



Corporate- Governance- Report 2016

(in accordance with section 243b UGB)

The foremost goal of Flughafen Wien AG is to create and maintain a sustainable increase in the value of the company. Management is committed to responsible corporate management in order to achieve this goal.

Commitment to responsible corporate management

Flughafen Wien AG has been committed to the Austrian Corporate Governance Code since 2003, and renewed this commitment to the 2015 version of the code in the financial year 2015. The Code can be accessed at www.corporate-governance.at.

Flughafen Wien AG complies with all regulations of the Austrian Corporate Governance Code with the exception of rule 16, first sentence (a chairman of the Management Board was not appointed in order to promote team spirit between its members), and rule 62 (there is no external evaluation as all regulations of the Code are complied with except rule 16).

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Management

The members of the Management Board of Flughafen Wien AG in the 2016 reporting year were Julian Jäger and Günther Ofner.

› Organisational structure by function in the 2016 financial year

Management Board Günther Ofner	Management Board Julian Jäger
Real Estate Management Wolfgang Scheibenpflug, MRICS	Operations Nikolaus Gretzmacher, MBA
Planning, Construction & Facility Management Georg Kroyer¹	Handling Services Wolfgang Fasching
Finance and Accounting Rita Heiss	Center Management Björn Olsson, MSc²
Strategy, Controlling and Group Shareholdings Andreas Schadenhofer	Information Systems Susanne Ebm
Secretary General Wolfgang Köberl, MBA	Internal Audit Günter Grubmüller
Personnel Christoph Lehr	
Corporate Communications Stephan Klasmann	
Purchasing Andreas Eder	

1) Under the interim management of Friedrich Stemberger from 17 December 2016, since 1 March 2017 Judith Engel

2) Since 13 June 2016

› Joint signatories in the 2016 financial year

Andreas Eder
Wolfgang Fasching
Nikolaus Gretzmacher, MBA
Andreas Schadenhofer
Rita Heiss
Stephan Klasmann
Wolfgang Köberl, MBA
Georg Kroyer
Christoph Lehr
Wolfgang Scheibenpflug, MRICS
Günter Grubmüller
Susanne Ebm
Adil Raihani ¹
Werner Hackenberg ¹

1) Position discontinued on 16 January 2016

Management Board

› Member of the Management Board Julian Jäger

Born in 1971, he joined the legal department of Flughafen Wien AG back in 2002 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. By way of resolution of the Supervisory Board of 23 June 2015, Mr Jäger was appointed as a member of the Management Board of Flughafen Wien AG for another five-year period until 4 September 2021.

Memberships of supervisory boards or comparable functions at non-Group companies:

› Österreichische Gesellschaft für Zivilluftfahrt mit beschränkter Haftung

› Member of the Management 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. He served as the CEO of UTA Telekom AG from 2004 to 2005. He then became the Managing Director and Head of M&A at various Austrian and foreign subsidiaries of EVN AG from 2005 to 2011, as well as member of the Management Board of Burgenland Holding AG. He was appointed to the Management Board of Flughafen Wien AG on 5 September 2011. By way of resolution of the Supervisory Board of 23 June 2015, Mr Ofner was appointed as a member of the Management Board of Flughafen Wien AG for another five-year period until 4 September 2021.

Memberships of supervisory boards or comparable functions at non-Group companies:

› Hypo NOE Gruppe Bank AG (Chairman)

› Wiener Städtische Wechselseitiger Versicherungsverein – Vermögensverwaltung – Vienna Insurance Group

› Working methods of the Management Board

The activities of the Management Board are defined by law, the Articles of Association and its Rules of Procedure. The Rules of Procedure regulate the distribution of operational responsibilities and the cooperation between the members of the Management Board. They also list the information and reporting obligations of the Management Board and include a catalogue of measures that require the approval of the Supervisory Board. The Management Board holds meetings on a regular basis to discuss the development of business and, in these meetings, makes decisions that require the approval of the full Management Board. The members of the Management Board also exchange information on relevant activities and events on a regular basis.

› Management Board remuneration

The remuneration of the Management Board includes a fixed and a performance-based component in addition to non-cash remuneration. The variable component is linked to specific targets.

In accordance with rule 27 of the Austrian Corporate Governance Code, 50% of the variable remuneration of 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, the EBITDA margin, ROCE and the amount of the dividend. 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. Under the new Management Board agreement of 5 September 2016, maximum variable remuneration is reduced to 66.6% from the former level of 100% of fixed remuneration.

Details on the remuneration paid to the individual members of the Management Board can be found under note (42) to the consolidated financial statements. The company makes payments equalling 15% of their respective salary into a pension fund on behalf of Julian Jäger and Günther Ofner.

The contracts are in accordance with the Austrian Corporate Governance Code.

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 on 30 April 2013 until the Annual General Meeting that votes on their release from liability for the 2017 financial year. Ewald Kirschner was elected as the Chairman of the Supervisory Board at the 165th meeting of the Supervisory Board on 30 April 2013. 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	29.04.2011	-
Erwin Hameseder, deputy since 30 April 2013, 1956	General Director of Raiffeisen-Holding NÖ-Wien reg. Gen. mbH	31.08.2011 ¹⁾	Strabag SE, AGRANA Beteiligungs-Aktiengesellschaft, Raiffeisen Bank International AG, UNIQA Insurance Group AG, Südzucker AG
Wolfgang Ruttensdorfer, deputy since 29 April 2011, 1950	Chairman of the Supervisory Board of CA Immobilien Anlagen AG	29.04.2011	CA Immobilien Anlagen AG (Chairman), RHI AG, NIS a.d. Naftna industrija Srbije, Telekom Austria Aktiengesellschaft
Gabriele Domschitz, 1959	Member of the Management Board of Wiener Stadtwerke Holding AG	29.04.2011	-
Bettina Glatz-Kremsner, 1962	Member of the Management Boards of Casinos Austria AG and Österreichische Lotterien GesmbH	29.04.2011	EVN AG
Burkhard Hofer, 1944	General Director of EVN AG (retired)	20.08.2009	-
Robert Lasshofer, 1957	CEO of Wiener Städtische Versicherung AG Vienna Insurance Group	30.04.2013	-
Herbert Paierl, 1952	pcb Paierl Consulting Beteiligungs GmbH	30.04.2013	-
Karin Rest, 1972	RSB Rechtsanwälte GmbH	30.04.2013	-
Gerhard Starsich, 1960	General Director of Münze Österreich Aktiengesellschaft	30.04.2013	-

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

› Members of the Supervisory Board

Name, year of birth	Profession	First appointed on	Positions on other supervisory boards and comparable functions
Delegated by the Works Committee			
Thomas Schäffer, 1983	Chairman of the Salaried Employees' Works Committee		-
Michael Straßegger ¹ , 1966	Deputy Chairman of the Salaried Employees' Works Committee		-
Herbert Frank, 1972	Deputy Chairman of the Salaried Employees' Works Committee		-
Thomas Faulhuber, 1971	Waged Employees' Works Committee		-
Heinz Strauby, 1974	Waged Employees' Works Committee		-
David John ² , 1973	Deputy Chairman of the Waged Employees' Works Committee		-

1) Until 10 November 2016

2) Since 10 November 2016

› Representatives of free float shareholders

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

› Work processes of the Supervisory Board

The Supervisory Board monitors corporate management and can request a report from the Management Board on business-related issues and review the company's books and documents at any time. The transactions itemised in section 95(5) of the Austrian Stock Corporation Act and the activities listed in the Rules of Procedure of the Management Board require the approval 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 regularly report to the Supervisory Board on their work. The Supervisory Board is required to designate a 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 Management 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 and the duties of the Remuneration Committee in accordance with rule 43.

› Members of the Presidium and Personnel Committee

Ewald Kirschner (Chairman)	Thomas Schäffer
Erwin Hameseder	Thomas Faulhuber
Wolfgang Rutenstorfer	

› 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)	Thomas Schäffer
Erwin Hameseder	Thomas Faulhuber
Wolfgang Rutenstorfer	Heinz Strauby ¹
Gabriele Domschitz	Herbert Frank ²
Bettina Glatz-Kremsner	

1) Until 10 November 2016

2) From 10 November 2016

› Audit Committee

The Audit Committee deals with accounting issues and the audit of the company and the Group. It also evaluates the report by the auditor on the audit of the annual financial statements reports on this to the Supervisory Board. This committee is responsible for examining and preparing resolutions by the Supervisory Board on the adoption of the annual financial statements, the proposal for the distribution of profits and the management report, the audit of the consolidated financial statements, the 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 proposal for the selection of the auditor and monitors its independence. Furthermore, it is responsible for the content of the management letter and the report on the effectiveness of risk management. Since 30 April 2013, the Chairman of this committee has been 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	Thomas Schäffer
Ewald Kirschner	Heinz Strauby
Burkhard Hofer	Thomas Faulhuber

› Construction Committee

The Construction Committee works on current planning and construction issues, especially with regard to terminal development, 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 Construction Committee

Ewald Kirschner (Chairman)	Herbert Frank
Gabriele Domschitz	Michael Straßegger ¹
Burkhard Hofer	David John ²
Gerhard Starsich	

1) Until 10 November 2016
2) From 10 November 2016

For information on the frequency of meetings and key issues in the meetings of the Supervisory Board and its committees, please refer to the report of the Supervisory Board on page 67.

› Remuneration of the Supervisory Board members 2016¹

The remuneration scheme for the Supervisory Board calls for an annual payment of € 16,200 to the Chairman, € 13,500 for each deputy and € 10,800 for each ordinary member plus a standard attendance fee of € 500 per meeting. The following table provides details on the remuneration paid to the individual members of the Supervisory Board.

Ewald Kirschner	€ 23.700	Herbert Paierl	€ 12.800
Erwin Hameseder	€ 20.000	Robert Lasshofer	€ 12.800
Wolfgang Ruttenstorfer	€ 19.500	Thomas Faulhuber	€ 5.500
Gabriele Domschitz	€ 16.800	Heinz Strauby	€ 5.000
Burkhard Hofer	€ 16.300	Thomas Schäffer	€ 4.000
Gerhard Starsich	€ 14.300	Herbert Frank	€ 3.500
Bettina Glatz-Kremsner	€ 13.300	Michael Straßegger	€ 3.000
Karin Rest	€ 13.300	David John	€ 500

1) The Supervisory Board remuneration for 2015 and attendance fees for 2016 were paid out in the 2016 financial year.

› Guidelines for the independence of the Supervisory Board members

The criteria for the independence of the Supervisory Board 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.

› Self-evaluation of the Supervisory Board

In the 2016 financial year, the Supervisory Board commissioned an external auditor to evaluate its activities, and in particular to evaluate its organisation and working methods. The results of this audit were discussed at the 182nd meeting of the Supervisory Board on 15 September 2016. The audit attested to a very high and professional level in the Supervisory Board.

Internal audit and risk management

The internal audit department reports directly to the Management Board and prepares an annual audit programme and an activity report for 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.

Auditor

KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, 1090 Vienna, Porzellangasse 51, was elected as the auditor of the financial statements by the 28th Annual General Meeting of Flughafen Wien AG, and engaged 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:

Expenses for the auditor for the 2016 financial year amounted to € 275.7 thousand for the audit of the financial statements, € 12.0 thousand for other assurance services and € 159.1 thousand for other services.

Compliance rules

Flughafen Wien implemented the provisions of the Austrian Issuer Compliance Regulation and the directly applicable Market Abuse Regulation in its internal compliance policy. To prevent the abuse or forwarding of insider information, permanent non-disclosure areas have been established, which are supplemented by temporary non-disclosure areas as needed.

This covers all employees and executive bodies of Flughafen Wien AG working in Austria and abroad, but also third-party service providers, who have access to inside 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 reports to the Supervisory Board each year and prepares a written report that is suitably sent to the Austrian Financial Market Authority.

Ad-hoc publications and directors' dealings

Ad hoc publication requirements are satisfied by disclosures on the company's website. In the 2016 financial year, there were no purchases or sales of Flughafen Wien AG shares by members of executive bodies or managers (directors' dealings) that would be subject to the reporting requirements of the Austrian Stock Exchange Act.

Promotion of women

The proportion of women within the Flughafen Wien Group was 23.4% in 2016. This can be attributed to the proportion in the specialist activities at Vienna Airport – two thirds of the employees working at the airport perform heavy physical work. Nevertheless, Vienna Airport is an attractive employer for women as specific measures have been implemented to support work-life balance, and suitable career opportunities have been created. It is a clear goal of the company to increase the proportion of women in management positions. The proportion of women in management positions at Flughafen Wien AG is currently 23.1% on the first management level. Equal opportunities and equal treatment at the workplace are a matter of course in the Flughafen Wien Group. 30.0% of the shareholder representatives on the Supervisory Board of Flughafen Wien AG are female.

Schwechat, March 2017

The Management Board



Julian Jäger
Member, COO



Günther Ofner
Member, CFO



www.viennaairport.com