



GOVERNANCE PRESENTATION

Wienerberger AG | April 2020

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Disclaimer

Cautionary note regarding forward-looking statements

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Sustainability

Corporate Governance

Remuneration Scheme envisaged

Sustainability

Sustainability has always been an integral part of our strategy

**LASTING
COMMITMENT:
PRODUCT
LIFETIME > 100
YEARS¹⁾**

**ECOLOGICAL
AND SOCIAL
RESPONSIBILITY**

**BUILDING FOR
GENERATIONS**

**COMMITMENT
TO
SUSTAINABILITY
ROADMAP 2020
SINCE 2015**

**CONTINUOUS
EFFORTS
TO INCREASE
RESOURCE
EFFICIENCY**

1) Product lifetime > 100 years for most of our products

Sustainability

Sustainability roadmap 2020

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- › Our Sustainability Roadmap 2020 is a **self-imposed commitment** to continuously improve our **ecological, social, societal** and **economic performance**
- › The Sustainability Roadmap 2020 includes **quantitative targets and activities** for **all areas** identified as material by our stakeholders
- › Strategic considerations take into account the **interests of our organization** as well as those of **our stakeholders**



Commitment to firm targets

Continuously delivering on our sustainability targets - EXAMPLES

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	AREA		TARGET		ACHIEVEMENT
	EMPLOYEES	»»	Zero accidents as highest priority		- 78% ¹⁾
	PRODUCTS	»»	Achieve more than 25% of the Group's total revenues from innovative products in 2020		Target overachieved with 31% in 2019
	PRODUCTION	»»	Reduce specific energy consumption in WBS ceramic production by 20% until 2020 compared with 2010		Specific energy consumption total minus 13%; demo plant minus 30% ²⁾
	RECYCLABILITY	»»	Increase the share of secondary raw material to a total of 85 kg per ton of plastic pipes produced in 2020		Target achieved one year earlier than planned
	SOCIAL RESPONSIBILITY	»»	Zero incidents of corruption		Achieved again in 2019

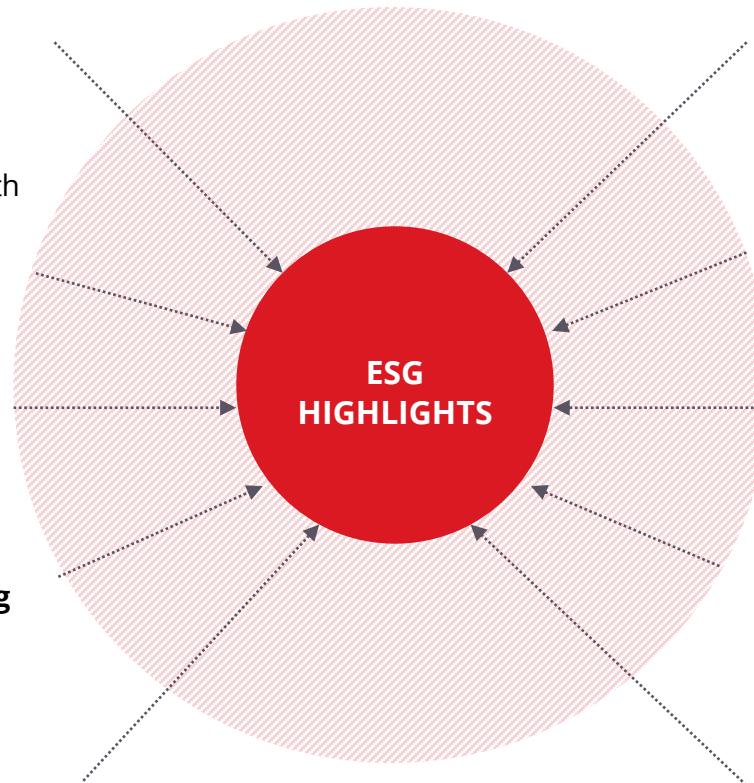
1) Accident frequency rate 2019 vs. 2009 measured in number of occupational accidents/number of hours worked x 1,000,000 // 2) By 2019, we succeeded in reducing gas consumption in our demo plant project in Uttendorf in Upper Austria by 30%

ESG Highlights

Effective management of environmental, social and governance matters

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- > New established **Sustainability & Innovation Committee** of the Supervisory Board
- > Top Management engagement with **Sustainability and Innovation matters**
- > Clear commitment to **Sustainability Roadmap 2020** and **strategy beyond** in preparation according to an update of our materiality analysis
- > Transparent reporting in accordance with **Global Reporting Initiative**
- > Continuous **Health & Safety improvement** initiatives for our employees



- > Higher **Managing Board diversity** through in-house appointment of **new CPO**
- > **New Remuneration Policy** proposal in line with **shareholder interests** and Shareholder Rights Directive II
- > Acceded **UN Global Compact** already in 2003
- > **Social housing projects** realized in cooperation with **Habitat for Humanity**
- > Well established **collaboration** between **Supervisory Board and Managing Board**

Sustainability

Clear commitment to sustainability focus areas beyond 2020

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Preserve biodiversity

Wienerberger commits to and actively preserves biodiversity and will undertake all actions to contribute positively in order to increase biodiversity in the regions where Wienerberger is active

Encourage circular economy

Wienerberger commits to resource efficiency as well as to the implementation of circular economy and will take all necessary steps to ensure that all products produced by Wienerberger are fully recyclable

Decarbonization of our product portfolio

Wienerberger will make sure that all of its products during their lifecycle will positively contribute to decarbonization and decrease the Group's carbon footprint



**We are fully committed to support European Green Deal and we will
set ourselves measurable targets**



Clear **commitment** to our targets for **sustainability roadmap 2020**



Strong sustainability commitments beyond 2020 in preparation according to an update of our **materiality analysis**



High involvement of top management and Supervisory Board due to establishment of **new Sustainability & Innovation Committee**

Sustainability

Corporate Governance

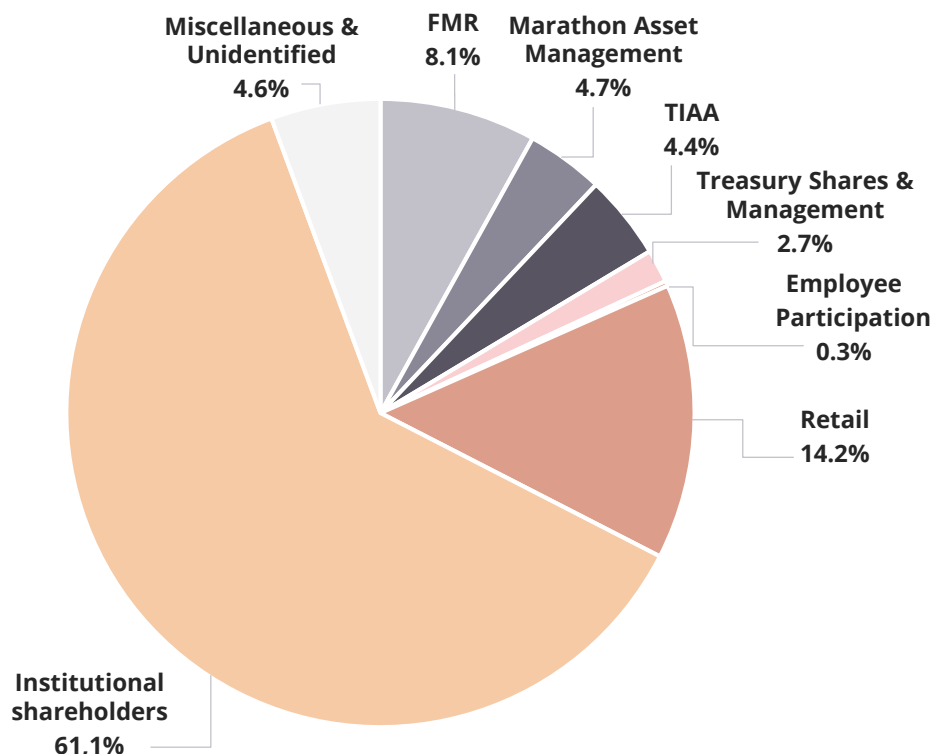
Remuneration Scheme envisaged

Commitment to international governance standards

➤ As a **100% free float company** our commitment to **highest governance standards** comes natural to us

- ✓ No preferred shares
- ✓ No restrictions to common shares
- ✓ "One share – One vote" principle
- ✓ Independent, diverse and international Supervisory Board
- ✓ Experienced management team with strong track-record
- ✓ Open and transparent communication with all stakeholders
- ✓ New employee participation scheme being rolled out

Shareholder Structure¹⁾



1) Source: Public filings as of 31.12.2019

Corporate Governance

Two new Managing Board nominations in 2019

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As of June 1st 2019

As of March 1st 2020



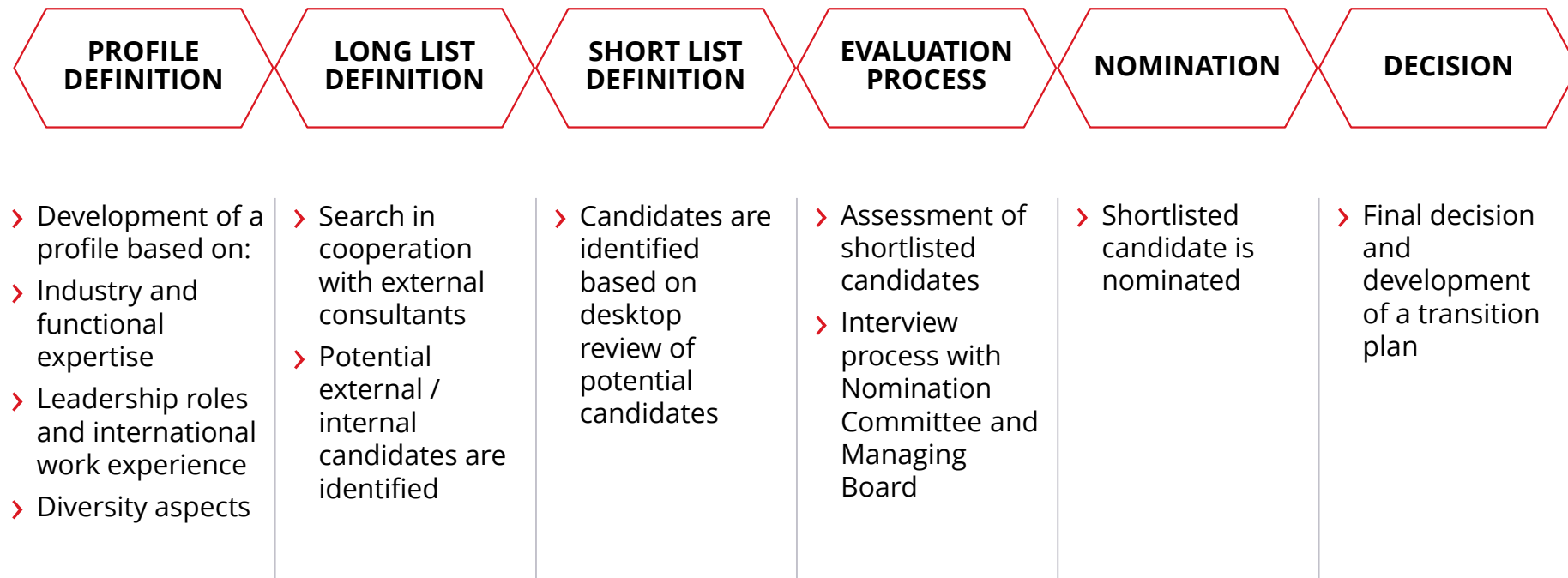
Solveig Menard-Galli
Appointed as Chief
Performance Officer



Carlo Crosetto
Followed Willy Van
Riet as Chief
Financial Officer

**Active and forward looking succession management
by the Supervisory Board**

Structured Managing Board nomination process driven by the Supervisory Board



Changes in the Managing Board were have taken place within the framework of a professional and structured succession planning process

Supervisory Board

Structure increases commitment to Int. Governance Standards and development of strategy

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Management
Supervisory
Board



Peter
Johnson
(C)



Peter
Steiner
(1st VC)



Caroline
Grégoire Sainte
Marie (2nd VC)

Audit & Risk
Committee



David
Davies (C)



Caroline
Grégoire Sainte
Marie



Regina
Prehofer



Oswald
Schmid

Nomination
Committee



Peter
Johnson (C)



Myriam
Meyer



Peter
Steiner



Christian
Jourquin



David
Davies

Sustainability &
Innovation
Committee



Caroline
Grégoire Sainte
Marie (C)



Myriam
Meyer



Christian
Jourquin



Oswald
Schmid

Remuneration
Committee



Peter
Steiner (C)



Regina
Prehofer



Peter
Johnson

Supervisory Board

Board skills matrix

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	Peter Johnson (C)	Peter Steiner (1 st VC)	Caroline Grégoire Sainte Marie (2 nd VC)	Regina Prehofer	David Davies	Christian Jourquin	Myriam Meyer	Oswald Schmid
Building materials & construction	✓	✓	✓			✓		✓
CEO Experience	✓	✓	✓	✓		✓	✓	✓
CFO Experience		✓	✓	✓	✓			
M&A	✓	✓	✓	✓	✓	✓	✓	✓
Capital Markets/IR	✓	✓	✓	✓	✓	✓		✓
Senior HR							✓	
Sales & Marketing	✓	✓		✓				✓
Manufacturing	✓		✓			✓	✓	✓
Innovation			✓			✓	✓	✓
Supply Chain & Logistics	✓		✓			✓	✓	✓
Digital	✓	✓					✓	✓
Austrian Context				✓	✓			✓
European Markets	✓	✓	✓	✓	✓	✓	✓	✓
North America Markets	✓	✓	✓		✓	✓	✓	✓
	Not Independent ¹⁾	Independent	Independent	Independent	Independent	Independent	Independent	Independent

Peter Johnson was elected as Chairman of the Supervisory Board as of October 2019 based on his experience of chairing international companies

1) Not independent according to Austrian Governance Code - Member of the Supervisory Board for 15 years as of May 2020

Priorities of Supervisory Board and Committees Overview

Audit & Risk Committee

- › Monitors the Group's system of accounting and the effectiveness of its internal control, audit and risk management systems
- › Monitors the audit process in a preparatory capacity for the Supervisory Board
- › Verifies the independence of the external auditor on an annual basis
- › **David Davies** chairs the Committee

Remuneration Committee

- › Deals with all matters concerning the remuneration of Managing and Supervisory Board members
- › Monitors the remuneration practices and related incentive structures
- › Develops the remuneration policy for the members of the Managing Board and the Supervisory Board
- › Resolutions are adopted by the Supervisory Board
- › **Peter Steiner** chairs the Committee



Supervisory Board committees

Nomination Committee

- › Ensures compliance of the Supervisory Board structure with national and international legal provisions
- › Evaluates the qualification of candidates for the Managing and Supervisory Board
- › Deals with succession management and elaborates proposals for the election of capital representatives to the Supervisory Board on the basis of a defined requirements profile
- › Prepares decisions on appointments to the Managing Board
- › **Peter Johnson** chairs the Committee

Sustainability & Innovation Committee

- › Supports the Managing Board in revising and further developing the Group's sustainability and innovation strategy
- › Discusses new provisions and global trends in sustainability and innovation management
- › Monitors the implementation of the Group's sustainability and innovation strategy
- › **Caroline Grégoire Sainte Marie** chairs the Committee

Supervisory Board

Experienced, diverse, independent

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Supervisory Board overview including employee representatives

Board Members

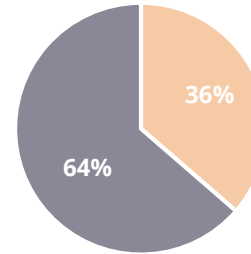
8 Shareholder Representatives

Elected by the Annual General Meeting for a fixed term

3 Employee Representatives

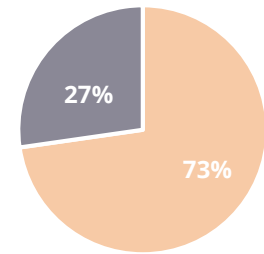
Delegated by the Works Council for an unlimited period of time

Gender Diversity



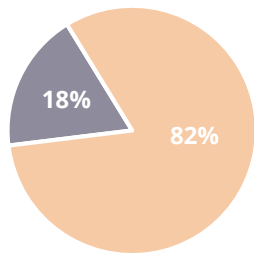
Female Male

Independence¹⁾



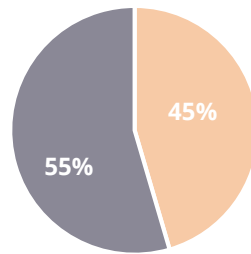
Independent Not independent

Age: avg. 60



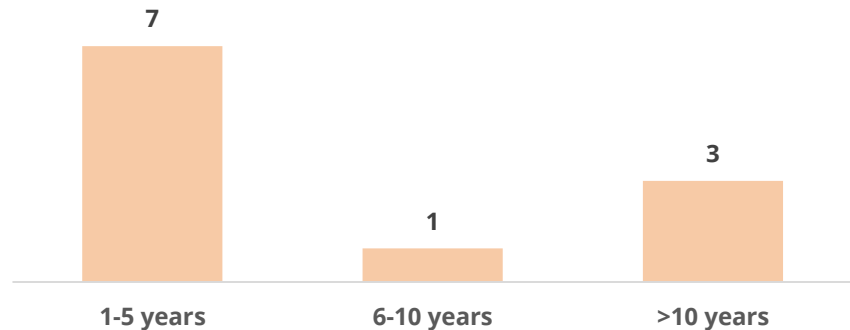
> 65 < 65

Place of Birth



Austria Other

Tenure of Board Members²⁾



1) According to Austrian law, employee representatives are delegated by the Works Council, and their membership is not subject to a time limit // 2) The three employee representatives have been members of the Supervisory Board for 0,5, 13 and 17 years, respectively

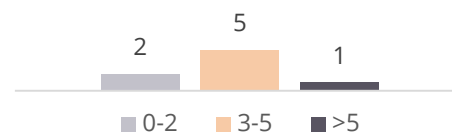
Supervisory Board

Increased Board workload and full commitment

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Attendance 2019	Supervisory Board	Committees
Peter Johnson	100%	100%
Peter Steiner	100%	100%
Caroline Grégoire Sainte Marie	100%	100%
Regina Prehofer	100%	100%
David Davies	7 out of 8	100%
Christian Jourquin	100%	100%
Myriam Meyer	100%	100%
Wilhelm Rasinger ¹⁾	100%	100%
Oswald Schmid ²⁾	100%	100%
Gerhard Seban (Employee representative)	100%	100%
Claudia Schiroky (Employee representative) ³⁾	7 out of 8	n/a ⁴⁾
Gernot Weber (Employee representative) ¹⁾	100%	n/a ⁴⁾
Wolfgang Wallner (Employee representative) ^{2), 3)}	5 out of 6	n/a ⁴⁾

Current mandates in other companies



24 board meetings in 2019

- 8** Supervisory Board
- 2** Personnel and Nomination Committee⁵⁾
- 5** Audit & Risk Committee
- 5** Nomination Committee
- 4** Remuneration Committee

Structure as of 31.12.2019

1) Member of the Supervisory Board until May 6, 2019 // 2) Member of the Supervisory Board since May 6, 2019 // 3) 1 out of 8 meetings was held in the framework of a Supervisory Board trip // 4) Schiroky, Weber and Wallner are not members of any committees // 5) Personnel- and Nomination Committee was active in this constellation until the Annual General Meeting in May 2019. The committee has split its duties in Nomination Committee and Remuneration Committee

Corporate Governance

Executive Summary

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The Supervisory Board aims to deliver **best standards of governance** by international as well as **Austrian** standards



The Supervisory Board holds management to account for **developing** and **implementing** a stretching but achievable **strategy**



The **experience** of this **diverse** Board is used through the work of the Board and its Committees



Wienerberger is led by a **reinvigorated top team** with a wealth of **experience**

Sustainability

Corporate Governance

Remuneration Scheme envisaged

Remuneration Scheme envisaged – Supervisory Board



- › The **current remuneration system** for the Supervisory Board was approved **by the 142nd Annual General Meeting in 2011** and has remained unchanged since then
- › Besides the **index adaptations¹⁾ in 2014 and 2018** no further adjustments have been made to the remuneration of the Supervisory Board
- › Over the last years, the demands on Supervisory Board work have **increased in terms of work intensity** such as:
 - › The ongoing **strategic transformation** of the Group from a mere brick producer to a system provider for the entire building envelope and smart infrastructure solutions
 - › **Succession management** for both Supervisory Board and Managing Board
 - › Increasing **focus on ESG matters**

Proposed changes of Supervisory Board remuneration

- › In 2019 Wienerberger engaged Mercer, as an external consultant, to **support** the Supervisory Board with the **creation of a new remuneration policy**⁴⁾
- › A peer comparison revealed that the current remuneration system **falls short of international market standards**. Therefore, the following two measures were taken:

1 Withdrawal of meeting fees

2 Redistribution of meeting fees to basic fee and committee remuneration

Components	2018	Average values in the peer group ¹⁾	2020
Chairman	EUR	EUR	EUR
Basic fee	33,140	237,469	170,000
Committee remuneration	16,570	24,370	30,000
Meeting fees	66,280	Only 2/12 pay fees	No meeting fees
Total	115,990	261,839	200,000
Vice Chairman of the SB and Committee Chairman	EUR	EUR	EUR
Basic fee	24,855	109,065	105,000
Committee remuneration	16,570	42,741	30,000 ²⁾
Meeting fees	66,280	Only 2/12 pay fees	No meeting fees
Total	107,705	151,806	135,000
Members of the SB	EUR	EUR	EUR
Basic fee	16,570	73,631	80,000
Committee remuneration	7,598 ³⁾	22,005	20,000
Meeting fees	57,074 ³⁾	Only 2/12 pay fees	No meeting fees
Total	81,242	95,636	100,000

1) 12 selected companies of similar size to Wienerberger in the construction industry and present in the Wienerberger's markets – Uponor Oyj, CRH plc, Compagnie de Saint-Gobain S.A., Boral Limited, LafargeHolcim Ltd, Kingspan Group plc, ROCKWOOL International A/S, HeidelbergCement plc, Ibstock plc, Forterra Inc., Sto Corp., Sika plc. // 2) Chairman of the Audit and Risk Committee receives 40 TEUR // 3) Average values according to the annual report 2018 // 4) Performed comparison was made in 2019 were figures and selection of a peer group of 2018 were used

New remuneration policy based on shareholder input and international best practice

1

- › The **withdrawal of meeting fees** is a shift from a meeting-based to a more **balanced remuneration structure**
- › Strong track record of high participation rate shows great commitment of the Supervisory Board members

2

- › Total Supervisory Board remuneration increases due to **higher demands and expectations** with regards to the **Board members qualifications**
- › Policy is considering the core principles:
Independence | Top international expertise | Full commitment | Uniform payment



Changes shall remain stable over the upcoming years

Remuneration Scheme envisaged – Managing Board

Managing Board Fixed remuneration

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- > Fixed remuneration is divided into fourteen installments and paid at the end of each month

Managing Board member	Base salary FY 2020	Base Salary FY 2021 et. seq.
Heimo Scheuch (CEO)	EUR 898,066.94	Salaries adjusted based on AT consumer price index
Solveig Menard-Galli (CPO)	EUR 433,500	
Carlo Crosetto (CFO)	EUR 510,000	



**Amounts are consistent with the respective
Board members responsibilities**

Managing Board

Short-term incentive focuses on operational performance and efficiency enhancement measures

Parameters		Short-term variable remuneration 2019	Changes	Proposed short-term variable remuneration 2020-2024 ¹⁾
Plan Type	> Annual Bonus			-
Performance Period	> 1 year			-
Target Parameters	> EBITDA LFL (50%) > Profit after Tax (50%)			Allocation ²⁾ based on: > EBITDA LFL > Free Cash Flow > Goal related to efficiency enhancement measures (e.g. Fast Forward)
Cap	> 100% of base salary			-
Target Achievement	> Clearly defined values for 0%, 100% and 150% target achievement (<i>over-fulfilment of one KPI can be offset against partial fulfilment of the other KPI</i>) > Linear pay-out			-
Vesting Period	> Cliff vesting (<i>paid in one instalment</i>)			-
Settlement	> Cash			-

1) The short-term variable remuneration is paid out in the year following the year of target attainment. No short-term variable remuneration is paid out if the minimum (i.e. lower threshold for payout) is not reached // 2) The Remuneration Committee / Supervisory Board will review the applicable Key Performance Indicators (KPIs) on an annual basis. It may weigh them differently for each Managing Board member against the background of strategic requirements and taking into account the specific responsibilities of the individual members in line with their assigned functions.

Long-term incentive focuses on profitability and shareholder value creation (1/2)

Parameters	Long-term variable remuneration ¹⁾ 2019	Changes	Proposed long-term variable remuneration 2020
Plan Type	> Performance Share Units		-
Performance Period	> 3 years		-
Target Parameters	> Cash Flow Return on Investment (CFROI)		-
Cap <i>(in % of fixed remuneration)</i>	> CEO 150% CFO 150% CPO 50%		> CEO 150% CFO 100% CPO 50%
Target Achievement	> Clearly defined values for 0%, 100% and 150% target achievement > CFROI in FY2 and FY3 has to exceed CFROI in FY1		-
Vesting Period	> Ratable vesting (1/3 per year over three years)		-
Settlement	> Cash		-



1) Long-term variable remuneration is designed as a Long-term incentive (LTI) program

Managing Board

Long-term incentive focuses on profitability and shareholder value creation (2/2)

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Parameters	Proposed long-term variable remuneration 2020	Changes	Proposed long-term variable remuneration 2021-2024
Plan Type	› Performance Share Units		› Share Based Incentive Plan ¹⁾
Performance Period	› 3 years		› 3 years (+ 2 years lock-up)
Target Parameters	› Cash Flow Return on Investment (CFROI)		Allocation ²⁾ as of 2021: › Relative TSR ³⁾ ROCE ESG Target
Cap <i>(in % of fixed remuneration)</i>	› CEO 150% CFO 100% CPO 50%		› CEO up to 175% CFO up to 150% CPO up to 150%
Target Achievement	› Clearly defined values for 0%, 100% and 150% target achievement › CFROI in FY2 and FY3 has to exceed CFROI in FY1		› Clearly defined values for 0%, 100% and 150% target achievement <i>(over-fulfilment of one KPI can be offset against partial fulfilment of any of the other KPI)</i>
Vesting Period	› Ratable vesting (1/3 per year over three years)		› Cliff vesting (paid in one instalment after) 3 years with a 2 years' lock-up for shares received
Settlement	› Cash		› To be decided by each Board member within the following boundaries: Cash - max. 50% and shares - min. 50%

1) Share Based Incentive Plan includes real shares. Further information on slide 30 // 2) The Remuneration Committee / Supervisory Board will review the applicable Key Performance Indicators (KPIs) on an annual basis. It may weigh them differently for each Managing Board member against the background of strategic requirements and taking into account the specific responsibilities of the individual members in line with their assigned functions. // 3) The Relative Total Shareholder Return (TSR) is envisaged to be based upon an appropriate reference group, being either ATX companies or an industrial peer-group composed of comparable companies from the European building materials sector // 4) Return on Capital Employed // 5) Ecological, Social, Governance Target

How does the share based incentive plan 2021-2024¹⁾ work?

- > The new share based incentive plan incentivizes **shareholder value enhancement** and strengthens **long-term corporate planning and goals**
- > The sustainable development of the company is ensured by the program's **performance period of 3 years** and a **lock-up period of another 2 years** for shares received as compensation from 2021 onwards

	2021	2022	2023	2024			2025	2026	
Performance Period									
LTI FY1	Y1	Y2	Y3	Y4	Y5	Y6			
LTI FY2	Y1	Y2	Y3	Y4	Y5	Y6			
LTI FY3	Y1	Y2	Y3	Y4	Y5	Y6			
Payout				From LTI FY1 Performance Goal* Evaluation for Y1-Y3 Payout in cash and shares *Average KPI of Y1-Y3	From LTI FY2 Performance Goal* Evaluation for Y2-Y4 Payout in cash and shares *Average KPI of Y2-Y4	From LTI FY3 Performance Goal* Evaluation for Y3-Y5 Payout in cash and shares *Average KPI of Y3-Y5			
				Cash Payout up to 50% of the incentive starting as of Y4 Shares lock-up for 2 years: Y4-Y5	Cash Payout up to 50% of the incentive starting as of Y5 Shares lock-up for 2 years: Y5-Y6	Cash Payout up to 50% of the incentive starting as of Y6 Shares lock-up for 2 years: Y6-Y7			
						Shares Payout from Y4			

1) Due to the introduction of multiple target parameters and a three years vesting period with a two years lock-up for shares received, the Supervisory Board intends to introduce the new share based incentive plan in 2021. Proposed end of the policy period in 2024. Years 2025-2026 show the further development of the share based incentive plan.

Other remuneration components and agreements *(extract)*



> Severance Compensation

- > Regulated according to the Austrian statutory regulations, **capped with one fixed annual salary**¹⁾
- > **No severance payment** in the **event of premature termination** of the Managing Board member's contract for cause for which he/she is responsible, or if he/she prematurely resigns without cause

> Change of Control Clauses²⁾

- > All payments agreed upon in the employment contracts with the members of the Managing Board **are payable for the remaining period**
- > Total entitlements **are capped at two annual remuneration payments**³⁾

> Claw-Back Clause⁴⁾

- > Applicable where the **underlying information/data** for remuneration calculation is found to **be inaccurate or erroneous**
- > Or where mandatory **internal corporate rules or applicable law** are subsequently proven to have been **breached**

1) Comprising fixed salary and all variable remuneration components computed on an average basis // 2) Change of control is an increase in a shareholding to more than 20%, which triggers a mandatory takeover offer to all other shareholders // 3) There are no further entitlements // 4) Ex-post Control of Variable Remuneration of Managing Board Members

Remuneration Policy

Executive summary

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Managing Board

- › New Managing Board remuneration **increases the weight of the long-term component**
- › **Short-term incentives** for Managing Board focus **on operational performance** improvement and shall be measured with three KPIs (*EBITDA, Free cashflow and efficiency enhancement measures (e.g. Fast Forward)*)
- › The **new share-based incentive plan structure** is adequately addressing the arguments raised by several investors and proxy advisors and will better incentivize top management on key deliverables, to **create long-term sustainable value** for the company and its shareholders

Supervisory Board

- › **Simplified** Supervisory Board remuneration due to **withdrawal of meeting fees**
- › Envisaged remuneration policy is **in line with international standards**
- › Competitive compensation ensures **commitment of highly qualified and internationally experienced** Supervisory Board members