

# Corporate governance and Compliance

## COMMITMENT TO THE CORPORATE GOVERNANCE CODE

Rosenbauer is committed to the Austrian Corporate Governance Code ([www.corporate-governance.at](http://www.corporate-governance.at)). In this way, Rosenbauer ensures responsible, transparent and long-term corporate governance and control. The basis of the Code is formed by the provisions of Austrian stock corporation, stock market and capital market law, EU recommendations on the duties of supervisory board members and remuneration for directors, and the principles of the OECD corporate governance guidelines.

The corporate governance report is based on the Code as amended January 2020 and is published under [www.rosenbauer.com/de/group](http://www.rosenbauer.com/de/group) in the chapter “Investor Relations” under “Corporate Governance”. With the exception of the specifications mentioned below, Rosenbauer complies with all Legal and Compliance Rules of the Corporate Governance Code:

- C Rule 27: Sustainability is an integral part of Rosenbauer’s corporate strategy. As an interdisciplinary issue, it is jointly recognized by the Executive Board and evaluated by the Supervisory Board. Non-financial remuneration criteria are not taken into account by the individual Executive Board agreements.
- C Rule 39: The Audit Committee as well as the Nomination and Remuneration Committee do not have a majority of independent members. Rainer Siegel is not deemed independent, in accordance with C Rule 53.
- C Rules 41 and 43: The Supervisory Board formed a Nomination and Remuneration Committee in 2019, the Chairman of which is Christian Reisinger. His Deputy is Rainer Siegel. The agendas of the Nomination and Remuneration Committee were previously endorsed by the Executive Committee, which now no longer exists.

## COMPOSITION AND REMUNERATION OF EXECUTIVE BODIES

### Remuneration report of the Executive Board

<b>Dieter Siegel</b>	CEO
Born	1964
Global central functions	Corporate Development, Human Resources, Strategy, Innovation & Marketing, Group Communication, Fire & Safety Equipment, Product Management
Joined Rosenbauer	2009
Date of first appointment	2011
End of term of office	2021
Supervisory Board mandates	-
<b>Andreas Zeller</b>	Deputy Chairman, CSO
Born	1972
Global central functions	Area Management APAC, CEEU, MENA, NISA and NOMA, Sales Administration, Customer Service
Joined Rosenbauer	2003
Date of first appointment	2017
End of term of office	2022
Supervisory Board mandates	-

<b>Daniel Tomaschko</b>	CTO
Born	1983
Global central functions	Stationary Fire Protection, Supply Chain Management, Quality Management, Process Management, CoC Operations, Project and Order Centers
Joined Rosenbauer	2016
Date of first appointment	2017
End of term of office	2022
Supervisory Board mandates	-

<b>Sebastian Wolf</b>	CFO
Born	1982
Global central functions	Controlling, Accounting & Tax, Legal, Compliance & Risk Management, Treasury, Investor Relations, Internal Audit & Internal Control System (ICS), IT
Joined Rosenbauer	2008
Date of first appointment	2017
End of term of office	2022
Supervisory Board mandates	-

### Remuneration report of the Executive Board

A key element in the remuneration system is the variable component that is closely linked to the company's performance. The ratio of fixed to performance-based components of the Executive Board's total remuneration was 59% to 41% in the reporting period. In line with C Rule 27, the agreements for the Executive Board are tied to sustainable and long-term performance criteria. The bonus is calculated from the degree of target attainment of consolidated earnings on the basis of the income statement before taxes. The target is set by the Supervisory Board for two financial years at a time. Variable remuneration is capped at double the fixed annual remuneration.

The severance regulations are based on the statutory specifications. After leaving the company, the company will not incur any future expenses arising from the occupational pension scheme or other benefits for Executive Board members.

The agreements of the Executive Board members include a regulation for the subsequent repayment of variable remuneration if this is found to have been paid on the basis of incorrect

data. The circumstances of a member of the Executive Board leaving the company are taken into account in that, in the event of early cancellation of the Executive Board agreement without gross breach of duty, the member in question has a maximum entitlement to the remuneration owed under the agreement for 18 months or for the remaining term. In the event of a gross breach of duty, pro rata variable remuneration, severance entitlements and all other termination benefits owed by the company will be forfeit. In the event of premature termination without cause, the severance payment will not exceed two years' total remuneration. The economic situation of the company is not taken into account in determining the amount of severance payment as members of the Executive Board are selected in line with the principle of sustainability. There are no stock option programs for either members of the Executive Board or senior managers. There is a D&O (directors & officers) insurance policy for the Group, the costs of which are paid by Rosenbauer International AG.

### Composition and remuneration of the Supervisory Board

in € thousand	Fixed	Variable	Total
<b>2019</b>			
Siegel	403.9	381.7	785.6
Zeller	261.5	147.9	409.5
Tomaschko	258.3	147.9	406.2
Wolf	250.3	147.9	398.2
	<b>1,174.0</b>	<b>825.5</b>	<b>1,999.5</b>
<b>2018</b>			
Siegel	403.9	494.9	898.8
Zeller	261.5	191.9	453.4
Tomaschko	258.2	191.9	450.1
Wolf	248.1	191.9	440
	<b>1,171.7</b>	<b>1,070.6</b>	<b>2,242.3</b>

**Composition and remuneration of the Supervisory Board**

<b>Christian Reisinger</b>	Chairman of the Supervisory Board
Born	1960
Date of first appointment	2006
End of term of office	2021
Functions	Managing Director of CR Management und Investment GmbH
Supervisory Board mandates	-

<b>Rainer Siegel</b>	Deputy Chairman of the Supervisory Board Deputy Chairman of the Audit Committee
Born	1963
Date of first appointment	2009
End of term of office	2024
Functions	Freelance management consultant and management trainer; Partner in Institut für Wirtschaftspädagogik GmbH & Co. KG
Supervisory Board mandates	-

<b>Bernhard Matzner</b>	Member of the Supervisory Board Chairman of the Audit Committee and financial expert
Born	1958
Date of first appointment	2017
End of term of office	2022
Functions	-
Supervisory Board mandates	-

<b>Martin Zehnder</b>	Member of the Supervisory Board
Born	1967
Date of first appointment	2018
End of term of office	2023
Functions	COO Palfinger AG
Supervisory Board mandates	-

Appointed by the Works Council:

<b>Rudolf Aichinger</b>	Member of the Supervisory Board, Member of the Audit Committee
Born	1962
Date of first appointment	2003
End of term of office	2020
Supervisory Board mandates	-

<b>Alfred Greslehner</b>	Member of the Supervisory Board
Born	1960
Date of first appointment	2004
End of term of office	2020
Supervisory Board mandates	-

**Remuneration of Supervisory Board members**

in € thousand	Fixed	Variable	Total
<b>2019</b>			
Reisinger	38.0	31.8	69.8
Siegel	38.0	31.8	69.8
Matzner	28.0	23.9	51.9
Zehnder	23.0	23.9	46.9
	<b>127.0</b>	<b>111.4</b>	<b>238.4</b>
<b>2018</b>			
Hutterer <sup>1</sup>	9.0	13.5	22.5
Reisinger	21.8	32.4	54.2
Siegel	24.0	35.8	59.8
Matzner	18.0	26.9	44.9
Zehnder <sup>2</sup>	11.2	16.8	28.0
	<b>84.0</b>	<b>125.4</b>	<b>209.4</b>

<sup>1</sup> Until May 18, 2018

<sup>2</sup> Since May 18, 2018

**Agreements subject to approval**

No agreements subject to approval in accordance with L Rule 48 were entered into with a member of the Supervisory Board in 2019.

**Independence of the Supervisory Board**

C Rule 53: The Supervisory Board bases the criteria for the independence of its members on the guidelines of Annex 1 to the Code of Corporate Governance. In line with these guidelines, the Supervisory Board members Christian Reisinger (Chairman), Bernhard Matzner and Martin Zehnder are deemed independent.

### Supervisory Board members with a shareholding of more than 10%

C Rule 54: The Supervisory Board members Christian Reisinger (Chairman), Bernhard Matzner and Martin Zehnder do not have shareholdings of more than 10% in Rosenbauer International AG. They also do not represent the interests of a shareholder with an investment of more than 10%.

## DISCLOSURES ON WORKING METHODS OF THE EXECUTIVE BOARD AND SUPERVISORY BOARD

### Working methods of the Executive Board

In accordance with the law, the Articles of Association and the Rules of Procedure approved by the Supervisory Board, the Executive Board of Rosenbauer International AG manages the company on its own responsibility. It performs its management duties as demanded by the good of the company, taking into account the interests of all internal and external stakeholders, above all including the owners and the employees. At regular meetings it discusses current business performance and makes the necessary decisions and resolutions. A constant and open exchange of information between the members of the Executive Board and within the top management level is one of the principles of management at Rosenbauer. The Executive Board reports to the Supervisory Board regularly and comprehensively on all relevant issues of business development, including the risk situation and risk management in the Group. Furthermore, the Chairman of the Supervisory Board maintains regular contact with the CEO, with whom he discusses strategy and ongoing business development.

### Working methods of the Supervisory Board

In addition to monitoring the Executive Board, the Supervisory Board also sees it as its duty to support the Executive Board in its management of the company, particularly in decisions of fundamental significance. All members of the Supervisory Board attended more than half of the meetings of the Supervisory Board in the reporting period.

### Committees and meetings of the Supervisory Board

The Audit Committee met to review and prepare for the adoption of the annual financial statements, to devise a proposal for the appointment of the auditor and to confer on all matters relating to the Group's financial reporting. A further meeting was held to appraise the Group's risk management, internal control system (ICS), sustainability report and compliance. A special Audit Committee meeting took place to prepare the new tender for the 2020 annual financial statements audit.

The members of the Audit Committee were Bernhard Matzner (Chairman and financial expert), Rainer Siegel and Rudolf Aichinger.

The duties of the Strategy Committee, which prepared fundamental decisions in collaboration with the Executive Board, calling upon expert assistance where appropriate, are performed by the Supervisory Board as a whole, provided that this does not comprise more than five elected members. This was not the case in 2019. Thus the Strategy Committee did not hold its own meeting, although the strategy was discussed in a meeting of the Supervisory Board. The remuneration of the Executive Board and Executive Board succession planning are regulated by the Nomination and Remuneration Committee, which consists of the Chairman of the Supervisory Board and his Deputy. The Nomination and Remuneration Committee was formed in April 2019. No meetings took place in the past financial year. The agendas of the Nomination and Remuneration Committee include individual conversations with all Executive Board members to discuss their performance in the past year and goals for the coming year. The committees' members are appointed for the same length of time as their term in office on the Supervisory Board. Each committee elects a chairman and deputy chairman from among its members.

The Supervisory Board met four times in 2019. A special and, at the same time, inaugural meeting also took place following the Annual General Meeting on May 23, 2019. In accordance with Rule 36 of the Austrian Code of Corporate Governance, the Supervisory Board performed the self-evaluation described over the course of 2019. Based on a catalog of questions, this covered the general cooperation between the Executive Board and the Supervisory Board, the quality and scope of the documents provided to the Supervisory Board and organizational issues.

## AFFIRMATIVE ACTION FOR WOMEN

There are currently no women on the Supervisory Board or Executive Board of Rosenbauer. The share of female executive employees<sup>1</sup> is 0.2%. The share of female executives was 12.1% in the 2019 financial year. There are general efforts to sustainably increase the share of women at all levels of the Group through suitable measures. In a sector that is traditionally preferred more by men, Rosenbauer is striving to further increase the female share of its workforce. Non-discrimination and equal opportunities in the workplace, without gender preference, are taken for granted at Rosenbauer. There are also measures to help optimize work-life balance, such as the operation of a childcare facility at the Leonding location.

<sup>1</sup> In accordance with section 80 of the Aktiengesetz (AktG - Austrian Stock Corporation Act)

## Corporate Governance and Compliance

### DIVERSITY CONCEPT

In addition to the statutory and personal requirements, the Supervisory Board also prioritizes professional qualification when appointing members of the Executive Board. This is judged according to the respective duties and relevant candidates' education and professional background. When selecting Executive Board members, precedence is therefore given to pertinent knowledge, personal integrity and experience in management positions. Only persons not yet 65 at the time of appointment can be chosen as members of the Executive Board.

Only persons aged less than 70 at the time of their election can be appointed as members of the Supervisory Board. At least one member of the Supervisory Board must have appropriate expertise in accounting or auditing. Members must also be familiar with the industry in which the company operates. Rosenbauer does not have a mandatory quota of women in accordance with the Gleichstellungsgesetz (Austrian Equal Treatment Act). Female candidates are recommended for election given the same professional qualifications. Appointments to the Supervisory Board are made by the Annual General Meeting.

Rosenbauer believes that a respectful and open corporate culture promotes and advances diversity. It is therefore committed to a work environment that is free from prejudice and discrimination of any kind. Employees are treated with the same respect and tolerance regardless of their gender, age, sexual orientation and identity, nationality, ethnic origin, religion and ideology. In order to make this absolutely clear to the wider world as well, the company signed the "Diversity Charter" in 2017, which provides a platform for dialog and promoting diversity in the company.

### COMPLIANCE

Compliance with international rules and treating all stakeholders fairly are among the most important of the company's principles. Rosenbauer is not just committed to legal regulations, but also includes internal regulations, voluntary obligations and ethical principles as integral components of its corporate culture. The company has created its own Code of Conduct for business dealings to be complied with by all employees and partners worldwide.

The effectiveness of the compliance management system and its continuous development was again confirmed by an external review.

### Compliance Organization

The Compliance Organization is focused in particular on the issues of corruption prevention, competition law and sales partner due diligence. Group Compliance reports directly to the Executive Board and gives annual reports to the Supervisory Board's Audit Committee on the activities that have been undertaken and on any relevant events. Misconduct that may be relevant to compliance can be reported anonymously using an internal whistle-blower system.

All employees and partners are issued with a copy of the Code of Conduct. Staff must complete training courses on pertinent topics at regular intervals according to a detailed training schedule. Information and training literature are available to all employees on the Group-wide company portal.

### Vetted partners

Rosenbauer demands full and absolute compliance from its sales partners. Anyone who works with Rosenbauer must meet Rosenbauer's compliance standards. Sales partners are subjected to a risk-based integrity review in order to identify potential compliance risks. The ongoing analysis of new and existing sales partners is conducted using a web-based tool that supports the risk analysis and due diligence process in connection with sales partners. In addition, sales partners are also vetted directly at their own premises on a regular basis in the form of audits and based on a risk matrix.

### EXTERNAL REVIEW

In accordance with Compliance Rule 62 of the Austrian Code of Corporate Governance, compliance with the Compliance Rules of the Code must be reviewed by an independent external institution at least every three years. Rosenbauer has mandated Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H. with the review for the 2018 financial year. The comprehensive audit report including results of the evaluation from the 2018 financial year can be found on the company website. The next external review will be carried out in 2022 for the 2021 financial year.