

# CORPORATE GOVERNANCE

- COMMITTED TO THE AUSTRIAN CODE OF CORPORATE GOVERNANCE
- REMUNERATION OF THE MANAGEMENT BOARD HIGHER DUE TO VARIABLE PORTION
- FOUR SUPERVISORY BOARD MEETINGS, TWO MEETINGS OF THE PRESIDENTIAL AND NOMINATION COMMITTEE, TWO MEETINGS OF THE AUDIT COMMITTEE AND ONE MEETING OF THE EXECUTIVE COMMITTEE IN THE 2013 FINANCIAL YEAR

## Commitment to the Austrian Code of Corporate Governance

The Austrian Code of Corporate Governance, in line with international standards, represents a body of rules for good corporate governance and supervision on the Austrian capital market. The Code, introduced in 2002, aims to establish a responsible system of management and supervision of companies that is geared toward creating sustainable, long-term value. The Code is designed to provide a high degree of transparency for all company stakeholders. For this reason, investors and issuers recognise the Code as an indispensable part of the Austrian system of corporate governance and of Austrian business life.

[More about registered shares: "Disclosures pursuant to section 243a Para 1 UGB" in the management report](#)

The version of the Code that was valid for the 2013 financial year is the July 2012 version – it is available at the website of the Austrian Working Group for Corporate Governance ([www.corporate-governance.at](http://www.corporate-governance.at)) and at the website of STRABAG SE ([www.strabag.com](http://www.strabag.com) > Investor Relations > Corporate Governance > Code of Corporate Governance).

STRABAG SE is fully and without exception committed to the Austrian Code of Corporate Governance and its aims and sees compliance with all the rules contained within the Code as a top priority. This commitment by STRABAG SE is voluntary and aims to boost shareholder confidence and to constantly optimise the group's high internal legal, behavioural and ethical standards. The company is further obligated to fulfil the standards of the Code due to the listing of its shares in the Prime Market segment of the Vienna Stock Exchange.

This commitment requires STRABAG SE to do more than merely comply with the prevailing laws and legislation. Voluntary self-imposed obligation means that it must explain non-compliance with the so-called C-rules ("comply or

explain") which go beyond the legal requirements. In line with this part of the Austrian Code of Corporate Governance, STRABAG SE explains its non-compliance with C-Rules 2, 27, 27a and 38 of the Code:

**C-Rule 2 of the Code:** Among the shares of STRABAG SE are two special registered shares with an associated right to nominate one member of the supervisory board each; this is advantageous for STRABAG SE because it guarantees the know-how of important stakeholders on the supervisory board.

**C-Rule 27 of the Code:** It is a matter of concern for STRABAG SE that remuneration of the management board members be made according to measurable criteria in a way that is transparent and easily comprehensible. The remuneration of the management board is therefore based on the scope of the work, the responsibilities and the personal performance of the individual management board member as well as on the achievement of the corporate goal, the size and the economic situation of the company. Non-financial criteria are not applied for the remuneration as these do not guarantee a transparent and easily comprehensible remuneration within the business activities of STRABAG SE.

**C-Rule 27a of the Code:** The previous clause in the management contracts regarding severance payments in the case of premature termination has proved its worth, so that STRABAG SE sees no reason for changes or amendments in this regard. In the case of premature termination of a management contract without material breach, the management board member's claim to the annual fixed portion remains – but not for the performance-based variable portion – for the remaining term of the contract. No severance payment is made in the case of premature

termination of a management contract for a material reason for which a management board member is responsible.

**C-Rule 38 of the Code:** The appointment of Mag. Christian Harder to CFO was made on the basis of a requirements specification for an expert in finance defined by the supervisory board in line with the corporate orientation and situation. In the interest of the company, however, it was decided to forego a formal, defined

appointment procedure as Christian Harder had already before his appointment exercised essentially the same agenda and because the supervisory board, in light of his indisputable qualifications and years of in-depth familiarity with the company, viewed his nomination as compelling.

STRABAG SE further endeavours to abide not only by the minimum requirements but also by all of the Code's R-rules (Recommendations).

## Notes on the composition and on the working methods of the management board and of the supervisory board and its committees

The management and supervisory boards of STRABAG SE are fully committed to the objectives of the Austrian Code of Corporate Governance as amended in July 2012 and see compliance with all of its rules as a main obligation. This means that STRABAG SE is constantly working to maintain and optimise its high internal legal, behavioural and ethical standards. In line with the rules of the Code, the management and supervisory boards of STRABAG SE work together on the basis of

- regular and extensive informing of the supervisory board by the management board as to all relevant matters concerning the development of the company's business, including the risk situation and risk management in the company and the important group entities;

- the regular exchange of information and opinions between the CEO and the chairman of the supervisory board concerning strategy, the development of the business, risk management and important business transactions, particularly acquisitions and disposals, and the immediate informing of the chairman of the supervisory board of any important information; as well as

- an open exchange of opinion and open dialogue among the members of the supervisory board as well as between the members of the supervisory board and the management board.

### WORKING METHODS OF THE MANAGEMENT BOARD: OPEN EXCHANGE IN MEETINGS AT LEAST EVERY TWO WEEKS

The management board of STRABAG SE and the individual members of the management board conduct their business in accordance with the prevailing law and legislation, the articles of association, and the management board's rules of procedure as approved by the supervisory board. The rules of procedure govern the work of the individual members of the management board as well as the allocation of duties within the board. Coordination within the management board occurs during regular meetings, which are held approximately every two weeks, but also in the form of an informal exchange of information. Matters discussed at the management board meetings include the current operations and the company strategy.

Also discussed are any current or outstanding measures to be implemented by the relevant management board members. The rules of procedure require the management board or the individual management board members to provide extensive information and reporting to the supervisory board and define an extensive catalogue of measures and legal transactions which require approval by the supervisory board.

Management board meetings every two weeks

## NEW COMPOSITION OF THE MANAGEMENT BOARD: FIVE MEMBERS



Peter Krammer, Thomas Birtel, Hannes Truntschnig, Christian Harder, Siegfried Wanker

#### Dr. Thomas Birtel

- CEO (from 15 June 2013)
- Deputy CEO (until 14 June 2013)
- Responsibilities for Central Staff Divisions and Central Divisions Zentrale Technik, BMTI and TPA (until 14 June 2013 jointly with Hans Peter Haselsteiner)
- Responsibilities for Group Divisions 3L RANC<sup>1)</sup> and 3M RANC

For the first time:  
a separate CFO

Thomas Birtel was born on 3 June 1954. He graduated with a degree in economics from the Ruhr-University Bochum in 1978 and completed his doctorate four years later. Thomas Birtel began his career in 1983 at Klockner & Co. The last position he held there before leaving in 1989 was division manager of the accounting department of Klockner Industrie-Anlagen GmbH. From 1989 to 1996, he worked for Sweden's Frigoscandia Group as head of the Central European region. Thomas Birtel joined the STRABAG Group in 1996 as a member of the management board of STRABAG Hoch- & Ingenieurbau AG. In 2002, he was appointed member of the management board of

STRABAG AG, Cologne, responsible for building construction, finance, accounting, controlling, risk management and procurement. Thomas Birtel has also been a member of the management board of the STRABAG SE Group since 2006; since June 2013 he has been CEO of STRABAG SE. His term ends on 31 December 2014.

#### Mag. Christian Harder

- CFO
- Responsibilities for Central Division BRVZ

Christian Harder was born on 19 August 1968. He passed his school-leaving exams at Bundesgymnasium Spittal/Drau and completed his studies in Applied Business Administration at the University in Klagenfurt with a focus on Controlling and Tax Management before joining the STRABAG Group, specifically the Bau Holding Group, in 1994. He held the positions of Director of Accounting, Head of Financial Accounting and, finally, Central Division Director of BRVZ before being appointed Managing Director

1) RANC = Russia and neighbouring countries

of BRVZ in 2008. Christian Harder has been a member of the management board of STRABAG SE since 2013 in the function as CFO. His term ends on 31 December 2014.

#### **Dipl.-Ing. Dr. Peter Krammer**

- Responsibilities for Segment North + West<sup>1)</sup>

Peter Krammer was born on 18 January 1966. He studied civil engineering at the Technical University in Vienna, completing his studies in 1995 with a doctorate degree in engineering sciences. His professional experience has included positions at Porr Technobau AG, Swietelsky Bau GesmbH and STRABAG AG Austria. In 2005, Peter Krammer joined the management board of STRABAG AG in charge of building construction and civil engineering in Eastern Europe and of environmental technology for the entire company. Peter Krammer has been a member of the group management board since 2010. His term ends on 31 December 2014.

#### **Mag. Hannes Truntschnig**

- Responsibilities for Segment International + Special Divisions<sup>2)</sup>

Hannes Truntschnig was born on 22 July 1956. He graduated from the Higher Technical Institute HTL Mödling specialised in electrical engineering and in 1978 completed his qualifications in electromechanical engineering before going on to study at the Karl Franzens University in Graz, eventually graduating with a degree in business administration in 1981. Hannes Truntschnig joined the STRABAG Group (ILBAU AG) in 1981. Since 1985, he has held several management positions at various group companies. In 1992, he was appointed authorised signatory for Bau Holding Aktiengesellschaft. Hannes Truntschnig has been a member of the group management board since 1995. His term ends on 31 December 2014.

#### **Dipl.-Ing. Siegfried Wanker**

- Responsibilities for Segment South + East<sup>3)</sup>

Siegfried Wanker, born on 5 May 1968, studied civil engineering at Graz University of Technology before joining the STRABAG Group as a site manager in 1994. Between 2001 and 2004, he held various management-level positions at engineering service providers before rejoining the STRABAG Group in 2005. He served as technical division manager for Building Construction International, Corporate Development and Services, and finally for Infrastructure Project Development. Siegfried Wanker has been a member of the management board of STRABAG SE since 2011. His term ends on 31 December 2014.

#### **Dr. Hans Peter Haselsteiner** (not pictured)

- CEO (until 14 June 2013)
- Responsibilities for Central Staff Divisions and the Central Divisions Zentrale Technik, BMTI and TPA (until 14 June 2013 jointly with Thomas Birtel)

Hans Peter Haselsteiner was born on 1 February 1944. He received his doctorate degree from the Vienna University of Economics and Business in 1970 and began working for an auditing and tax consultancy firm in Vienna. Hans Peter Haselsteiner joined the group as supervisory board member of ILBAU AG in 1972 and has held the position of CEO of the respective group parent company since 1974. From 1994 to 1998, he served as a member of the Austrian parliament and vice chairperson of the Liberal Forum. Due to his parliamentary mandate, he was on leave from the group during this time. Effective 15 June 2013, Hans Peter Haselsteiner handed over the position of CEO to Thomas Birtel and will support the management board as a fully authorised representative with responsibilities for the group's internationalisation and strategic orientation until 31 December 2015.

1) North + West: Germany, Poland, Benelux, Scandinavia, Ground Engineering, Hydraulic Engineering, Offshore Wind

2) International + Special Divisions: Tunnelling, Construction Materials, Services, Real Estate Development, Infrastructure Development, Direct Export

3) South + East: Austria, Switzerland, Hungary, Czech Republic, Slovakia, Adriatic, Rest of Europe, Railway Structures, Environmental Technology, Real Estate Development

### Mandates: Four members of the management board with additional mandates

In the 2013 financial year, the following management board members held supervisory board mandates or similar functions at companies

not included in the consolidated financial statements in Austria and abroad:

Name	Non-group company	Mandate
Dr. Hans Peter Haselsteiner	CONCORDIA Sozialprojekte Gemeinnützige Privatstiftung Krankenhaus Spittal/Drau Gesellschaft m.b.H. Rail Holding AG SEMPER CONSTANTIA PRIVATBANK AG Tiroler Festspiele Erl Betriebsges.m.b.H VinziRast Gemeinnützige Privatstiftung	Chairman of the management board Chairman of the supervisory board (from 15 March 2013) Vice chairman of the supervisory board Member of the supervisory board (until 27 June 2013) Chairman of the supervisory board Vice chairman of the management board
Dr. Thomas Birtel	Deutsche Bank AG, Deutschland HDI-Gerling Industrie Versicherung AG, Deutschland VHV Allgemeine Versicherung AG, Deutschland	Member of the advisory board Member of the advisory board Member of the supervisory board
Mag. Hannes Truntschnig	Raiffeisen evolution project development GmbH Syrena Immobilien Holding AG	Vice chairman of the advisory board Vice chairman of the supervisory board
Dipl.-Ing. Siegfried Wanker	Syrena Immobilien Holding AG	Member of the supervisory board

### Directors' Dealings: Haselsteiner sells 0.6 %

Proprietary transactions with STRABAG SE shares by members of the company's boards and related persons or companies as well as by other management-level employees with group-wide responsibilities, the so-called Directors' Dealings, are reported as required by law and continually posted on the website of STRABAG SE ([www.strabag.com](http://www.strabag.com) > Investor Relations > Corporate Governance > Directors' Dealings) as well as on the website of the Austrian Financial Market Authority ([www.fma.gv.at](http://www.fma.gv.at) > Companies > Issuers > Directors' Dealings).

In 2013, the following proprietary transactions with STRABAG SE shares were made by members of the aforementioned group of people:

- Haselsteiner Familien-Privatstiftung (board members: Dr. Hans Peter Haselsteiner, Dr. Alfred Gusenbauer, Mag. Christian Harder): sale of 342,857 shares at a subscription price of € 19.25 per share on 15 January 2013
- Haselsteiner Familien-Privatstiftung: sale of 342,857 shares at a subscription price of € 19.25 per share on 15 July 2013

The following persons from the aforementioned group of people held shares of STRABAG SE on 31 December 2013:

Person subject to disclosure obligation	Board member	Number of shares
Dr. Hans Peter Haselsteiner		70,002
Haselsteiner Familien-Privatstiftung	Dr. Hans Peter Haselsteiner	32,611,880
Mag. Erwin Hameseder		210

### WORKING METHODS OF THE SUPERVISORY BOARD: FOUR SUPERVISORY BOARD MEETINGS

In the 2013 financial year, the supervisory board diligently performed the duties incumbent upon it under Austrian law, the Articles of Association, the Austrian Code of Corporate Governance (ÖCGK), and the Rules of Procedure. All members of the supervisory board and its committees are independent

according to the terms of the Austrian Code of Corporate Governance and were properly represented in the relevant meetings. The supervisory board held a total of four meetings last year, once every quarter (C-Rule 36 of the ÖCGK). All members personally attended at least three meetings (C-Rule 58 of the ÖCGK).



Furthermore, there were two meetings of the audit committee, one meeting of the executive committee as well as two meetings of the presidential and nomination committee.

No contracts requiring approval by the supervisory board were concluded between the company and members of the supervisory board (Rule C-49 of the ÖCGK).

The internal audit department informed the audit committee of the audit plan and of significant events in accordance with Rule

C-18 of the Austrian Code of Corporate Governance. Furthermore, the audit committee monitored the accounting processes (including the preparation of the consolidated financial statements) and the work of the auditor (including the audit of the consolidated financial statements) as well as the effectiveness of the system of internal control, the risk management system and the audit system. The independence of the auditor (group financial auditor) was reviewed and monitored in particular as regards the additional services given to the audited company.

#### COMPOSITION OF THE SUPERVISORY BOARD: ONE NEW SUPERVISORY BOARD MEMBER

##### **Dr. Alfred Gusenbauer**

**Chairman of the Supervisory Board**



Alfred Gusenbauer was born on 8 February 1960 and studied law, philosophy, political science and economy at the University of Vienna, completing his doctorate in 1987. In 1991, he became a member of the Austrian senate, two years later a member of parliament. From 2000 to 2008, Alfred Gusenbauer was President of the Social Democratic Party of Austria, serving as Federal Chancellor of the Republic of Austria and member of the European Council from 2007 to 2008. In addition to his current activities at Brown University and Columbia University, Alfred Gusenbauer is President of the Dr. Karl Renner Institute, the Austrian Institute for International Affairs and the Austrian-Spanish Chamber of Commerce. Alfred Gusenbauer was voted chairman of the supervisory board of STRABAG SE on 18 June 2010. His current term ends with the Annual General Meeting in 2015.

##### **Mag. Erwin Hameseder**

**Vice Chairman of the Supervisory Board**



Erwin Hameseder was born on 28 May 1956. He received a master of law degree from the University of Vienna. From 1975 to 1987, Erwin Hameseder served as an officer in the Austrian army, where he achieved the rank of colonel in 2002 and of brigadier in 2006. In 1987, he joined the legal department of RAIFFEISENLANDESBANK NIEDERÖSTERREICH-WIEN reg. Gen.m.b.H. From 1988 to 1994, he was responsible for investment management, from 1991 as head of the department. He was managing director of RAIFFEISENLANDESBANK NIEDERÖSTERREICH-WIEN reg.Gen.m.b.H. from 1994 to 2001 and director-general of RAIFFEISENHOLDING NIEDERÖSTERREICH-WIEN reg. Gen.m.b.H (a spin-off from RAIFFEISENLANDESBANK NIEDERÖSTERREICH-WIEN AG) from 2001 to 2012. From 2007 to 2012, Erwin Hameseder also assumed the position of chairman of the management board of RAIFFEISENLANDESBANK NIEDERÖSTERREICH-WIEN AG. Since 4 May 2012, he has been chairman of RAIFFEISEN-HOLDING NIEDERÖSTERREICH-WIEN reg.Gen.m.b.H. He was nominated to the current supervisory board for an indefinite period of time on 17 August 2007 and has been a member of the supervisory board of STRABAG SE and its predecessor companies since 1998.

**Mag. Kerstin Gelbmann**  
**Free Float Representative**



Kerstin Gelbmann was born on 30 May 1974. After completing her studies in trade and commerce in Vienna, she began her career at Auditor Wirtschaftsprüfungs- und Steuerberatungsgesellschaft mbH. Kerstin Gelbmann has been managing director of E.F. Grossnigg Finanzberatung und Treuhandgesellschaft m.b.H. since 2002 and of grosso holding Gesellschaft mbH since 2007. In January 2010, she assumed the additional position of managing director at Austro Holding GmbH. Kerstin Gelbmann was voted into the supervisory board of STRABAG SE on 18 June 2010. Her current term ends with the Annual General Meeting in 2015.

**Andrei Elinson**



Andrei Elinson was born on 19 January 1979. He has been Deputy CEO of Russian conglomerate Basic Element since December 2009. Previously, he was Basic Element's director of corporate governance and internal control, responsible for the development and implementation of corporate governance standards. Before joining Basic Element, he was a partner at Deloitte & Touche CIS, where, starting in 1997, he was in charge of consulting and assurance projects for Russian and international companies. Later he was appointed partner-in-charge for Forensic and Dispute practice in the CIS. From 2004, Andrei Elinson managed the

internal control and risk management consulting streams at Deloitte. He graduated from the Finance Academy of the Government of the Russian Federation with a degree in accountancy and audit. He is a certified public accountant and fraud examiner in the US, a licensed Russian auditor and holds a Certificate in Company Direction from the Institute of Directors (IoD) in the UK. Andrei Elinson was appointed to the supervisory board of STRABAG SE for an indefinite period of time on 21 April 2009.

**Mag. Hannes Bogner**  
**From 14 June 2013**



Hannes Bogner was born on 20 June 1959. He studied business administration at the University of Innsbruck and qualified as a tax advisor in 1988 and as a statutory auditor in 1993. Hannes Bogner worked at THS Treuhand Wirtschaftsprüfungsgesellschaft (KPMG) from 1984 to 1988 and at Price Waterhouse from 1988 to 1994. He has worked for UNIQA and its predecessor companies since 1994. From 1998 to 1999, he served as deputy member of the management board of Bundesländer-Versicherung AG and Austria-Collegialität. In 1999, he was appointed to the management board of UNIQA Versicherungen AG. He has been Chief Financial Officer (CFO) at UNIQA Versicherungen AG since 2011, holding the additional function of Chief Investment Officer (CIO) since 1 January 2013. Hannes Bogner was voted onto the supervisory board of STRABAG SE on 14 June 2013 as a replacement for Dr. Gottfried Wanitschek, who departed the supervisory board. His current term ends with the Annual General Meeting in 2015.

**Ing. Siegfried Wolf**

Siegfried Wolf was born on 31 October 1957. He started his career with Philips in Vienna, where he trained as a tool and die-maker and continued his professional training through the stages of master craftsman up to obtaining an engineering degree. From 1981 to 1983, he worked as quality manager and assistant director of quality control at VMW (Vereinigte Metallwerke Wien). Siegfried Wolf then joined Hirtenberger AG, where he advanced from director for quality control to plant director and authorised signatory. In 1994, he joined Magna Europa AG, becoming president of the company in 1995. In 1999, he became vice chairman of the supervisory board of Magna International Inc. He held this position until 2001, when he was appointed president and CEO of Magna Steyr. In February 2002, he was appointed executive vice chairman of Magna International Inc. and remained in this position until his nomination to co-CEO in April 2005; he exercised this function until 2010. Siegfried Wolf has also been chairman of the supervisory board of GAZ Group since April 2010 and chairman of the supervisory board of Russian Machines JSC and Glavstroy Corporation OJSC since September 2010. Siegfried Wolf was first voted into the supervisory board of STRABAG SE on 17 August 2007. His term was extended on 18 June 2010 and ends with the Annual General Meeting in 2015.

**Dipl.-Ing. Andreas Batke**

**Delegated by the works council**



Andreas Batke was born on 4 May 1962 and joined STRABAG AG as a land surveyor on 1 April 1991. He has been a member of the works council since May 1998. Andreas Batke currently serves as chairman of the segment works council for Transportation Infrastructures, chairman of the group works council and member of the supervisory board of STRABAG AG, Cologne. He was appointed to the supervisory board of STRABAG SE by the STRABAG SE works council and has been a member of the STRABAG SE supervisory board since November 2009.

**Miroslav Cervený**

**Delegated by the works council**



Miroslav Cervený was born on 16 January 1959 and has worked for a Czech subsidiary of the STRABAG Group since 1988, holding positions in IT administration, accounting, and occupational health and safety. He was appointed to the supervisory board of STRABAG SE by the STRABAG SE works council and has been a member of the supervisory board since November 2009.



**Magdolna P. Gyulainé****Delegated by the works council**

Magdolna P. Gyulainé was born on 26 July 1962. She is chairwoman of the works council of STRABAG Hungary, having joined a predecessor company of STRABAG Hungary as bookkeeper in 1981. She was appointed to the supervisory board of STRABAG SE by the STRABAG SE works council in November 2009.

**Wolfgang Kreis****Delegated by the works council**

Wolfgang Kreis, an industrial clerk by training, was born on 18 March 1957. He joined Ed. Züblin AG as a commercial clerk in 1979. In 1987, he was elected to the works council and today is works council chairman for the Sub-division Karlsruhe and chairman of the works council at Ed. Züblin AG. He has been vice-chairman of the supervisory board of Ed. Züblin AG since 2002. He was appointed to the supervisory board of STRABAG SE by the STRABAG SE works council in November 2009 and has been chairman of the works council of STRABAG SE since October 2013. He also deals with the issue of occupational health and safety at the company.

**Gerhard Springer****Delegated by the works council**

Gerhard Springer was born on 26 March 1952. He trained as construction foreman and attended the “social academy” of the Austrian Chamber of Labour before joining the STRABAG Group in 1977. From 1977 to 1983, he worked as construction foreman, deputy foreman and employee representative. He has been a full-time employee representative since April 1983. Gerhard Springer was appointed to the supervisory board of STRABAG SE as an employee representative and has been a member of the supervisory board of STRABAG SE since 1995.

**Dr. Gottfried Wanitschek****Until 14 June 2013**

Gottfried Wanitschek was born on 14 May 1955. He studied law at the University of Vienna and at the University of Salzburg. After receiving his doctorate degree in 1979, he performed his mandatory year of court training. From 1980 to 1984, he worked at the Austrian Association of Insurance Companies. From 1984 to 1990, Gottfried Wanitschek was secretary-general of Raiffeisen Versicherung AG and managing director of various group companies. From 1991 to 1993, he was a member of the management board of Leipnik-Lundenburger Invest Beteiligungs AG. From 1993 to 1997, Gottfried Wanitschek was managing director of the KURIER group and several subsidiaries of the group. In 1997, he joined BARC Versicherungs-Holding AG, where he was a member of the management board until 1999. From 1999 to 2012, Gottfried Wanitschek was a member of the management board of UNIQA Versicherungen AG. Gottfried Wanitschek was appointed to the current supervisory board of STRABAG SE on 18 June 2010. His term ended on 14 June 2013. He had been a member of the supervisory board of STRABAG SE and its predecessor companies since 1998.

### Mandates: Seven members of the supervisory board with additional mandates

In the 2013 financial year, the following supervisory board members held supervisory board mandates or similar functions at publicly listed companies in

Austria and abroad in addition to their supervisory board mandate at STRABAG SE:

Name	Non-group company	Mandate
Dr. Alfred Gusenbauer	Gabriel Resources Ltd., Canada	Member of the supervisory board
Mag. Erwin Hameseder	AGRANA Beteiligungs-AG, Austria Flughafen Wien AG, Austria Raiffeisen Bank International AG, Austria Südzucker AG, Germany UNIQA Insurance Group AG, Austria	2 <sup>nd</sup> vice chairman of the supervisory board 1 <sup>st</sup> vice chairman of the supervisory board 1 <sup>st</sup> vice chairman of the supervisory board Member of the supervisory board 2 <sup>nd</sup> vice chairman of the supervisory board
Mag. Kerstin Gelbmann	conwert Immobilien Invest SE, Austria ECO Business-Immobilien AG, Austria	Member of the administrative board Member of the supervisory board
Mag. Hannes Bogner	Takaful Emarat Insurance plc., Dubai	Member of the board of directors (until 8 December 2013)
Andrei Elinson	GAZ Group, Russia Ingosstrakh, Russia	Member of the supervisory board Member of the supervisory board
Ing. Siegfried Wolf	GAZ Group, Russia VERBUND AG, Austria Continental AG, Germany	Chairman of the supervisory board Member of the supervisory board Member of the supervisory board
Dipl.-Ing. Andreas Batke	STRABAG AG, Germany	Vice chairman of the supervisory board (until 28 June 2013) Member of the supervisory board (from 28 June 2013)

### Committees: executive committee, presidential and nomination committee, and audit committee

The composition and the tasks of the individual committees are as follows:

Committee	Members	
Executive Committee	<ul style="list-style-type: none"> <li>• Dr. Alfred Gusenbauer (chairman)</li> <li>• Mag. Erwin Hameseder</li> <li>• Andrei Elinson</li> </ul>	The executive committee deals with all matters affecting the relations between the company and the members of the management board, especially matters relating to the remuneration of management board members, but excluding decisions regarding the appointment or removal of a management board member or regarding the granting of stock options.
Presidential and Nomination Committee	<ul style="list-style-type: none"> <li>• Dr. Alfred Gusenbauer (chairman)</li> <li>• Mag. Erwin Hameseder</li> <li>• Andrei Elinson</li> <li>• Wolfgang Kreis</li> <li>• Gerhard Springer</li> </ul>	The presidential and nomination committee presents the supervisory board with proposals regarding the filling of new management board mandates or positions which are opening up, deals with questions of succession planning and remuneration policy and makes decisions on urgent matters.
Audit Committee	<ul style="list-style-type: none"> <li>• Dr. Alfred Gusenbauer (chairman)</li> <li>• Mag. Erwin Hameseder</li> <li>• Andrei Elinson</li> <li>• Mag. Hannes Bogner</li> <li>• Dipl.-Ing. Andreas Batke</li> <li>• Wolfgang Kreis</li> <li>• Gerhard Springer</li> </ul>	The audit committee is responsible for the auditing and preparation for the approval of the annual financial report, the proposed distribution of net income and the management report, as well as the auditing of the consolidated financial statements and the corporate governance report. The committee also deals with the management letter written by the financial auditor as well as with the auditor's report as to the efficiency of the risk management. The audit committee makes a proposal for the selection of the auditor and presents the proposal of the supervisory board to the Annual General Meeting for voting. In line with Rule C-81a of the ÖCGK, the audit committee must also establish a mutual line of communication with the financial auditor in a meeting.

### All members are independent

All members of the supervisory board and its committees are independent in accordance with the conditions contained within the Austrian Code of Corporate Governance, (see also [www.strabag.com](http://www.strabag.com) > Investor Relations > Corporate Governance > Supervisory Board > Independence of the Supervisory Board) and have declared in writing explicitly to adhere to all conditions of the Austrian Code of Corporate Governance. The independence of the supervisory board members is defined by the following guidelines (excerpt from the Rules of Procedure for the Supervisory Board as amended on 23 April 2012):

Guidelines for the Independence of Supervisory Board Members of STRABAG SE (“the company”) in Accordance with Rule C-53 of the Code

A member of the supervisory board of the company shall be deemed independent if he or she has no business or personal relations with the company or its management board which would constitute a material conflict of interest and thus could influence the member’s behaviour. Moreover, the members of the supervisory board shall comply with the following guidelines adapted from the Code:

- The supervisory board member shall not have served as a member of the management board or as a manager of the company or one of its subsidiaries in the past five years.
- The supervisory board member shall not maintain or have maintained in the past year any business relations with the company or one of its subsidiaries to an extent of significance for the supervisory board member. This shall also apply to relationships with companies in which the supervisory board member has a considerable economic interest. The

approval of individual transactions by the supervisory board according to Rule C-48 does not automatically mean the person is qualified as not independent.

- The supervisory board member shall not have been auditor of the company or have owned a share in the auditing company or have worked there as an employee in the past three years.
- The supervisory board member shall not be a member of the management board of another company, in which a management board member of the company is a supervisory board member.
- The supervisory board member shall not be a close relative (direct offspring, spouse, partner, parent, uncle, aunt, sibling, niece, nephew) of a management board member or of persons in one of the aforementioned positions.

It shall be the responsibility of each member of the supervisory board of the company elected by the Annual General Meeting or delegated by the shareholders to declare his or her independence according to the criteria defined.

According to Rule C-54 of the Austrian Code of Corporate Governance, the supervisory board of the company shall include at least one independent member delegated by the shareholders who is not a shareholder with a share of more than 10 % or who represents such a shareholder’s interests. The independence of supervisory board members shall be published in the Annual Report. The supervisory board shall judge whether it and its committees contain a sufficient number of independent members in accordance with Rules C-39 and C-53 of the Austrian Code of Corporate Governance.

## DISCLOSURE OF INFORMATION REGARDING THE REMUNERATION OF THE MEMBERS OF THE MANAGEMENT AND SUPERVISORY BOARDS:

### Remuneration of the management board higher due to variable portion

#### REMUNERATION OF THE MANAGEMENT BOARD

T€ (incl. non-monetary<sup>1)</sup>)

Name	Fixed		Variable		Total	
	2013	2012	2013	2012	2013	2012
Birtel	588	426	276	–	864	426
Harder	426	–	253	–	679	–
Krammer	426	426	253	–	679	426
Truntschnig	426	426	253	–	679	426
Wanker	426	426	253	–	679	426
Haselsteiner <sup>2)</sup>	247	633	172	–	419	633
Haselsteiner – non-monetary <sup>2)</sup>	–	–	200	–	200	–
<b>Total</b>	<b>2,539</b>	<b>2,590</b>	<b>1,660</b>	<b>–</b>	<b>4,199</b>	<b>2,590</b>

Total remuneration for the management board members in the 2013 financial year amounted to € 4.20 million (2012: € 2.59 million). Since 2007, board member pay has been based on a system which, in addition to a fixed base salary, foresees a variable portion dependent on the achievement of specific earnings and profitability targets for the STRABAG Group calculated according to principles of cost accounting. The variable portion of the salary is basically calculated as a fixed percentage of the net income after minorities less minimum earnings of € 200 million. The variable portion of the income can amount to a maximum of 200 % of the fixed salary. If a minimum yield is surpassed (earnings according to cost accounting principles compared to output volume), a minimum variable portion is granted; the former CEO, Hans Peter Haselsteiner, was further entitled to non-monetary remuneration in the amount of his variable portion, rounded to full T€ 100.

Starting with the 2011 financial year, 20 % of the bonuses of the members of the management board are retained and deposited in a personal clearing account based on sustainable, long-term, multi-annual performance criteria. The payment from the personal clearing account will take place at the end of the term of the management agreement.

Furthermore, the members of the management board have the right to a company car. Accident insurance provides coverage in the event of death or disability, a private liability insurance policy covers the legal liability of the members

of the management board which may arise from third-party personal injury, property damage or financial losses. The board members are also covered by legal expense insurance in the event of claims resulting from administrative or criminal violations. Insurance coverage exists for damage claims resulting from third-party or group financial losses as the result of neglect of duty during service for the company. The company bears the costs for these insurances.

The members of the management board are subject to a competition clause for the period of their service. If a member of the management board is dismissed without cause, the fixed base salary is paid for the full term of the contract. The management contracts of all members of the management board expire on 31 December 2014.

One management board member is entitled to non-growing pension payments from subsidiaries of the company. No other pension agreements exist – and no new entitlements may be acquired – between the company and the members of the management board. One management board member has a right to legal and contractual severance pay in the event of the termination of service to the company, with the maximum amount set by the Austrian Employee Act (oAngG). All management board members perform their services on the basis of employment contracts and are subject to income tax regulations.

Long-term, multi-annual performance criteria

1) Non-monetary after deductibles

2) Member of the management board until 14 June 2013

## No stock option programme

STRABAG SE has decided against a stock option programme for management board members. No additional recompense is granted for internal group mandates or functions. No prior agreements or exception rules exist for the

event of a public takeover offer. In the 2013 financial year, there were no changes to the remuneration system for the management board (Rule C-30 of the ÖCGK).

## Remuneration of supervisory board members unchanged

### REMUNERATION OF THE SUPERVISORY BOARD

€	2013	2012
Dr. Alfred Gusenbauer	50,000	50,000
Mag. Erwin Hameseder	25,000	25,000
Mag. Kerstin Gelbmann	15,000	15,000
Andrei Elinson	15,000	15,000
Dr. Gottfried Wanitschek <sup>1)</sup>	6,781	15,000
Ing. Siegfried Wolf	15,000	15,000
Mag. Hannes Bogner <sup>2)</sup>	8,219	–
<b>Total</b>	<b>135,000</b>	<b>135,000</b>

The Annual General Meeting decides on the annual remuneration of the members of the supervisory board nominated or elected by the shareholders as well as on any additional remuneration for special tasks performed, if applicable. At the Annual General Meeting of 10 June 2011, the shareholders approved annual remuneration of € 15,000 for the regular members of the supervisory board, € 25,000 for the vice chairman and € 50,000 for the chairman. Members of the supervisory board who are elected to or leave the board during a financial year are remunerated in accordance with the actual period of their membership on the supervisory board pro rata temporis.

Additionally to their annual remuneration, the supervisory board members also receive cash compensation for expenses. Furthermore, the members of the supervisory board are, in accordance with the Articles of Association, covered by a D&O (directors and officers) liability insurance up to a certain maximum amount. The insurance covers the personal liability of the supervisory board members in the event of careless neglect of duty during their service for the company. In 2013, no other remuneration was paid to the members of the supervisory board. There were no other transactions with members of the supervisory board.

## Measures for the advancement of women



PEOPLE &  
WORKPLACE

There are currently no women on the management board of the STRABAG Group. This is largely due to the fact that, traditionally, primarily men are employed in the construction sector. Women are therefore underrepresented, not only at the management level. It is noteworthy, therefore, that two women sit on the supervisory board of the company: Kerstin Gelbmann and Magdolna P. Gyulainé. The supervisory board thus has a female percentage of around 18 % and a percentage of female members appointed by the works council of 20 %. Additionally, 94 women (= 8.6 % of the corporate management) hold a leading position as defined by Section 80 of the Austrian Stock Corporation Act (AktG). By

way of comparison: the number of women as a percentage of employees within the entire group stands at 13.6 %. The aim is to annually increase the global percentage of women employees. To demonstrate the commitment to this goal, then-CEO of STRABAG SE Hans Peter Haselsteiner signed the UN Women's Empowerment Principles in April 2013.

The shortage of skilled workers in the construction industry makes it necessary for the STRABAG Group to become more attractive as an employer by making it easier for high potentials and top performers in particular to combine their work and family responsibilities.

1) Member of the supervisory board until 14 June 2013

2) Member of the supervisory board from 14 June 2013



### Adequate consideration of women in potential management

Additionally, the company must also apply targeted human resource marketing in order to secure a higher share of female graduates especially from technical universities. In the past financial year, several relevant marketing measures such as that the company now uses both the masculine and feminine forms in the language of all of its texts and began to take part in events such as Take Your Daughter to Work Day or Girls' Days, resulted in a higher attractiveness for STRABAG on the labour market. According to the Universum Student Survey 2013, STRABAG worked its way up from 14<sup>th</sup> to ninth place in Austria on the list of the most desirable employers among engineering and IT students. STRABAG is especially popular among female engineers: the company improved its ranking from twelfth to seventh place among women and jumped ten positions from 31<sup>st</sup> to 21<sup>st</sup> place among their male colleagues. The

percentage of women in the group should be increased because the company would benefit from diversity and different ways of looking at things. If successful, this would also lay the foundation for a higher representation of women in the management bodies. For this reason, an internal team led by a STRABAG SE management board member has been hard at work since 2012 to develop measures to promote women in the company.

The results of the in-company surveys, workshops and analyses indicate that attention must be paid to the adequate representation of women within the existing potential management – although STRABAG basically promotes women and men equally. There are no salary differences between men and women who perform equal work and have the same level of education.

## Internal audit report



VALUES & COMPLIANCE

The STRABAG Group's internal audit department is a neutral and independent authority which again conducted approximately 160 internal audits in all group divisions worldwide in the 2013 financial year. The year-on-year decline (2012: more than 200 audits) can be explained by the fact that several audits required a greater amount of time to perform and that the retirement of several employees within the internal audit department resulted in time resources being spent on the training of the new employees.

internal control systems. With its comprehensive approach, the use of uniform auditing standards and neutral reporting, it also contributes to the standardisation of processes and structures.

In 2013, the internal audit department again audited individual projects as well as entire organisational units. The audits covered all of the group's sub-divisions as well as the most important contracts and orders of the year. The routine and special audits served to recognise and avoid risks, to reveal opportunities and to monitor proper conduct and compliance with the group's code of ethics.

### Internal audit as part of risk management

In accordance with the rules of the Austrian Code of Corporate Governance, the internal audit department is set up as a staff unit of the management board of STRABAG SE, giving it the greatest possible amount of independence. It plans and conducts process-independent and neutral audits of all of the group's divisions and regions in Austria and abroad. The audit planning is constantly updated to meet the current needs. Given its technical and commercial competence, the internal audit department forms an important part of the group's risk management and

The internal audit department reported regularly to the CEO and to the supervisory board's audit committee regarding the audit plan and significant events of its work. The audit reports were sent to the audited units and divisions, to the unit and division managers, and to the management board, and were made available to the financial auditors.

## External evaluation

Details: The results of the audit are available at [www.strabag.com](http://www.strabag.com).

In accordance with C-Rule 62 of the Austrian Code of Corporate Governance, STRABAG SE commissions an external evaluation of compliance with the Code regularly every three years. The evaluation conducted for the 2013 financial year by Fellner Wratzfeld & Partner Rechtsanwälte GmbH revealed no indications that the

declarations provided by the management and supervisory board members regarding observation of and compliance with the C-Rules and R-Rules of the Austrian Code of Corporate Governance were untrue. The next external evaluation will be conducted in 2017 for the 2016 financial year.

## Continuous development of the Corporate Governance Systems

STRABAG strives to constantly improve the corporate governance system in the interests of the company and all stakeholders. In 2012, members of the supervisory board had asked for more detailed reporting on the aggregate risk from ongoing construction projects and that more detailed documents on transactions

requiring approval be sent out ahead of the supervisory board meetings. This wish was met in 2013, a fact that is also attested to by the results of the self-evaluation of the supervisory board: meeting and resolution documents as well as reports received significantly better reviews in 2013 than in the previous year.

### FACE-TO-FACE TRAINING AND E-LEARNING TO FIGHT CORRUPTION



Interactive ethics training: 80 % of all employees trained

As corruption is a risk in business in general and in the construction industry in particular, proven instruments to fight corruption with group-wide validity are in place at STRABAG. The STRABAG ethics model is based on the Code of Ethics including guidelines and checklists as well as on the personnel structure of the STRABAG ethic model, consisting of the group compliance coordinator, the regional compliance representatives as well as the external and internal ombudspersons.

In addition to the previous measures the group organised face-to-face training sessions supported by external legal advisors for managers

in 2013. In this way, the group reached more than 90 % of its management-level employees – some 1,200 persons – in about 60 sessions in 13 countries. A new measure was also implemented with the regular employees: the interactive e-learning module “Richtiges Verhalten im Geschäftsalltag” (“The Right Behaviour in Day-to-Day Business”) that was developed in 2012 was used to train approximately 80 % of all group employees in Austria, Germany and Poland in the 2013 financial year. STRABAG thus reached the goal it had set itself at the beginning of the year. It is planned to train all of the group’s permanent staff in this way by the end of 2014.

Villach, 3 April 2014  
**The Management Board**



Dr. Thomas Birtel



Mag. Christian Harder



Dipl.-Ing. Dr. Peter Krammer



Mag. Hannes Truntschnig



Dipl.-Ing. Siegfried Wanker