

Corporate Governance Report

Austrian Corporate Governance Code

In 2002, the Austrian Corporate Governance Code, a regulatory framework for the management and monitoring of Austrian joint stock companies, has been established. This code contains internationally adopted, customary standards, as well as significant related regulations stipulated in the Austrian Stock Corporation-, Stock Exchange-, and Capital Markets Acts and the basic principles encompassed in the OECD Guidelines for Corporate Governance.

These rules are aimed at ensuring a responsible management and supervision of individual companies and groups, with the goal of creating sustainable and long lasting value. The code seeks to create a high level of transparency for all company stakeholders. It creates guidelines for the equal treatment of all shareholders, for transparency, open communication between the Management and Supervisory Boards, the avoidance of conflicts of interest between bodies, and for efficient monitoring and auditing as performed by the Supervisory Board and the auditor, respectively.

Companies voluntarily undertake to comply with the guidelines contained in the current version of the Austrian Corporate Governance Code as amended. The version of the Corporate Governance Code that is applicable to the year 2015 was issued in January 2015 and can be found on the website at www.corporate-governance.at.

Statement on Corporate Governance

The Semperit Group hereby declares that it will voluntarily observe the Austrian Corporate Governance Code and that it also intends to observe the Code in the future, or justify any deviating behaviour. The Supervisory Board also reached a corresponding unanimous decision. Semperit AG Holding complies with all legally binding L-rules (Legal Requirements). Unless otherwise declared, the C-rules (Comply-or-Explain) will be observed by the relevant bodies and the company.

Management Board

Composition and function of the Management Board

The Management Board leads the company and consists of four members. It has full responsibility for managing the company for the benefit of the enterprise while considering the interests of shareholders and employees as well as the public interest (L-rule 13).

Internal rules of procedure regulate the allocation of business responsibilities and cooperation between members of the Management Board. Decisions of primary importance are taken by the Board as a whole. The Management Board itself assumes communication tasks that have a significant impact on how the company is perceived by its stakeholders. Legally binding regulations, the Articles of Association, and the internal rules of procedure for the Management and Supervisory Board laid down by the Supervisory Board form the basis for corporate management. In addition, behavioural guidelines are also contained in the Austrian Corporate Governance Code.

Cooperation between the Management and Supervisory Boards

The Management Board and Supervisory Board are committed to managing the company in accordance with the principles of good corporate governance. This management takes place in open discussions between the Management Board and the Supervisory Board as well as within these corporate bodies. Among other things, the Management Board's internal rules of procedure govern the Management Board's ongoing reporting to the Supervisory Board.

The strategic direction of the company is determined in close cooperation between the Management Board and the Supervisory Board and is discussed in Supervisory Board meetings held at regular intervals. The Supervisory Board determines the allocation of departments and responsibilities in the Management Board, as well as decides those transactions requiring its explicit authorisation in addition to legal requirements. Furthermore, the Supervisory Board supports the Management Board in managing the company, particularly when decisions of fundamental importance are to be made.

Organisational structure Semperit Group

Thomas Fahnemann Chief Executive Officer		Johannes Schmidt-Schultes Chief Financial Officer		Richard Ehrenfeldner Chief Technical Officer		Declan Daly Chief Information Officer	
Business Sector Medical Sempermed	Business Sector Industrial Semperflex Sempertrans Semperform	Accounting	Controlling	Engineering & Maintenance	Innovation & Technology	Information Technology	Business Excellence
Corporate Development & Strategy	Procurement & Logistics	Tax	Treasury	Operational Excellence	Quality Management	Process Optimisation	
Human Resources	Communications	Investor Relations	Internal Audit	Mixing			
Compliance		Risk Management	Legal				

■ Management Board ■ Business Sectors ■ Central functions

Corporate bodies of Semperit AG Holding: Management Board

Thomas Fahnemann

Chairman of the Management Board since 14 April 2011; previously Deputy Chairman of the Management Board since joining the company on 1 December 2010; period of office ends on 31 December 2016

Following his studies in business administration in Mainz, Germany, Thomas Fahnemann, born in 1961, completed an Executive MBA Program at Northwestern University in Chicago. Thomas Fahnemann began his professional career with Hoechst AG in Frankfurt in 1983. He subsequently assumed several executive positions in Germany and in the USA. In 1995, he was appointed Group Department Manager for Trevira in North Carolina, USA, and starting in 1998, served as Chief Operating Officer for KoSa in Houston, USA. In 2003, he became CEO and Chairman of the Management Board of Lenzing AG in Austria. From 2009 to 2010, he was Chairman of the Management Board of RHI AG, Vienna. He holds no Supervisory Board mandates in other companies that are not included in the consolidated financial statements pursuant to C-rule 16 of the Austrian Corporate Governance Code.

Johannes Schmidt-Schultes

Member of the Management Board since 15 April 2011; Chief Financial Officer (CFO); period of office ends on 30 April 2017

Johannes Schmidt-Schultes, born in 1966, concluded his studies in economics at the University of Hanover, Germany, in 1993. In 1996, he earned a doctorate at the Ludwig Maximilian University in Munich, Germany. He studied abroad at Aston University in Birmingham, UK, as well as at the University of California in Berkeley, USA. During his tenure as a university assistant, Johannes Schmidt-Schultes worked for the strategy consultants Bain & Company in Munich. From 1996 to 1999, he served as Head of the Department of Investment Controlling and Group Development at VIAG AG in Munich, and from 1999 to 2001, he was Managing Director of Finance for Kloeckner & Co in Vienna. In 2001, he moved to Deutsche Telekom Group – first as CFO of T-Mobile Austria in Vienna and then, from 2004 to 2007, of T-Mobile UK in Hatfield, UK. From 2007 to 2011, he was Deputy Chief Financial Officer of the Australian telecommunications company Telstra Corporation in Melbourne, Australia. He holds no Supervisory Board mandates in other companies that are not included in the consolidated financial statements pursuant to C-rule 16 of the Austrian Corporate Governance Code.

Richard Ehrenfeldner

Member of the Management Board since 1 October 2001; Chief Technical Officer (CTO); period of office ends on 31 May 2018

After concluding his studies in process engineering (chemical plant engineering) at the Graz University of Technology, Richard Ehrenfeldner, born in 1954, commenced his professional career in 1984 with AT&S in Leoben, where he was head of the Departments of Production and Expansion with a particular focus on large investments in expanding production capabilities. In 1989, he moved to Semperit AG Holding. As Technical Manager of the Sempermed segment, he was responsible for the expansion of manufacturing facilities as well as the construction and development of new plants in Sopron, Hungary, Hatyai, Thailand, and Shanghai, China. He holds no Supervisory Board mandates in other companies that are not included in the consolidated financial statements pursuant to C-rule 16 of the Austrian Corporate Governance Code.

Declan Daly

Member of the Management Board since 1 June 2014; Chief Information Officer (CIO); period of office ends on 31 May 2017

Declan Daly, born in 1966 in Dublin, studied electrical engineering at the Dublin City University and graduated with honours. He began his professional career in 1988 in software engineering at Asea Brown Boveri (ABB), where he specialised in industrial process automation and was responsible for sales of control systems in Ireland and Austria. In 1996, he completed an MBA programme at the INSEAD Business School in Fontainebleau, France, and then worked for three years as a management consultant at Gemini Consulting in Germany. In 2000, he moved to General Electric for ten years, where, at the beginning, he headed the Corporate Initiatives Europe department. From 2002, Declan Delay worked as Chief Operating Officer for GE Money Bank in Switzerland, where he was responsible for the modernisation and reorganisation of customer service, contract processing and collections. He was appointed CEO of GE Money Bank Austria in 2006, where he contributed in this role to the strategic reorientation of the bank's activities in preparation for its sale, which took place in 2009. From 2009 until 2014, he was Vice President Europe at Western Union, an international financial services provider. He holds no Supervisory Board mandates in other companies that are not included in the consolidated financial statements pursuant to C-rule 16 of the Austrian Corporate Governance Code.

Remuneration of the Management Board

The remuneration of the Management Board consists of a fixed salary component, a short-term variable, performance-based component, and a long-term variable, performance-based component, as well as remuneration in kind. The assessment for the short-term variable, performance-based salary component of the Management Board is based on net profit (earnings after tax), the return on total assets and individual, qualitative targets.

In line with the stipulations contained in the Austrian Corporate Governance Code, a variable, performance-based salary component that is linked to the achievement of sustainable, long-term and multi-year performance criteria has been integrated into the remuneration of all Management Board members. Based on the degree of achievement of the targeted objectives, this bonus is subsequently determined for the past financial year, credited to the bonus bank account and the balance in the bonus bank is paid out at one third each. If the pre-defined goals are not attained, no bonus will be allocated. If the target is missed by a clear margin, a negative allocation is made to the bonus bank in this salary component, or, in cases of a premature termination of the Management Board mandate, the remaining unpaid share of the bonus will not be disbursed.

The upper limit for variable, performance-based remuneration components (short- and long-term components) is between 93% and 150% of the annual fixed remuneration. In 2015, the remuneration paid to the active members of the Management Board totalled EUR 3,323 thousand (previous year: EUR 2,907 thousand), of which EUR 1,903 thousand or 57% (2014: EUR 1,592 thousand or 55%) consisted of fixed remuneration and EUR 1,420 thousand or 43% (2014: EUR 1,315 thousand or 45%) of variable salary components.

In addition, payments amounting to EUR 0 thousand were made to the former Management Board member Richard Stralz in 2015 (EUR 149 thousand in 2014).

The remuneration paid out to the former Chairman of the Management Board Rainer Zellner in 2015 amounted to EUR 0 (2014: EUR 371 thousand). Further payments totalling EUR 0 thousand were made on termination of his employment relationship (2014: EUR 371 thousand).

Remuneration paid to the Management Board

	2015				2014			
in EUR thousand	Fixed remuneration (incl. Payments in kind and daily allowances)	Variable short-term remuneration	Variable long-term remuneration (bonus bank)	Total	Fixed remuneration (incl. Payments in kind and daily allowances)	Variable short-term remuneration	Variable long-term remuneration (bonus bank)	Total
Thomas Fahnemann, Chairman	600	663	138	1,401	560	397	113	1,071
Richard Ehrenfeldner	411	184	55	649	378	371	32	781
Johannes Schmidt-Schultes	418	199	49	665	393	224	28	644
Declan Daly	474	116	18	608	261	150	0	411
Total	1,903	1,162	259	3,323	1,592	1,142	173	2,907

Contributions to pensions

A defined-contribution pension scheme has been established for the Management Board members Thomas Fahnmann, Johannes Schmidt-Schultes and Declan Daly. Annually, 1/14 of the respective fixed remuneration is paid into a pension fund (APK Pensionskasse AG). The amount of the pension is based on the capital available in the pension fund. The payout is made in accordance with the pension fund agreement. The Management Board member Richard Ehrenfeldner is covered by a pension scheme based on a reinsurance policy with Generali Versicherung AG, where 1/7 of the annual fixed remuneration is paid in. In addition, pension payments are made to previous Management Board members or their widows.

Contributions to pensions

in EUR thousand	2015	2014
Thomas Fahnmann	36	36
Johannes Schmidt-Schultes	25	25
Richard Ehrenfeldner	53	53
Declan Daly	29	19
Total	143	133

Termination benefits – severance payments

The Management Board members Thomas Fahnmann, Johannes Schmidt-Schultes and Declan Daly are subject to the Austrian Corporate Employee and Self-Employed Pension Act (Betriebliches Mitarbeiter- und Selbstständigenvorsorgegesetz – BMSVG). This Act stipulates that 1.53% of the individual's total remuneration (which includes all current remuneration, remuneration in kind and special payments) has to be paid to BONUS Vorsorgekasse AG. In total, the expenses for severance payments for these three active members of the Management Board amounted to EUR 37.6 thousand (2014: EUR 28.2 thousand). Richard Ehrenfeldner is covered by the termination benefits in accordance with legal requirements (Section 23 of the Austrian Employees Act (Angestelltengesetz – AngG)) for employment relationships in Austria that began prior to 1 January 2003 ("Abfertigung Alt"). In 2015, allocations were made to the provision for severance payments owed to Mr Ehrenfeldner amounting to EUR 11.6 thousand (2014: EUR 25.2 thousand). The total provision for severance payments stood at EUR 701.9 thousand as of 31 December 2015 (31 December 2014: EUR 665.1 thousand).

Directors- and Officers- (D&O) Insurance

A Directors and Officers (D&O) insurance has been taken out for the members of the Management Board and senior executives – no deductible is due from Management Board members in the event of a claim; the company bears the related costs.

Supervisory Board

The Supervisory Board consists of eight shareholder representatives and four employee representatives. The Supervisory Board has resolved to establish the following committees consisting of its own members to carry out specific functions: Remuneration Committee, Audit Committee, Nominating Committee, Strategy Committee, Joint Ventures Committee and Committee for Urgent Issues. The authority to make decisions and pass resolutions rests in the hands of the entire Supervisory Board. The Supervisory Board supervises the Management Board and supports it in managing the company, particularly when decisions of fundamental importance are to be made.

Meetings of the Supervisory Board and its committees

The Supervisory Board convened for six meetings during the 2015 financial year. In 2015, no member of the Supervisory Board attended less than 50% of the meetings.

Veit Sorger is Chairman of the Supervisory Board and his deputy is Felix Strohbichler.

The Audit Committee led by Patrick Prügger carried out its activities in accordance with prevailing legal regulations and defined tasks (four meetings), and in particular dealt with the 2014 annual and consolidated financial statements, risk management, the internal control system (ICS), internal auditing, the compliance organisation, corporate governance and the preparation for the audit of the annual and consolidated financial statements for 2015.

The Nominating Committee, under the chairmanship of Veit Sorger, held six meetings to deal with the Talent Development and Succession Planning Process, the assessment of candidates for the Executive Committee as well as succession planning for the Management Board.

The Strategy Committee, under the chairmanship of Veit Sorger, held four meetings, including one 1.5-day meeting, to deal with fundamental questions about the positioning of the business segments in the market and competitive environment as well as the strategic development of the group and accompanied the strategy project "Focus 2020".

The Joint Ventures Committee, under the chairmanship of Veit Sorger, convened five meetings and dealt with the relationships with the joint venture partner Sri Trang Agro-Industry Public Co Ltd. in Thailand as well as the associated legal proceedings.

The Remuneration Committee, chaired by Veit Sorger, held four meetings, at which it dealt with the performance review talks, the agreement of objectives of the members of the Management Board, the remuneration system for Management Board members, the bonus system for wage and salary earners as well as the execution of the employment agreements of the Management Board.

The Committee for Urgent Issues, chaired by Veit Sorger, did not hold any meetings.

In the financial year 2015, the Supervisory Board conducted a self-evaluation according to C-Rule 36 of the Austrian Corporate Governance Code. The evaluation was performed by distributing a questionnaire focusing on issues such as the control function of the Supervisory Board with regards to the Management Board and the Management Board's adherence to its information-notification duties towards the Supervisory Board. The results of the self-evaluation show that the activities of the Supervisory Board have been assessed as good. The Supervisory Board implemented individual suggestions for improvement from the 2014 self-evaluation process. In addition, a catalogue of measures was established aiming at achieving a further improvement in the efficiency of the Supervisory Board's activities.

Corporate bodies of Semperit AG Holding: Supervisory Board

Composition of the Supervisory Board

		Year of birth	First appointed	End of current term of office ¹⁾	Supervisory board position in other listed companies ⁴⁾
Shareholder representative					
Veit Sorger Chairman	^{2) 3)}	1942	26/05/2004	Until the Annual General Meeting resolving upon the 2018 financial year	Lenzing AG (Deputy Chairman), Binder+Co AG
Felix Strohbichler Deputy Chairman	²⁾	1974	28/05/2015	Until the Annual General Meeting resolving upon the 2018 financial year	Lenzing AG (Deputy Chairman)
Michael Junghans Deputy Chairman	²⁾	1967	28/04/2010	Resigns the mandate on 28/04/2015 (date of the Annual General Meeting)	–
Stefan Fida Member	^{2) 3)}	1979	29/04/2014	Until the Annual General Meeting resolving upon the 2016 financial year	–
Walter Koppensteiner Member	^{2) 3)}	1959	23/04/2012	Until the Annual General Meeting resolving upon the 2018 financial year	–
Patrick Prügger Member	²⁾	1975	14/04/2011	Until the Annual General Meeting resolving upon the 2016 financial year	Lenzing AG, AMAG Austria Metall AG
Andreas Schmidradner Member	²⁾	1961	20/05/2008	Until the Annual General Meeting resolving upon the 2015 financial year	–
Astrid Skala-Kuhmann Member	^{2) 3)}	1953	29/04/2014	Until the Annual General Meeting resolving upon the 2016 financial year	Lenzing AG
Ingrid Wesseln Member	^{2) 3)}	1966	23/04/2012	Until the Annual General Meeting resolving upon the 2018 financial year	–
Employee representative					
Sigrid Haipl		1960	26/03/2012	–	Works Council function Member of the Central Works Council of Semperit AG Holding, Member of the European Works Council, Chair of the Works Council – White-collar workers, Vienna
Alexander Hollerer		1954	01/07/1998	–	Chairman of the Central Works Council of Semperit AG Holding, Chairman of the European Works Council, Chairman of the Works Council – White-collar workers, Wimpassing
Michaela Jagschitz		1961	29/04/2014	–	Member of the Works Council – White-collar workers, Wimpassing
Andreas Slama		1966	31/01/2009	Until 02/03/2015	
Karl Voitl		1966	20/03/2015	–	Deputy Chairman of the Central Works Council of Semperit AG Holding, Deputy Chairman of the European Works Council, Chairman of the Works Council – Blue-collar workers, Wimpassing

¹⁾ Pursuant to the Articles of Association, one fifth of the members of the Supervisory Board automatically leave their positions every year at the end of the Annual General Meeting.

²⁾ Have declared their independence vis-à-vis the Supervisory Board in accordance with C-Rule 53 of the Austrian Corporate Governance Code.

³⁾ No representation by a shareholder over 10% (C-Rule 54 of the Austrian Corporate Governance Code).

⁴⁾ As of 15 March 2016

Composition of the Committees of the Supervisory Board¹⁾

Committee	Members
Audit Committee	Patrick Prügger (Chairman, financial expert) Alexander Hollerer Andreas Schmidradner Veit Sorger Felix Strohbichler Karl Voitl
Remuneration Committee	Veit Sorger (Chairman) Stefan Fida Sigrid Haipl Alexander Hollerer Andreas Schmidradner Felix Strohbichler
Nominating Committee	Veit Sorger (Chairman) Stefan Fida Sigrid Haipl Alexander Hollerer Felix Strohbichler Ingrid Wesseln
Strategy Committee	Veit Sorger (Chairman) Alexander Hollerer Walter Koppensteiner Andreas Schmidradner Astrid Skala-Kuhmann Felix Strohbichler Karl Voitl
Joint Ventures Committee	Veit Sorger (Chairman) Stefan Fida Alexander Hollerer Patrick Prügger Felix Strohbichler
Committee for Urgent Issues	Veit Sorger (Chairman) Alexander Hollerer Felix Strohbichler

¹⁾ As of 15 March 2016

Guidelines for the independence of Supervisory Board members

A member of the Supervisory Board shall be deemed independent if he/she has no business or personal relations with the company or its Management Board that would constitute a material conflict of interest and could thus influence the member's behaviour.

In evaluating the independence of a Supervisory Board member, the Supervisory Board uses the following guidelines, which correspond to those contained in Appendix 1 of the January 2015 version of the Austrian Corporate Governance Code:

- The Supervisory Board member shall not have been a member of the Management Board or as a managing employee 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 business relationships with companies in which the Supervisory Board member has a considerable economic interest, but not for exercising functions in the bodies of the group. According to L-Rule 48, the approval of individual transactions by the Supervisory Board does not automatically mean that the person is qualified as not independent.

- The Supervisory Board member shall not have been the 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 serve on the Supervisory Board for more than 15 years. This limitation does not apply to Supervisory Board members who are shareholders with a direct investment in the company or who represent the interests of such a shareholder.
- The Supervisory Board member shall not be a close relative (direct offspring, spouses, life partners, parents, uncles, aunts, siblings, nieces, nephews) of a Management Board member or of persons having one of the aforementioned relations.

Remuneration of the Supervisory Board

On 28 April 2015, the Annual General Meeting approved the remuneration structure for the members of the Supervisory Board for 2014. A Directors and Officers (D&O) insurance has been taken out for the members of the Supervisory Board; the company bears the related costs.

Remuneration paid in the 2014 financial year to shareholder representatives in the Supervisory Board¹⁾

in EUR	Base remuneration	Remuneration for membership of the committee	Attendance fee	Total
Veit Sorger	40,000	43,120	10,500	93,620
Michael Junghans	30,000	21,880	10,500	62,380
Stefan Fida ²⁾	13,330	8,330	8,500	30,160
Patrick Prügger	20,000	16,670	10,000	46,670
Andreas Schmidradner	20,000	10,000	10,000	40,000
Walter Koppensteiner	20,000	5,000	6,500	31,500
Astrid Skala-Kuhmann ²⁾	13,330	-	5,500	18,830
Ingrid Wesseln	20,000	5,000	5,000	30,000
Total	176,660	110,000	66,500	353,160

¹⁾ Employee representatives receive no remuneration.

²⁾ Member of the Supervisory Board since 29/04/2014

Compliance directive

In order to implement and ensure compliance with all relevant stock exchange regulations, Semperit has issued its own Compliance Policy designed to prevent the misuse or dissemination of insider information. Compliance is monitored and administered by a specially designated Compliance Officer who reports directly to the Management Board. The Compliance Directive can be viewed at the following link: www.semperitgroup.com/en/compliance.

Code of Conduct

Beyond stock exchange compliance, Semperit Group has a compliance organisation that covers all corporate units. A Group Compliance Officer receives support in fulfilling his responsibilities from 15 compliance officers working in the largest subsidiaries of the Semperit Group. The Group Compliance Officer reports any incidents to the Compliance Committee and the Management Board. The Compliance Committee meets regularly.

The Code of Conduct applies to all employees and managers. Its most important objectives are to avoid corruption, money laundering, human rights violations and insider trading. In addition, it deals with aspects of data protection, export restrictions and the protection of the interests of all stakeholders. These requirements for behaviour are further specified in thematic compliance guidelines that are available to all employees in more than ten languages. Employees receive an in-depth and practical training on the matters referred to in the Code of Conduct. In addition, the relevant employees are regularly updated about current issues, or when appropriate. The Code of Conduct can be viewed at the following website: www.semperitgroup.com/en/compliance.

Advancement of women

Semperit sees itself as a fair and responsible employer, and would therefore like to offer equal opportunities to every employee. Using flexible work models such as flexitime and part-time work, as well as special parental part-time arrangements, the group aims at continuously increasing the proportion of female employees. As a traditional industrial company with a technical focus, the share of women in Austria was somewhat more than 20% at the end of 2015. The share of female employees amounted to more than 25% throughout Europe and to around 20% group-wide. The share of women in the Supervisory Board was one third at the end of 2015. There were no women in the Management Board. Overall, the share of women in management (Management Board, Executive Committee, Management Forum, department heads) was more than 7%.

Directors' Dealings

In accordance with Section 48d of the Austrian Stock Exchange Act (Börsegesetz – BörseG), share purchases or sales by members of the Management and Supervisory Boards must be reported to the Austrian Financial Market Authority within five working days following the conclusion of the transaction. They will be published on its website at: <https://www.fma.gv.at/en/companies/issuers/directors-dealings/directorsdealings-database.html>.

Internal Audit & Risk Management

The Internal Audit & Risk Management department reports directly to the Management Board and prepares an audit plan and an annual activity report for the previous financial year. The Management Board discusses these reports with the members of the Supervisory Board. In addition, the department performs risk management tasks. This includes, in particular, the central coordination and monitoring of risk management processes for the group as a whole, as well as risk assessment and comprehensive reporting to the Management and Supervisory Boards. The effectiveness of the company's risk management system is evaluated by the group's auditor according to the C-Rule 38 of the Corporate Governance Code and on the basis of the reports and other documents provided. The auditor's report is presented to the Management Board as well as to the Supervisory Board.

The purpose of the internal control system of the Semperit Group is to ensure the effectiveness and efficiency of business operations, the reliability of financial reporting, and adherence to applicable laws and regulations. It also supports the early recognition and monitoring of risks from inadequate monitoring systems and fraudulent actions, and is revised and expanded on an ongoing basis by the Internal Audit & Risk Management department together with the relevant specialist departments. The management of the respective business units is responsible for the implementation and monitoring of the ICS and the risk management system. Cross-sectoral, group-wide standards and regulations are determined by the Management Board of Semperit AG Holding. Follow-up audits are undertaken at the various locations to ensure a sustainable implementation of the standards and regulations.

External evaluation

In accordance with R-Rule 62 of the Austrian Corporate Governance Code, the Semperit Group engaged an external organisation in 2014 to evaluate its compliance with the stipulations contained in the Code and the accuracy of the associated public reporting for the 2013 financial year. This evaluation, which was performed by KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, did not identify any facts inconsistent with the declaration of the Management Board and Supervisory Board found in the Corporate Governance Report 2013 of the company with respect to its compliance with the C-Rules and R-Rules of the Austrian Corporate Governance Code. In accordance with R-Rule 62, a new evaluation will take place for the 2016 financial year.

Vienna, 15 March 2016

The Management Board



Thomas Fahnemann
Chairman of the Management Board



Johannes Schmidt-Schultes
Chief Financial Officer



Richard Ehrenfeldner
Chief Technical Officer



Declan Daly
Chief Information Officer

Report of the Supervisory Board

Dear Sir or Madam,



Veit Sorger,
Chairman of the
Supervisory Board

The Semperit Group achieved good results in 2015 despite varying degrees of regional economic and geopolitical uncertainty and despite a decline in prices for raw material.

The Supervisory Board held six meetings during the 2015 financial year, fulfilling its duties required by law and the company's statutes. The meetings focused primarily on business performance, the discussion of opportunities for the further strategic development of the group as well as the discussion on and resolution for key business events and measures.

The Management Board reported to the Supervisory Board on the development of business on a monthly regular basis. Prior to Supervisory Board meetings, detailed written documents about the group were made available. Beyond the meetings, the Management Board reported regularly to the Chairman of the Supervisory Board and his deputy on the business development and the group's situation.

In four meetings held during the reporting year, the Audit Committee dealt in particular with the 2014 annual and consolidated financial statements, risk management, the internal control system (ICS), internal auditing, the compliance organisation, corporate governance and the preparation for the 2015 audit of the annual and consolidated financial statements.

The Nominating Committee held six meetings to deal with the Talent Development and Succession Planning Process, the assessment of candidates for the Executive Committee as well as succession planning for the Management Board.

The Strategy Committee met four times, one of the meetings lasting 1.5 days, and dealt with fundamental questions about the positioning of the business segments in the market and the competitive environment as well as the strategic development of the group. In addition, the Strategic Committee accompanied the strategy project "Focus 2020".

The Joint Ventures Committee convened five meetings and dealt with the relationships with the joint venture partner Sri Trang Agro-Industry Public Co Ltd. in Thailand as well as with the associated legal proceedings.

The Remuneration Committee held four meetings, at which it dealt with the Performance Review discussions, the agreement on objectives of the members of the Management Board, the remuneration system for Management Board members, the bonus systems for wage and salary earners as well as the execution of the employment agreements of the Management Board.

There was no need for meetings of the Committee for Urgent Issues, which was established according to the Austrian Corporate Governance Code.

Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H. of Vienna as annual auditor for the financial year 2015 audited the annual financial statements 2015 of Semperit AG Holding including the management report and the corporate governance report as well as the consolidated financial statements 2015, which were prepared in compliance with International Financial Reporting Standards (IFRS), and the group management report. The auditor issued an unqualified audit opinion on the annual financial statements and the consolidated financial statements 2015 of Semperit AG Holding.

In its meeting held on 8 March 2016, the Audit Committee of the Supervisory Board dealt in particular with the annual financial statements, the corporate governance report, the consolidated financial statements, the group management report and the auditor's report. Moreover, the Committee discussed the results of the audit in detail with the auditor. On the basis of its own audit, the Audit Committee concurred with the auditor's results and reported them to the Supervisory Board. Based on the efficient auditing process for the consolidated financial statements of 2015, the Audit Committee recommended to the Supervisory Board to propose to the Annual General Meeting the reappointment of Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H., Vienna, as auditor for the financial year 2016.

The Supervisory Board has examined the annual financial statements, the consolidated financial statements, the management report, the group management report and the corporate governance report, and concurs with the conclusions of the auditor. The Supervisory Board formally approves the annual financial statements for the 2015 financial year, which are consequently adopted in accordance with Section 96 (4) of the Austrian Stock Corporation Act. The Corporate Governance report, management report and consolidated financial statements for 2015 have been approved by the Supervisory Board. The Supervisory Board follows the recommendation of the Audit Committee and proposes to the Annual General Meeting to reappoint Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H., Vienna, for auditing the financial year 2016.

The Supervisory Board accepts the Management Board's proposal on the distribution of profits, according to which a dividend of EUR 1.20 per eligible share is to be paid from Semperit AG Holding's reported net profit for the period of EUR 24,798 thousand, with the remaining profit carried forward.

On behalf of the entire Supervisory Board, I would like to thank the Management Board and all members of staff for their commitment and the good results they achieved for the past financial year. I would also like to thank the shareholders and customers of the Semperit Group for the faith they have placed in the company.

Vienna, 15 March 2016

Dr. Veit Sorger m.p.

Chairman of the Supervisory Board