

Corporate Governance: 2018/2019 Evaluation Process

Wienerberger regularly reviews the Company's overall governance structure and processes as part of its ongoing efforts to continually improve the oversight of the business. Topics that were assessed during the most recent review included, but were not limited to, Company strategy and the interlinkage with governance; the Supervisory Board's composition, role and processes; refreshment process for the Supervisory Board and remuneration.

As part of the review, the senior leadership undertook Company, shareholder and externally driven evaluations and reviews. This multi-level approach was important to provide a 360 degree perspective on governance best practices and shareholder perspectives.

Company-led Shareholder Engagement

In December 2018, Regina Prehofer, chairwoman of the Supervisory Board, and Heimo Scheuch, CEO, undertook a Governance Roadshow to discuss Wienerberger's governance with shareholders and solicit their feedback.

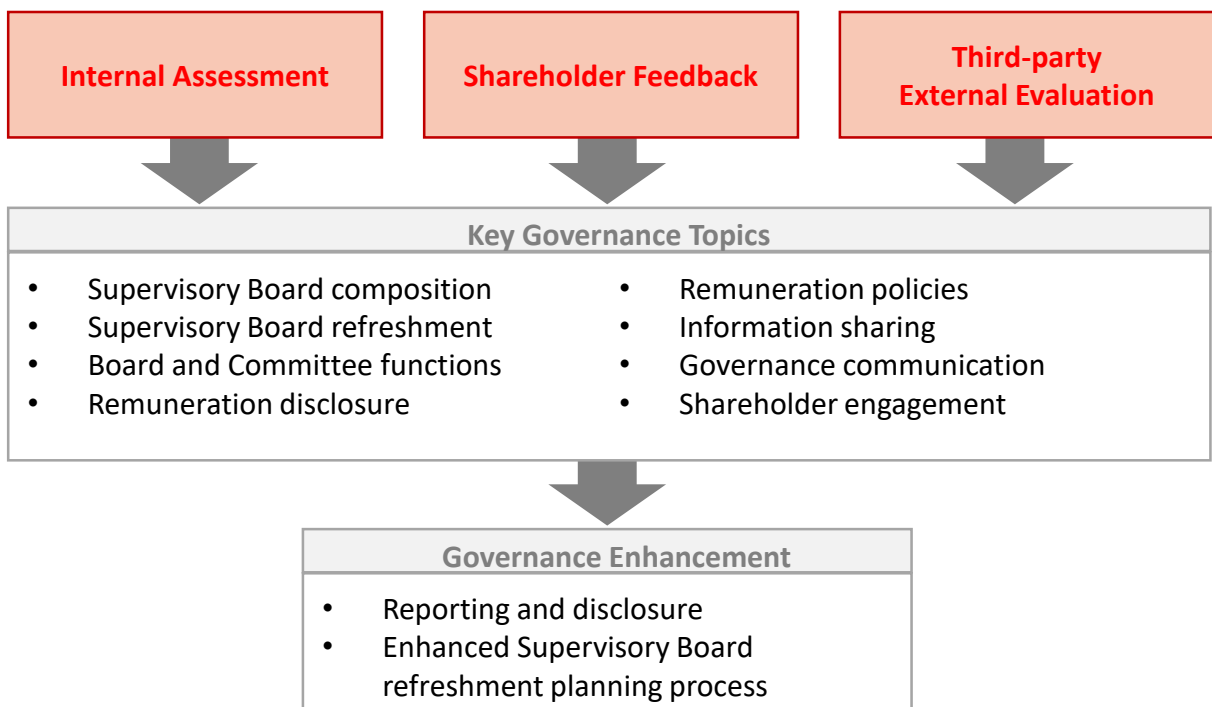
The team engaged with key investors representing more than 25% of Wienerberger's share capital.

Discussion focused on the connection between long-term strategy and governance, and provided an opportunity for shareholders to provide feedback directly to senior Supervisory Board and management leadership.

Externally Driven Evaluation

External evaluation provides the Supervisory Board with global perspective on best practices. Three outside consultants were appointed by the Supervisory Board to evaluate different aspects of Wienerberger's governance:

- The Boston Consulting Group was appointed to review the operations and composition of the Supervisory Board between March and August 2018
- Korn Ferry reviewed the Supervisory Board skills profile and is supporting the search process
- Egon Zehnder was mandated to evaluate and suggest improvements to the compensation system of the Supervisory and Management Boards



Corporate Governance: 2018/2019 Findings and Actions

Findings and feedback from the governance evaluations has been shared with the full Supervisory Board and has been integrated into governance enhancement planning.

Key Findings

- Supervisory Board is appropriately sized and sufficiently diverse (based on gender and regional background) to foster intensive exchange of views and close collaboration
- Committee responsibilities are clear and balanced, but individual roles within the Supervisory Board could be clarified
- Supervisory Board refreshment should be attuned to the future needs of the Company
- Some shareholders would prefer if all members of the Supervisory Board were (re-)elected every year but understood our rationale for staggered terms to preserve continuity and diverse skills
- Supervisory Board and Management Board collaborate effectively and between scheduled Board meetings there are on-demand one-to-one meetings, with opportunities to add further scheduled interactions
- Board processes are in line with best practices (agenda, information sharing, committee debriefings, etc.)
- Board attendance rates were welcomed and helped to address shareholder questions with regards to availability and time commitment

Areas for Action

What We Heard

Supervisory Board members should not be incentivized by meeting attendance

Explain more clearly the Supervisory Board's skills and capabilities

Board composition is a key focus of shareholders and best in class refreshment planning is expected

Management Board compensation targets are not sufficiently transparent

Shareholder feedback and exposure to Supervisory Board is important

What We Are Doing

Compensation of Supervisory Board members to be modified at upcoming AGM
Compensation review undertaken by Egon Zehnder

Korn Ferry appointed to provide an independent assessment of the Supervisory Board's skills, leading to improved disclosure on Board composition

Korn Ferry to assist the Company with broad spectrum search, building on their independent assessment of current Supervisory Board skills

Greater detail now provided on management compensation targets
Ongoing compensation review by Egon Zehnder

Governance roadshow to continue; number of shareholders engaged by the Supervisory Board to be increased