), if any) shall be elected annually by the Supervisory Board, based upon a recommendation by the Nomination and Remuneration Committee. This election shall take place at the meeting held after the Annual General Meeting or in the course of the year, if need arises. Members may serve on several Committees at the same time.
- (3) Committees shall be deemed to have a quorum if their chairperson or deputy chairperson and two other members are present. If a Committee is comprised of two members, it shall be deemed to have a quorum if both members are present.
- (4) Resolutions shall be passed by a simple majority. In the event of a tie, the person presiding over the meeting shall cast the deciding vote.
- (5) As a matter of principle, attendance of Committee meetings is restricted to Committee members. Other members of the Supervisory Board may be admitted to specific Committee meetings upon request subject to prior agreement by the respective Committee's chairperson. Members of the Managing Board as well as other representatives of the Company or external advisors may be invited to attend all or part of any Supervisory Board or Committee meeting as and when appropriate.
- (6) The Committees' chairpersons shall provide the Supervisory Board with information on any resolutions passed by Committees at the next meeting of the Supervisory Board.
- (7) In the case of a dispute among Committee members, meetings of the respective Committee shall be convened by Corporate Secretary (§ 5) at the request of any of its members.
- (8) If the appointment of external advisers and/or auditors is required to assist Committee work, such appointment requires prior approval of the related expenses by the Chairperson of the Supervisory Board.
- (9) Each Committee shall have access to sufficient resources in order to carry out its duties, including access to Corporate Secretary (§ 5) for assistance as required.
- (10) Each Committee shall, where reasonably required, be provided with appropriate and timely training to be organized by Corporate Secretary.
- (11) The rules governing the Supervisory Board shall also apply to its Committees, *mutatis mutandis*.

## **§ 7 Audit and Risk Committee**

### **(1) Membership**

- (1.1) The Supervisory Board shall set up an Audit and Risk Committee from among its members in accordance with Art. 13 para. 1 of the Bylaws, which shall be comprised of two or more members.
- (1.2) All members of the Committee shall be independent, at least one of whom shall have recent and relevant financial experience, with competence in accounting and/or auditing (financial expert). The Chairperson of the Supervisory Board shall not be a member of the Committee.
- (1.3) The external auditors shall be invited to attend meetings of the Committee on a regular basis.
- (1.4) The Chairperson and the financial expert must not have served as members of the Managing Board, key employees or auditors of Wienerberger AG or signed the audit opinion of the Company during the past three years.

### **(2) Notice and Frequency of Meetings**

- (2.1) The Committee shall meet at least four times a year at appropriate times in the reporting and audit cycle, and otherwise as required.
- (2.2) Outside of the formal meeting program, the Committee Chairperson is to in continuous contact with key individuals involved in the Company's governance, including the Chairperson of the Supervisory Board, the Group's Chief Executive Officer, the Chief Financial Officer, the external Audit Partner, and the Group Head of Internal Audit.

### **(3) Duties**

The Committee shall have the duty of oversight of the Group as a whole with regard to financial, accounting, auditing and risk-related matters.

#### **(3.1) Financial Reporting**

- (3.1.1) The Committee shall monitor the integrity of the Group's financial statements, including its annual and quarterly reports and related announcements, dividend proposals, and any other formal announcement relating to its financial performance. It shall review

significant financial reporting issues and judgements which they may contain and report thereon to the Supervisory Board. The Committee shall also review the Group's financial statements, significant financial statements to be submitted to the regulator, and any financial information contained in other documents intended for shareholders regarding matters communicated to the Committee by the auditor.

(3.1.2) The Committee shall review and challenge, where necessary:

- (1) the application of, and any changes to, significant accounting policies both on a year-on-year basis and across the Company/Group;
- (2) the methods used to account for significant or unusual transactions where different approaches are possible;
- (3) whether the Company has adopted appropriate accounting policies and made appropriate estimates and judgements, taking into account the external auditor's views on the financial statements;
- (4) the clarity and completeness of disclosure in the Company's financial reports and the context in which statements are made.

(3.1.3) Where the Committee is not satisfied with any aspect of the proposed financial reporting by the Company, it shall report its views to the Supervisory Board.

(3.2) Narrative Reporting

Where requested by the Supervisory Board, the Committee shall review the content of the Group's and the Company's statutory annual report and accounts and advise the Board on whether, taken as a whole, it is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy.

(3.3) Internal Controls and Risk Management Systems

The Committee shall:

- (1) keep under review the adequacy and effectiveness of the Company's internal financial control systems that identify, assess, manage and monitor financial risks, and other internal control and risk management systems; and
- (2) review and approve any statements to be included in the annual report concerning internal control and risk management.

#### (3.4) Internal Audit

The Committee shall:

- (1) align with the Managing Board the appointment or termination of the Group Head of Internal Audit;
- (2) monitor the role and mandate of the internal audit function, monitor and review the effectiveness of its work, and annually approve the internal audit charter, ensuring it is appropriate for the current needs of the organization;
- (3) review and approve the annual internal audit program to ensure it is aligned to the key risks of the business, and receive regular reports on work carried out;
- (4) ensure that internal audit has unrestricted scope, the necessary resources and access to information to enable it to fulfil its mandate, ensure there is open communication between different functions and that the internal audit function evaluates the effectiveness of these functions as part of its internal audit program, and ensure that the internal audit function is equipped to perform in accordance with appropriate professional standards for internal auditors;
- (5) ensure that the internal auditor has direct access to the Committee Chairperson, as well as independence from the Managing Board and accountability to the Committee;
- (6) carry out an annual assessment of the effectiveness of the internal audit function, and as part of this assessment:

- a. meet with the Group Head of Internal Audit without the presence of the Managing Board to discuss the effectiveness of the function;
  - b. review and assess the annual internal audit program;
  - c. receive an annual report on the results of the internal auditor's work and be granted access to detailed individual reports if needed for the review on the effectiveness of the internal audit function; and
  - d. review the actions taken by management to implement the recommendations of internal audit and to support the effective working of the internal audit function; and
- (7) consider whether an independent, third-party review of the internal audit processes would be appropriate.

### (3.5) External Audit

The Committee shall:

- (1) consider and make recommendations to the Supervisory Board, to be put to shareholders for approval at the AGM, in relation to the appointment, re-appointment, remuneration and, if necessary, removal of the Company's external auditor;
- (2) develop and oversee the selection procedure for the appointment of the audit firm, ensuring that all tendering firms have access to all the necessary information and individuals during the tendering process;
- (3) if an external auditor resigns the Committee shall investigate the issues leading to the resignation and decide whether any action is required;
- (4) oversee the relationship with the external auditor including (but not limited to):
  - a. approving their remuneration, including both fees for audit and non-audit services, and ensure that the level of fees is

- appropriate to enable an effective and high-quality audit to be conducted;
- b. approval of their terms of engagement, including any engagement letter issued at the start of each audit and the scope of the audit;
- (5) assess annually the external auditor's independence and objectivity, taking into account relevant laws and regulations;
- (6) satisfy itself that there are no relationships (such as family, employment, investment, financial or business) between the auditor and the Company (other than in the ordinary course of business) which could adversely affect the auditor's independence and objectivity;
- (7) formulate a policy on the employment of former employees of the Company's auditor, taking into account ethical and legal requirements, and monitor the application of this policy;
- (8) develop and recommend to the Supervisory Board the Company's formal policy on the provision of non-audit services by the external auditor, including the approval of non-audit services by the Committee and specifying the types of non-audit services to be pre-approved, and assessment of whether non-audit services have a direct or material effect on the audited financial statements;
- (9) meet regularly with the external auditor (including once at the planning stage before the audit and once after the audit, at the reporting stage). The Committee shall be granted the opportunity to meet the external auditor at least once a year, without the Managing Board being present, to discuss any critical issues arising from the audit;
- (10) discuss with the external auditor the factors that could affect the quality of the audit and review and approve the annual audit plan, ensuring it is consistent with the scope of the audit engagement, having regard to the seniority, expertise and experience of the audit team;

- (11) review the findings of the audit with the external auditor including, but not be limited to, the following;
  - a. a discussion of any major issues that arose during the audit;
  - b. the auditor's explanation of how the risks to audit quality were addressed;
  - c. key accounting and audit judgements;
  - d. the auditors' view of their interaction with senior management;  
and
  - e. levels of errors identified during the audit.
- (12) have access to any letter(s) of representation requested by the external auditor before they are signed by management;
- (13) review the management letter on holding level and the Managing Board's response to the auditor's findings and recommendations;
- (14) review the effectiveness of the audit process, including an assessment of the quality of the audit, the handling of key judgements by the auditor, and the auditor's response to questions from the Committee.
- (15) The Committee is responsible for examining the auditor's report and recommendations, thus providing a suitable basis for the full Supervisory Board to assume its responsibilities.

### (3.6) Risk Management

The Committee shall:

- (1) oversee and advise the Supervisory Board on the Company's overall risk appetite, tolerance and strategy, taking account of the current and prospective macro-economic and financial environment;
- (2) oversee and advise the Supervisory Board on the process to identify and assess the emerging risk exposures of the Company;

- (3) keep under review the Company's overall risk assessment processes that inform the Supervisory Board's decision making, ensuring both qualitative and quantitative metrics are used;
- (4) keep under review the Company's risk transfer strategy for the sharing of risks with the insurance market;
- (5) keep under review the risk management systems and reporting processes;
- (6) review the Company's treasury policies (including those relating to foreign currency exposure and the use of financial derivatives);
- (7) assess the effectiveness of the Company's compliance system standards and procedures; and
- (8) discuss with the auditors their report to the Supervisory Board on the adequate functioning of the Company's risk management processes as required by the Austrian Corporate Governance Code.

#### (4) Reporting Responsibilities

The Committee Chairperson shall report formally to the Supervisory Board on its proceedings after each meeting on all matters within its remit. Moreover, he/she shall formally report to the Supervisory Board on how the Committee has fulfilled its duties. This report shall include:

- (4.1) the significant issues considered in relation to the financial statements (required under paragraph 3.1.1) and the way in which these issues were addressed;
- (4.2) its assessment of the effectiveness of the external audit process, the approach taken to the appointment or reappointment of the external auditor, length of the audit firm's mandate, the date of the most recent invitation to tender, and advance notice of any re-tendering plans; and
- (4.3) any other issue on which the Supervisory Board has requested the Committee's opinion.

(4.4) The Committee shall make whatever recommendations to the Supervisory Board it deems appropriate on any area within its remit where action or improvement is needed.

(5) Other matters

The Committee shall:

(5.1) oversee any investigation of activities within its terms of reference;

(5.2) work and liaise as necessary with all other Supervisory Board committees, taking particular account of the impact of risk management and internal controls being delegated to different committees; and

(5.3) arrange for periodic (at least annual) reviews of its constitution and terms of reference to ensure it operates at maximum effectiveness, and recommend any changes it considered necessary to the Supervisory Board for approval.

## **§ 8 Nomination and Remuneration Committee**

(1) The Supervisory Board shall set up a Nomination and Remuneration Committee from among its members in accordance with Art. 13 para. 1 of the Bylaws. This committee shall be comprised of two or more members of the Supervisory Board, including the Chairperson of the Supervisory Board.

(2) The Committee shall have the following duties:

(2.1) Regularly review the required structure, size and composition (including skills, knowledge, experience and diversity) of the Supervisory Board in light of the issues facing the Company and the requirements of Austrian and international corporate governance codes

(2.2) Annual review of external mandates held by Supervisory Board members in view of the provisions of § 3 (9) to ensure that Board members have sufficient time and resources available to adequately fulfill their tasks on the Supervisory Board of Wienerberger AG. In doing so, the Committee shall *inter alia* consider the following criteria: Size and location of the companies in question, term of office, committee chairs, time requirements, (compulsory) attendance, etc.

- (2.3) Develop succession plans for members of the Managing Board, the Chairs of the Supervisory Board and its Committees, and retiring members of the Supervisory Board
- (2.4) Develop contingency plans for unexpected departures of members of the Managing Board and the Chairs of the Supervisory Board and the Audit and Risk Committee
- (2.5) Before any appointment to the Supervisory Board, evaluate the balance of skills, knowledge, experience, and diversity on the Supervisory Board and prepare a description of the role and capabilities required for any such appointment
- (2.6) Before any appointment to the Managing Board, prepare a description of the role and capabilities required for any such appointment
- (2.7) Appoint and manage external advisers to facilitate the search for candidates or otherwise advertise vacancies as appropriate
- (2.8) Recommend to the Supervisory Board whether to seek the reappointment of members of that Board when up for re-election, having regard to their performance and ability to continue to contribute to the Board in light of knowledge, skills, experience and diversity required
- (2.9) Recommend to the Supervisory Board whether to renew the mandates of members of the Managing Board at least 12 (twelve) months before the end of their current contract
- (2.10) Recommend to the Supervisory Board any proposed appointments of new members to the Supervisory and the Managing Board
- (2.11) Recommend to the Supervisory Board a candidate or candidates for the Chair, having prepared a job specification, including the time commitment expected
- (2.12) Regularly review the leadership needs of the Company at Managing Board level and for senior and other key positions below Managing Board level and review succession plans for all such positions
- (2.13) Review, as required, talent management within the Company

(2.14) Review the results of the Supervisory Board performance evaluation process and make recommendations, as appropriate, to the Supervisory Board

(2.15) Report regularly on its work to the Supervisory Board.

(3) The duties of the Committee shall furthermore comprise all matters relating to the remuneration of Managing Board members and the content of employment contracts concluded with Managing Board members, as well as the submission of proposals regarding the remuneration of the Supervisory Board. In particular, the Committee shall be in charge of preparing the remuneration policy for the members of the Managing Board and the Supervisory Board, which is to be adopted by the full Supervisory Board. In order to fulfill its tasks, the Committee shall be authorized to obtain regular information on the (amount of) remuneration of the 50 top salary earners of the Company. The following paragraphs (3.1) to (3.12) shall also apply, *mutatis mutandis*, to the remuneration policy for the Supervisory Board.

(3.1) The Company's remuneration policy shall be designed to promote the corporate strategy and the long-term development of the Company and specify how this goal is to be achieved. It shall be worded in clear and comprehensible terms and describe the various fixed and variable remuneration components that can be granted to the members of the Managing Board, including all bonuses and other privileges of any kind, indicating the respective relative proportions.

(3.2) The remuneration policy shall provide information on how the terms and conditions of remuneration and employment of the Company's employees have been taken into account in the determination of the remuneration policy.

(3.3) If the remuneration policy provides for variable remuneration components, it has to specify clear, comprehensive and differentiated criteria for such components. The financial and non-financial performance criteria, including any criteria relating to corporate social responsibility, shall be indicated as well. Moreover, the remuneration policy also has to explain if and how these criteria promote the corporate strategy and the long-term development of the Company and by which methods compliance with these criteria is to be verified. It shall provide information on waiting periods, if any, and on the possibility of the Company to demand repayment of variable remuneration components.

- (3.4) If the Company grants share-based remuneration, the remuneration policy has to specify any waiting and holding periods and explain if and how share-based remuneration promotes the corporate strategy and the long-term development of the Company.
- (3.5) The terms of the contracts of the members of the Managing Board, relevant periods of notice, the main features of supplementary pension systems and pre-retirement programs, as well as the terms and conditions of termination of such programs and any payments due, shall be indicated in the remuneration policy.
- (3.6) The remuneration policy shall contain an explanation of the procedures applied to determine, monitor and implement the policy, including measures to avoid and/or deal with conflicts of interest. Where appropriate, the role of the Committee or other committees concerned shall be described.
- (3.7) The remuneration policy shall be submitted to and voted on by the annual general meeting at least once every four years and in the event of any material modification of the policy. The result of the vote is to be taken as a recommendation.
- (3.8) Moreover, the Committee is in charge of monitoring the remuneration practices and the remuneration-related incentive structures. The Committee shall ensure that drafts of Managing Board contracts, agreements on contract amendments and contract termination, as well as the necessary side letters are prepared. Based on the preparations and recommendations by the Committee, the Chairperson of the Supervisory Board shall conduct negotiations with (potential) Managing Board members. The conclusion of contracts with Managing Board members is subject to a resolution by the full Supervisory Board. While the Supervisory Board defines the principles to be observed, it is up to the Chairperson to negotiate the details. Contracts with Managing Board members are signed by the Chairperson on behalf of the Supervisory Board.
- (3.9) The Committee shall submit proposals to the full Supervisory Board regarding bonus payments and other remuneration components to be granted to Managing Board members, in particular the definition of target parameters for the variable remuneration components for the respective business year. Moreover, at the end of each business year, the Committee shall prepare the ascertainment of actual target attainment and the

determination of the variable remuneration components to be paid out to the Managing Board members, which are then adopted by a resolution of the full Supervisory Board.

(3.10) The Committee shall also prepare legal transactions with the members of the Managing Board, in which the Company is represented by the full Supervisory Board.

(3.11) The Committee shall prepare decisions by the Supervisory Board on voting bans for related parties in connection with transactions of the Company within the meaning of point 2.1.11. of Appendix 1 of the Rules of Procedure and supervise their execution.

(3.12) Measures and transactions subject to approval by the Supervisory Board: The Committee shall decide in all matters referred to it by the full Supervisory Board pursuant to § 9, provided the full Supervisory Board has not reserved the decision-making power to itself on a case-by-case basis.

## **§ 9 Sustainability and Innovation Committee**

- (1) The Supervisory Board shall set up a Sustainability and Innovation Committee from among its members in accordance with Art. 13 para. 1 of the Bylaws. This committee shall be comprised of two or more members.
- (2) The Committee is intended as a forum for all members of the Supervisory Board to openly consider and discuss issues related to the Committee's subject matter. As a matter of principle and without prejudice to the Chairperson's right to limit attendance in accordance with § 6 (5) hereof, all members of the Supervisory Board are invited to attend the Committee's meetings.
- (3) The Committee's mission shall be to review the Company's innovation, environmental and social policy. It shall ensure that the CSR and innovation policy of the Wienerberger Group is focused on the key challenges and that the Company's governance effectively integrates CSR and innovation in both its strategy and its day-to-day business.

The Committee shall therefore have the following duties and responsibilities:

- (3.1) Familiarize itself with the Group's sustainability and innovation management, e.g. by studying management reports (sustainability report,

non-financial report, sustainability roadmap, etc.) as well as by exchanging information with the Group's relevant experts

- (3.2) Support management (e.g. by way of discussion and the contribution of know-how) in the review and development of the Group's sustainability and innovation strategy
- (3.3) Support the identification of relevant topics for the Group's sustainability strategy (e.g. by involving relevant stakeholders in the materiality analysis)
- (3.4) Monitor the implementation of the Group's sustainability and innovation strategy
- (3.5) Support management in identifying new legislation, regulations and trends on a global and European level that are of relevance to the management of sustainability and innovation in the Group's operating segment(s)
- (3.6) Discuss with management the (potential) impact of (new) environmental legislation on the Group's business model in the markets affected
- (3.7) Contribute knowledge, experience and best-practice examples in the areas of sustainability and innovation to the discussion and decision-making both on Committee and on Supervisory Board level
- (3.8) Review material aspects of sustainability and innovation management with the Group's relevant managers and discuss with them strategies to develop/improve those aspects
- (3.9) Report regularly on its work to the Supervisory Board

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

Transactions and measures that require the approval of the full Supervisory Board or its committees are listed in Appendix 1, which also specifies the powers of the individual bodies.

Appendix 1 shall be considered an integral part of the Rules of Procedure of 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 hand over this correspondence to his/her successor. If the Chairperson is unable to conduct this correspondence, the acting Deputy Chairperson shall assume this responsibility, provided it is necessary for the continuation 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. Each member of the Supervisory Board shall sign a separate declaration of confidentiality specifying this duty of secrecy in detail. The Supervisory Board may resolve to amend such declaration to reflect current requirements.

In this context, each member of the Supervisory Board acknowledges that such documents and information regularly contain inside information, even if not expressly indicated, and that such documents and information are subject to the measures set forth in the Compliance Policy of Wienerberger AG to prevent further dissemination.

Appendix 1: Responsibilities of the Supervisory Board

Appendix 2: Criteria of independence of Supervisory Board members in accordance with the Austrian Corporate Governance Code

Appendix 3: Statements by 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' Dealings, persons subject to reporting requirements in accordance with Art. 3 para. 1.26 of the Market Abuse Regulation