



Corporate Governance Report

pursuant to Section 243b UGB (Austrian Commercial Code)

The foremost goal of Flughafen Wien AG is to create and maintain a sustainable increase in the value of the company. The actions to reach this goal include responsible corporate management as well as a commitment to the Austrian Corporate Governance Code. Flughafen Wien has been committed to compliance with the code since 2003.

› **Commitment to responsible corporate management**

Flughafen Wien AG declared its intent to comply with the Austrian Corporate Governance Code (ÖCGK) in 2003, and last renewed this commitment in 2012. The code is available for review under <http://www.corporate-governance.at>.

Among other stipulations, it includes the so-called comply-or-explain rules that require the explanation of any non-compliance. Flughafen Wien AG meets all regulations of the code with the exception of Article 16, first sentence, and explains this deviation as follows: a chairman was not appointed for the management board in order to promote the team spirit between its members.

>

› The Management

During the 2014 reporting year, Mr. Julian Jäger and Günther Ofner served as the members of the Management Board of Flughafen Wien AG.

› Organisational structure by function in 2014

Management Board Dr. Günther Ofner	Management Board Julian Jäger
Real Estate Management Werner Hackenberg	Operations Nikolaus Gretzmacher, MBA
Planning, Construction & Facility Management Georg Kroyer	Handling Services Wolfgang Fasching
Finance and Accounting Rita Heiss	Center Management Adil Raihani
Strategy, Controlling and Group Shareholdings Andreas Schadenhofer	Technical Services Thomas Briza¹
Secretary General Wolfgang Köberl	Internal Audit Günter Grubmüller
Personnel Christoph Lehr	Information Systems Susanne Ebm
Corporate Communications Stephan Klasmann	
Purchasing Andreas Eder	

1) Until 27 July 2014 Christoph Edlinger

› Joint Signatories

Andreas Eder

Christoph Edlinger²

Wolfgang Fasching

Nikolaus Gretzmacher

Werner Hackenberg

Rita Heiss

Michael Höferer³

Stephan Klasmann

Wolfgang Köberl

Georg Kroyer

Christoph Lehr

Adil Raihani

Andreas Schadenhofer

2) Until 27 November 2014

3) Until 13 November 2014

Management Board

› Member of the Board Julian Jäger

Born in 1971, in 2002 he joined the legal department of Flughafen Wien AG after completing his studies in law at the University of Vienna. From 2004 to 2006 he served as the head of the business development department in the airline and terminal services unit. He joined Malta International Airport plc as chief commercial officer in 2007 and was appointed chief executive officer in 2008. He was appointed to the Management Board of Flughafen Wien AG on 5 September 2011; his term of office ends on 4 September 2016.

Member of the Supervisory Board or comparable function in external corporations:

- › Österreichische Gesellschaft für Zivilluftfahrt mit beschränkter Haftung

› Member of the Board Günther Ofner

Born in 1956, he received his doctor of laws degree from the University of Vienna in 1983, where he also worked as a lecturer from 1986 to 2000. He served as the Managing Director of Friedrich Funder Institut für Journalistenausbildung und Medienforschung from 1981 to 1992, and then joined Österreichische Elektrizitätswirtschafts AG as the deputy head of the foreign office from 1992 to 1994. From 1994 to 2004 he was a member of the Management Board of Burgenländische Elektrizitätswirtschafts AG. He served on the Management Board of Burgenland Holding AG from 1995 to 1997 and 2005 to 2011, and on this company's Supervisory Board from 2004 to 2005. His other functions include Chairman of the Management Board of UTA Telekom AG from 2004 to 2005, as well as Managing Director in various Austrian and foreign subsidiaries of EVN AG from 2005 to 2011. He was appointed to the Management Board of Flughafen Wien AG on 5 September 2011; his term of office ends on 4 September 2016.

Member of the Supervisory Board or comparable function in external corporations:

- › Plaut Aktiengesellschaft
- › Wiener Städtische Wechselseitiger Versicherungsverein – Vermögensverwaltung – Vienna Insurance Group

› Work Processes of the Management Board

The activities of the Management Board are defined by law, the articles of association and the rules of procedure. The rules of procedure regulate the distribution of operational responsibilities and the cooperation between the members of the Management Board. This document also lists the information and reporting obligations of the Management Board and includes a catalogue of measures that require the approval of the Supervisory Board. The Management Board holds weekly meetings to discuss the development of business and, in these meetings, takes decisions that require the approval of the full Management Board. The members of the Management Board also exchange information on important activities and events on a regular basis.

› Management Board Remuneration

The remuneration of the Management Board includes a fixed and a performance-based component as well as non-cash remuneration. The variable component is tied to specific targets that are defined each year together with the Supervisory Board based on corporate goals.

In accordance with rule 27 of the Austrian Corporate Governance Code, 50% of the variable remuneration for Julian Jäger and Günther Ofner is dependent on the attainment of goals for the respective financial year and 50% on sustainable, long-term goals. Goal attainment is measured by the improvement in customer satisfaction based on a comparison with the international ASQ study and on EBITDA and ROCE targets. The targets and, above all, the criteria for payment of the variable remuneration are defined, explained and weighted by the Presidium and Personnel Committee of the Supervisory Board at the beginning of each financial year. If the basis for variable remuneration proves to be incorrect after this payment is made, the respective Management Board member is obliged to return the resulting bonus in full. The variable remuneration is limited to 100% of the fixed component.

Details on the remuneration paid to the individual board members are provided in the following table and in note 39 to the consolidated financial statements. On behalf of Mr. Julian Jäger and Mr. Günther Ofner the company makes payments equalling 15% of the respective salary to a pension fund.

There are no special agreements that would take effect in the event of a public takeover offer. If the contracts with Mr. Julian Jäger and Mr. Günther Ofner are terminated prematurely without compelling reason, compensation will be continued for a maximum of 24 months in accordance with rule 27a of the Austrian Corporate Governance Code. The members of the Management Board have no claims to severance compensation or other settlement payments at the end of their contracts, regardless of the grounds for termination. No stock options have been granted. The company has arranged for D&O insurance, and carries the related costs.

› Management Board remuneration for 2014 and 2013

	2014	2014	2014	2014	2014	2014	2014	2013
in T€	Fixed compensation	Share of total	Performance-related compensation for 2013	Share of total	Non-cash remuneration	Share of total	Total remuneration	Total remuneration
Julian Jäger	259.3	56.70%	189.6	41.46%	8.4	1.84%	457.3	444.2
Günther Ofner	259.3	56.70%	189.6	41.46%	8.4	1.84%	457.3	444.2

› Supervisory Board

The Supervisory Board comprises ten shareholder representatives and five delegates from the Works Committee. All shareholder representatives were elected by the 25th annual general meeting (AGM) on 30 April 2013 and have terms of office extending up to the AGM that will vote on the release from liability for the 2017 financial year. At the 165th meeting of the Supervisory Board on 30 April 2013, Ewald Kirschner was elected chairman of this body. All members of the Supervisory Board of Flughafen Wien AG have declared their independence according to the guidelines defined by the Supervisory Board pursuant to the requirements of the Austrian Corporate Governance Code. The company therefore complies with rules 39 and 53 of the Austrian Corporate Governance Code.

› Members of the Supervisory Board

Name, year of birth	Profession	First appointed on	Positions on other supervisory boards and comparable functions
Shareholder representatives			
Ewald Kirschner, Chairman since 30 April 2013, 1957	General Director of GESIBA Gemeinnützige Siedlungs- und Bauaktiengesellschaft	29 April 2011	-
Erwin Hameseder, deputy since 30 April 2013, 1956	General Director of Raiffeisen-Holding NÖ-Wien reg. Gen. mbH	31 August 2011 ⁴	Member of the supervisory boards of: Strabag SE, AGRANA Beteiligungs-Aktiengesellschaft, Raiffeisen Bank International AG, UNIQA Insurance Group AG, Südzucker AG
Wolfgang Ruttenstorfer, deputy since 29 April 2011, 1950	Chairman of the Supervisory Board of CA Immobilien Anlagen AG	29 April 2011	CA Immobilien Anlagen Aktiengesellschaft (Chairman), RHI AG, NIS a.d. Naftna industrija Srbije
Gabriele Domschitz, 1959	Member of the Management Board of Wiener Stadtwerke Holding AG	29 April 2011	-
Bettina Glatz-Kremsner, 1962	Member of the Management Boards of Casinos Austria AG and Österreichische Lotterien GesmbH	29 April 2011	-
Burkhard Hofer, 1944	(Former) General Director of EVN AG	20 August 2009	Member of Supervisory Board of: EVN AG (Chairman)
Robert Lasshofer, 1957	Chairman of the Management Board of Wiener Städtische Versicherung AG Vienna Insurance Group	30 April 2013	-
Herbert Paierl, 1952	pcb Paierl Consulting Beteiligungs GmbH	30 April 2013	Board of Directors: Landi Renzo S.P.A.
Karin Rest, 1972	RSB Rechtsanwälte GmbH	30 April 2013	-
Gerhard Starsich, 1960	General Director of Münze Österreich Aktiengesellschaft	30 April 2013	-

4) Mr. Hameseder served as a member of the Supervisory Board from 22 April 2004 to 19 May 2009

› Delegated by the Works Committee

Name, year of birth	Profession	First appointed on	Positions on other supervisory boards and comparable functions
Delegated by the Works Committee			
Manfred Biegler, 1956	Chairman of the Salaried Employees' Works Committee		-
Michael Straßegger, 1966	Deputy Chairman of the Salaried Employees' Works Committee		-
Thomas Schäffer, 1983	Deputy Chairman of the Salaried Employees' Works Committee		-
Heinz Strauby, 1974	Waged Employees' Works Committee		-
Thomas Faulhuber, 1971 ⁵	Waged Employees' Works Committee		-

5) Until 21 November 2014 Heinz Wessely

› Representative of the Supervisory Authority

In a letter dated 29 April 2012, the Supervisory Authority indicated that they would no longer exercise their right to delegate a representative.

› Representatives of Free Float Shareholders

The 25th AGM on 30 April 2013 elected Mr. Robert Lasshofer and Mr. Burkhard Hofer as the representatives of free float shareholders.

› Work process of the supervisory board

The Supervisory Board monitors corporate management and can request a report from the Management Board on business-related issues and may review the company's accounting records and documentation at any time. The transactions itemised in § 95 (5) of the Austrian Stock Corporation Act and the activities listed in the rules of procedure for the Management Board require the consent of the Supervisory Board.

› Committees of the Supervisory Board

The committees, which exercise consultative functions, are intended to improve the efficiency of Supervisory Board work processes and also deal with complex issues. The chairmen of these committees report regularly to the Supervisory Board on their work. The Supervisory Board is required to designate one committee to make decisions in urgent cases. Irrespective of their assigned duties, the committees can also be charged with other tasks involving analysis, advising and the preparation of recommendations to the full Supervisory Board for voting.

› Presidium and Personnel Committee

The Presidium and Personnel Committee is responsible for personnel issues related to the members of the Management Board, including succession planning, and deals with the content of employment contracts and the remuneration of the board members. This committee also evaluates the acceptability of additional activities by the Management Board members and assists the chairman, above all in preparing the Supervisory Board meetings. Moreover, the Presidium and Personnel Committee serves as a committee for urgent issues in accordance with rule 39 of the Austrian Corporate Governance Code and performs the functions of a nominating committee as defined in rule 41 of the Austrian Corporate Governance Code as well as the duties of the remuneration committee in accordance with rule 43.

› Members of the Presidium and Personnel Committee

Ewald Kirschner (Chairman)	Manfred Biegler
Erwin Hameseder	Thomas Faulhuber ⁶
Wolfgang Rutenstorfer	

6) Until 21. November 2014 Heinz Wessely

› Strategy Committee

The Strategy Committee works on strategic issues together with the Management Board and, if necessary, also with other experts. The related decisions are taken by the full Supervisory Board.

› Members of the Strategy Committee

Ewald Kirschner (Chairman)	Manfred Biegler
Erwin Hameseder	Heinz Strauby
Wolfgang Rutenstorfer	Thomas Faulhuber ⁷
Gabrielle Domschitz	
Bettina Glatz-Kremsner	

6) Until 21. November 2014 Heinz Wessely

› Audit Committee

The Audit Committee deals with accounting issues as well as the audit of the company and the group. It evaluates the report by the auditor on the examination of the annual financial statements, and informs the Supervisory Board of the results of this analysis. This committee is responsible for examining and preparing decisions for the Supervisory Board on the following subjects: the annual financial statements, the recommendation for the distribution of profit and the management report; the audit of the consolidated financial statements; the audit of accounting systems; the corporate governance report; the monitoring and effectiveness of the internal control system, the internal audit system and risk management. The Audit Committee also makes a recommendation to the Supervisory Board for the nomination of an auditor, monitors the independence of this firm and deals with the content of the management letter and the report on the >

effectiveness of risk management. Erwin Hameseder, the chairman of this committee, has served as the financial expert since 30 April 2013; Erwin Hameseder, whose many years of professional experience qualify him for this position.

› Members of the Audit Committee

Erwin Hameseder (Chairman)	Gabriele Domschitz
Wolfgang Ruttenstorfer	Manfred Biegler
Ewald Kirschner	Heinz Strauby
Burkhard Hofer	Thomas Faulhuber ⁸

8) Until 21 November 2014 Heinz Wessely

› Frequency of meetings and key issues

The Supervisory Board held five meetings in 2014. In addition, the Presidium and Personnel Committee held three meetings and the Audit Committee two meetings. The Strategy Committee met once during the reporting year.

The Supervisory Board and its committees particularly dealt with the new corporate strategy, the economic development of the company, the traffic development, the measures within the context of risk management, the functionality of the internal control system and the reports of the auditor. Furthermore, measures of Flughafen Wien AG for improving quality and reducing costs were discussed. Additional emphases were on the discussion of the strategy for investments in other companies, the future development of the terminal, the development of the corporate vision and the corporate strategy derived from this, as well as the discussion of the public takeover bid by an Australian investor. Furthermore, there were ongoing reports in the situation of the key airline customers, the reduction of debt, the amendment of the existing collective bargaining agreements and the handling of valid claims by former members of the Management Board. There were additional reports on the ongoing construction activity, the completed tax audits, the sale of shares in Flughafen Friedrichshafen GmbH, on audit reports and the derived consequences and the developments in key legal proceedings. The committees reported to the full Supervisory Board on their activities. The Management Board provided the Supervisory Board with regular information on the development of business and the position of the individual group companies. Therefore, the Supervisory Board was able to monitor the performance of the company on a continuous basis and support the Management Board on decisions of fundamental importance.

Additional information is provided in the report of the Supervisory Board.

› Remuneration of the Supervisory Board members 2014⁹

The remuneration scheme for the Supervisory Board calls for an annual payment of € 12,000 to the chairman, € 10,000 for each deputy and € 8,000 for each ordinary member as well as a standard attendance fee of € 300 per meeting. The following table provides detailed information on the remuneration paid to the individual members of the Supervisory Board.

Ewald Kirschner	€ 14,647.94	Franz Lauer	€ 2,608.22
Erwin Hameseder	€ 13,952.06	Hans-Jürgen Manstein	€ 2,608.22
Wolfgang Ruttenstorfer	€ 13,300.00	Alfons Metzger	€ 2,608.22
Burkhard Hofer	€ 9,500.00	Claus Raidl	€ 2,608.22
Gabriele Domschitz	€ 10,100.00	Manfred Biegler	€ 2,400.00
Bettina Glatz-Kremsner	€ 9,500.00	Thomas Schöffner	€ 1,500.00
Robert Lasshofer	€ 6,891.78	Heinz Strauby	€ 2,400.00
Gerhard Starsich	€ 6,591.78	Heinz Wessely	€ 900.00
Herbert Paierl	€ 6,291.78	Michael Straßegger	€ 1,500.00
Karin Rest	€ 6,891.78	Thomas Faulhuber	€ 600.00

9) In 2014, the Supervisory Board remuneration was paid out for 2013, as well as attendance fees for 2014.

› Internal Audit and Risk Management

The internal audit department reports directly to the Management Board and each year, this department prepares an audit schedule, as well as a report on its activities during the past financial year. Both documents are submitted to the Management Board and discussed with the Audit Committee of the Supervisory Board. The effectiveness of risk management is evaluated by the auditor based on documents and other available information. This audit report is submitted to the Management Board and the chairman of the Supervisory Board, and subsequently presented to the full Supervisory Board.

› Guidelines for the Independence of the Supervisory Board Members

The criteria for the independence of the Supervisory Members are based on rule 53 of the Austrian Corporate Governance Code. All members of the Supervisory Board of Flughafen Wien AG meet the independence criteria defined in the following guidelines:

- › A member of the Supervisory Board is considered to be independent when he/she has no business or personal relations with the company or its management board that may lead to a material conflict of interest and are therefore capable of influencing the actions of the board member.
- › The Supervisory Board member may not have served on the management board or as a key employee of the company or a subsidiary of the company during the previous five years.
- › The Supervisory Board member may not have - or had in the last year - any business relations with the company or a subsidiary of the company that are considered to be material for this Supervisory Board member. The same applies to business relations with companies in which the member of the Supervisory Board holds a significant economic interest. The approval of individual transactions by the Supervisory Board as defined in L-Rule 48 does not automatically lead to qualification as not independent.

- › The Supervisory Board member may not have worked on the audit of the company during the past three years and may not have owned an interest in or been employed by the public accounting firm during this period.
- › The Supervisory Board member may not serve on the management board of another firm in which a member of the company's management board holds a position on the supervisory board. The Supervisory Board member may not be closely related (son or daughter, husband or wife, companion, parent, uncle, aunt, sister or brother, niece or nephew) to a member of the management board or a person serving in one of the positions described above.

› **Self-evaluation of the Supervisory Board**

The Supervisory Board analysed the efficiency of its activities within the framework of a self-evaluation process that focused, above all, on its organisation and working procedures. The required information was collected through questionnaires that were completed by all Supervisory Board members, and the results were presented at the 173rd Supervisory Board meeting on 17 December 2014.

› **Annual Financial Statements according to the Austrian Commercial Code**

The financial statements of Flughafen Wien AG as prepared in accordance with the Austrian Commercial Code are available at the headquarters of the company. Interested parties can also order copies by e-mail under investor-relations@viennaairport.com or by calling +43/1/7007-22826. These financial statements are also published on www.viennaairport.com/en/company/investor_relations under the menu item "Publications and reports" > "Financial reports".

› **Financial Report pursuant to the Austrian Stock Exchange Act**

The annual financial report and the quarterly reports are available on www.viennaairport.com/en/company/investor_relations under the menu item "Publications and reports".

› Auditor

KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, 1090 Vienna, Porzellangasse 51, were elected as auditor of the 2014 annual financial statements by the 26th Annual General Meeting of Flughafen Wien AG, and were commissioned to perform this audit. Prior to its election as the auditor, KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft submitted a written report to the Audit Committee that covered the following points:

- › Authorisation to audit a stock corporation as well as proof that there are no grounds for exclusion from such engagements;
- › A listing by type of service of the total fees received from the company for the previous financial year;
- › Inclusion in a legal quality assurance system;
- › Disclosure of any circumstances that could give reason for concern over possible bias; and
- › Measures taken to ensure the independence of the audit.

Expenses for the auditor for 2014 amounted to € 260.3 for the audit of the financial statements, T € 12.0 for other confirmation services and T € 4.2 for other services.

› Compliance Rules

Flughafen Wien AG implemented the Issuer Compliance Regulations in the version dated 1 November 2007 revised by Federal Gazette BGBl. II No. 30/2012 through a separate corporate guideline. The company has established permanent areas of non-disclosure to prevent the misuse or distribution of insider information, and also creates ad-hoc areas as needed. These areas of non-disclosure cover all employees and corporate bodies of Flughafen Wien AG in Austria and other countries as well as any external service providers who have access to insider information. A variety of organisational measures and control mechanisms has also been implemented to monitor these processes on a regular basis. The compliance officer of Flughafen Wien AG discusses his activities with the Supervisory Board each year, and also prepares a written report that is submitted to the Austrian Financial Market Authority (FMA).

› Ad-hoc Publications and Directors' Dealings

Ad-hoc publication requirements are met through disclosure on the company's website. In 2014 there were no purchases or sales of Flughafen Wien shares by members of corporate bodies or managers (directors' dealings) that would be subject to the reporting requirements of the Austrian Stock Exchange Act.

› Airport Carbon Accreditation System

Flughafen Wien AG participates in the ACAS programme (Airport Carbon Accreditation System) managed by Airport Council International (ACI, the worldwide professional association of airport operators). This programme is monitored by independent experts and will lead to a sustainable reduction in CO₂ emissions at Vienna Airport.

During the reporting year, Level 1 was reached for the second time in a row; this requires the preparation of a CO₂ emission balance sheet. The next level - Level 2, which envisages the reduction of CO₂ emissions at the airport - is aimed at for 2015.

› Equal Opportunities

The share of female employees in the Flughafen Wien AG workforce currently equals 11.6%. This is a result of the relatively low percentage of women in the specialised functions at Vienna Airport,

2/3 of the employees perform heavy physical labour. All the same, the company recognises the value of women for the working world and intends to increase this ratio, above all in management positions. The share of women at all four management levels equalled 19.23%. Each year Flughafen Wien AG takes part in the "Vienna Daughters' Day", which is designed to give girls better insight into technical professions - the company had an average of four female commercial apprentices in 2014. The Supervisory Board of Flughafen Wien AG has three female members. In order to also position the company as an attractive employer for women, specific measures have been implemented to support the work-life balance and suitable career opportunities have been created.

Schwechat

The Management Board



Günther Ofner
Member, CFO



Julian Jäger
Member, COO