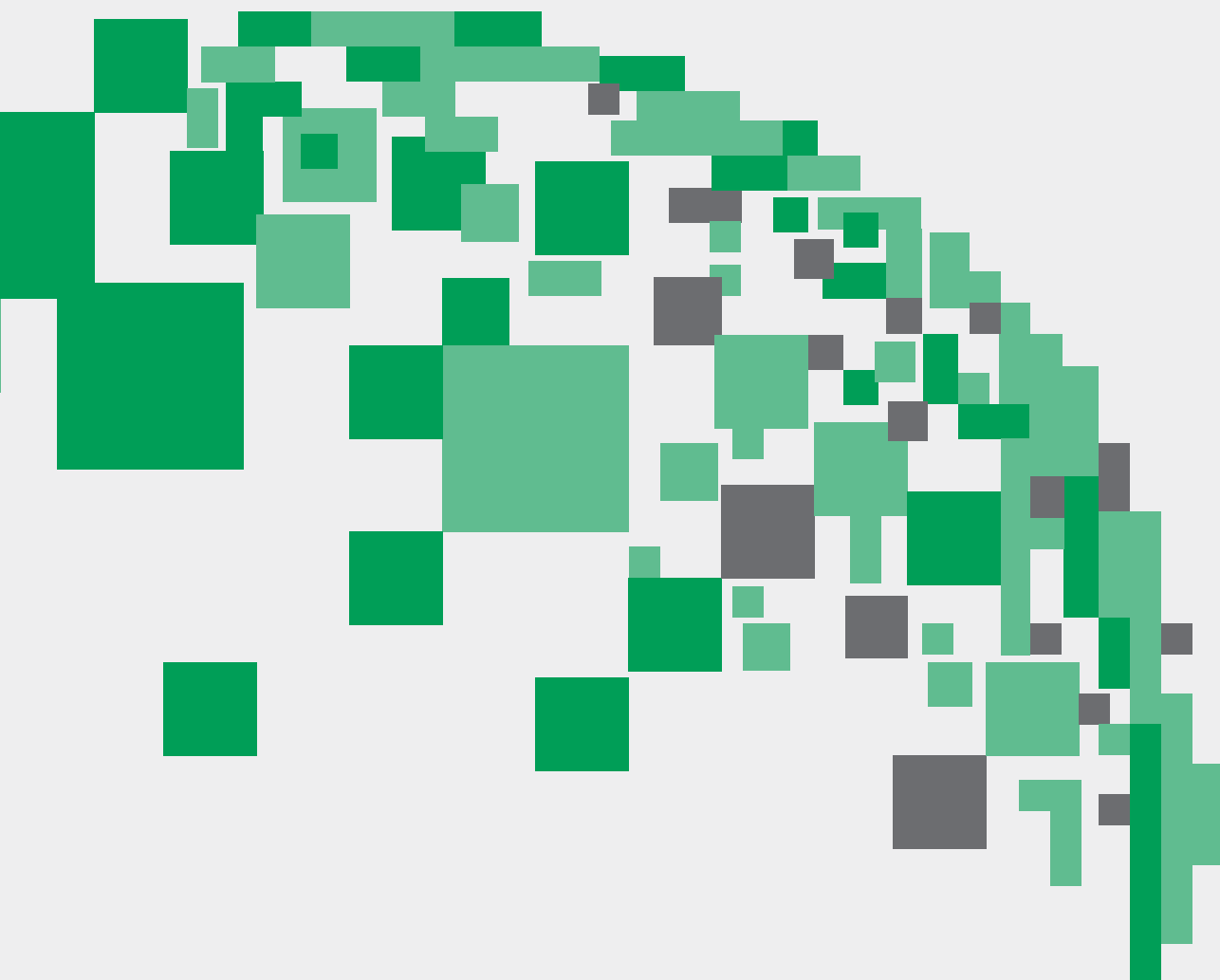


**HEIDELBERGCEMENT**

Agenda

**ANNUAL GENERAL MEETING  
2021**



# Invitation to the Annual General Meeting

We hereby invite our shareholders to attend the Annual General Meeting which will be held on Thursday, 6 May 2021, at 10:00 a.m. (CEST) as virtual meeting without the physical presence of shareholders or their proxies (with the exception of the Company's proxies).

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## Agenda

### **1. Submission of the adopted annual financial statements, the approved consolidated financial statements of the Group, the combined management report of HeidelbergCement AG and HeidelbergCement Group, as well as the report of the Supervisory Board for the 2020 financial year**

The above documents also include the remuneration report, the explanatory report on the statements in accordance with sections 289a para. 1 and 315a para. 1 of the German Commercial Code (HGB) as well as the Corporate Governance statement with the Corporate Governance reporting for the 2020 financial year. They form part of the Annual Report 2020, with the exception of the adopted annual financial statements of HeidelbergCement AG. These documents and the Managing Board's proposal for the appropriation of the profit may be viewed on the Internet at [www.heidelbergcement.com/en/annual-general-meeting-2021](http://www.heidelbergcement.com/en/annual-general-meeting-2021) before and during the General Meeting. In accordance with the statutory provisions, no resolution will be passed on agenda item 1, since the Supervisory Board has already approved the annual financial statements and consolidated financial statements and the annual financial statements have thus been adopted.

### **2. Resolution on the appropriation of the balance sheet profit**

The balance sheet profit for the 2020 financial year of HeidelbergCement AG amounts to €440,326,962.15. The Managing Board and Supervisory Board propose:

- a) that a dividend in the amount of €2.20 be paid out of the balance sheet profit for each share carrying dividend rights. If this proposal is accepted, dividends in the total amount of €436,516,249.40 would be paid for the 198,416,477 no-par value shares carrying dividend rights for the 2020 financial year; and
- b) that the remaining balance sheet profit in the amount of €3,810,712.75 be carried forward in full.

In accordance with section 58 para. 4 sentence 2 of the German Stock Corporation Act, the dividends are due on the third business day following the General Meeting, i.e. on 11 May 2021.

**3. Resolution on the discharge of the Managing Board for the 2020 financial year**

The Managing Board and the Supervisory Board propose that discharge be granted to the members of the Managing Board for the 2020 financial year.

It is intended that the General Meeting will resolve on the approval of the actions of the members of the Managing Board by way of separate votes.

**4. Resolution on the discharge of the Supervisory Board for the 2020 financial year**

The Managing Board and the Supervisory Board propose that discharge be granted to the members of the Supervisory Board for the 2020 financial year.

It is intended that the General Meeting will resolve on the approval of the actions of the members of the Supervisory Board by way of separate votes.

**5. Resolution on the appointment of the auditor for the 2021 financial year**

The Supervisory Board proposes, based on the recommendation of its Audit Committee, that PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, Germany, be appointed as the auditor of the annual financial statements and consolidated financial statements for the 2021 financial year as well as the auditor to review the abbreviated financial statements and the interim management report of the Group for the first six months of the 2021 financial year, insofar as these are subject to a review by an auditor.

The Audit Committee has stated that its recommendation is free from undue influence by third parties and no clause restricting the choice within the meaning of Art. 16 para. 6 of the EU Audit Regulation (Regulation (EU) No 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities and repealing Commission Decision 2005/909/EC).

**6. Resolution on the authorisation to acquire treasury shares pursuant to section 71 para. 1 no. 8 of the German Stock Corporation Act and to use them with the possible exclusion of subscription rights**

The Managing Board and the Supervisory Board propose the adoption of the following resolution:

- a) The Company is authorised to acquire treasury shares until the end of 5 May 2026 once or several times, in whole or in partial amounts, up to a total of 10% of the share capital at the time for any permissible purpose within the scope of

the legal restrictions under the conditions stipulated below. The authorisation may not be used for the purpose of trading in treasury shares.

Pursuant to section 71 para. 2 sentence 1 of the German Stock Corporation Act, at no time may more than 10% of the respective share capital be attributable to the acquired treasury shares combined with other shares which the Company has already acquired and still possesses.

The shares may be acquired via the stock exchange or by way of a public purchase offer or by means of a public call for the submission of offers to sell or by issuing rights to sell shares to the shareholders.

- aa) If the shares are acquired via the stock exchange, the equivalent value paid by the Company to acquire a share (without ancillary acquisition costs) may not exceed or fall below the price in the Xetra trading system on the Frankfurt Stock Exchange (or a functionally comparable successor system), as determined on the trading day by the opening auction, by more than 5%.
- bb) If the shares are acquired outside the stock exchange by way of a public purchase offer, the purchase price per share (without ancillary acquisition costs) offered by the Company may not be more than 10% higher or lower than the non-weighted average closing price of shares of the Company of the same kind in the Xetra trading system on the Frankfurt Stock Exchange (or a functionally comparable successor system) in the last three trading days prior to the final decision of the Managing Board on the offer. Should, after the publication of a purchase offer, the relevant price deviate to a considerable extent from the offered purchase price, the offer may be adjusted. In such a case, the average closing price of shares of the Company of the same kind in the Xetra trading system on the Frankfurt Stock Exchange (or a functionally comparable successor system) from the sixth to the second trading days prior to the publication of any adjustment will be used as a basis and the 10% limit will be applied to this amount.

The volume of the public purchase offer may be restricted. Insofar as, in the case of a public purchase offer, the volume of the offered shares exceeds the intended repurchase volume, the acquisition may be performed, subject to the partial exclusion of any statutory right of the shareholders to sell the shares in this regard, according to the proportion of offered shares (offer quotas) instead of according to the proportion of the participations held by the offering shareholders in the Company (participation quotas). Moreover, offers for low numbers of shares of up to 100 shares per shareholder may be given preferential treatment, and the number of shares may be rounded according to commercial principles in order to avoid fractional shares, subject to the partial exclusion of any statutory right of the shareholders to sell the shares in this regard.

- cc) Insofar as the acquisition takes place via a public call for the submission of offers to sell sent to all shareholders, the Company will set a purchase price range per share within which the offers to sell can be submitted. The purchase price range may be adjusted should, during the offer period, the price deviate to a considerable extent from the price at the time of the publication of the call for the submission of offers to sell. The purchase price per share (without ancillary acquisition costs) to be paid by the Company as determined by the Company on the basis of the offers to sell received may not be more than 10% higher or lower than the average of the non-weighted closing prices of shares of the Company of the same kind in the Xetra trading system (or a functionally comparable successor system) in the last three trading days prior to the day of acceptance of the offers to sell.

The volume of accepted shares may be restricted. Insofar as the restriction of the volume means that not all of a number of similar offers to sell can be accepted, the acquisition may be performed, subject to the partial exclusion of any statutory right of the shareholders to sell the shares in this regard, according to the proportion of the offer quotas instead of according to participation quotas. Moreover, offers for low numbers of shares of up to 100 shares per shareholder may be given preferential treatment, and the number of shares may be rounded according to commercial principles in order to avoid fractional shares, subject to the partial exclusion of any statutory right of the shareholders to sell the shares in this regard.

- dd) Insofar as the acquisition takes place by means of rights to sell made available to the shareholders by the Company ("**Created Rights to Sell**"), these can be allocated per share of the Company. According to the proportion of the share capital of the Company to the volume of the shares to be repurchased by the Company, a correspondingly set number of Created Rights to Sell will confer the right to sell one share of the Company to the latter. Created Rights to Sell may also be allocated in such a way that one Created Right to Sell is in each case allocated to a number of shares that arises from the proportion of the share capital to the volume to be repurchased. Fractional Created Rights to Sell will not be allocated; in such a case, the corresponding partial rights to sell will be excluded. The price or the limits of the offered purchase price range (in each case without ancillary acquisition costs) at which a share can be sold to the Company by exercising the Created Right to Sell will be determined in accordance with the provisions of paragraph bb) above, in terms of which the reference date will be the date of the final decision of the Managing Board on the repurchase offer with the granting of rights to sell, and adjusted as necessary, in terms of which the reference date will be then the date of the final decision of the Managing Board on the adjustment. The Managing Board of the Company will determine the further details of the Created Rights to Sell, especially their content, term and, if applicable, whether they can be traded.

- b) The Managing Board is authorised, in addition to selling acquired treasury shares via the stock exchange or, with due observance of the equal treatment principle, by way of a public offer sent to all shareholders, to use the acquired treasury shares for all other purposes permitted by law, in particular
- aa) to sell these, with the consent of the Supervisory Board, to third parties in a manner other than via the stock exchange. This is subject to the condition that the price at which the shares are sold (without ancillary acquisition costs) does not fall significantly below the stock exchange price of Company shares of the same kind at the time of the sale;
  - bb) to sell these, with the consent of the Supervisory Board, to third parties in return for non-cash consideration as part of business combinations or for the acquisition of undertakings, parts of undertakings and/or participations in undertakings;
  - cc) to use these to fulfil or secure obligations or rights to purchase shares of the Company, especially arising from and in connection with convertible/warrant bonds issued, in the past or in future, by the Company or a Group company of the Company within the meaning of section 18 of the German Stock Corporation Act;
  - dd) to issue these in order to implement a so-called scrip dividend;
  - ee) to redeem these without a further resolution of the General Meeting. The shares may also be redeemed without a capital reduction by adjusting the proportional amount of the remaining no-par value shares in the share capital of the Company. In both cases, the Managing Board is authorised to adjust the number of no-par value shares in the Articles of Association.

The shareholders' subscription rights in respect of acquired treasury shares will be excluded insofar as these shares are used in accordance with the authorisations in b) aa) to cc) above. In addition, the Managing Board is authorised, with the consent of the Supervisory Board, to exclude subscription rights in order to grant the bearers or creditors of conversion/option rights in respect of shares of the Company or corresponding conversion/option obligations, in order to compensate for dilution, subscription rights to the extent they would be entitled to after the exercise of these rights or after the fulfilment of these obligations. The Managing Board is also authorised to exclude subscription rights if an exclusion of subscription rights within the meaning of section 186 para. 3 sentence 4 of the German Stock Corporation Act is required to implement the scrip dividend (authorisation, letter b) dd)). Finally, subscription rights for fractional amounts may be excluded in the case of an offer to purchase treasury shares sent to all shareholders.

In the case of the authorisations in letters b) aa) and cc), the number of the shares of the Company to be sold subject to the exclusion of subscription rights combined with new shares of the Company that have been issued since the

granting of this authorisation with the exclusion of subscription rights pursuant to section 186 para. 3 sentence 4 of the German Stock Corporation Act may not exceed a total of 10% of the share capital of the Company, either at the time at which this authorisation comes into force or - if this value is lower - at the time at which it is exercised. Furthermore, shares that are issued or that are to be issued to service warrant or convertible bonds will be counted towards the aforesaid cap of 10% of the share capital if the bonds were issued during the term of this authorisation subject to the exclusion of subscription rights in analogous application of section 186 para. 3 sentence 4 of the German Stock Corporation Act. Shares that are issued in direct or analogous application of this provision during the term of this authorisation up to the time of its utilisation are to be counted towards this cap.

The authorisation to use treasury shares may in each case be exercised in whole or in part, and in the latter case also repeatedly.

## **7. Resolution on the approval of the remuneration system for Managing Board members**

Section 120 para. 4 sentence 1 of the former version of the German Stock Corporation Act allowed the General Meeting to resolve on the approval of the system for the remuneration of the members of the Managing Board. Such a resolution was last adopted by the General Meeting of the Company on 9 May 2019, approving the system of Managing Board remuneration ("**Remuneration System 2019**") adopted by the Supervisory Board with over 93% of the votes cast in favour. The Act on the Implementation of the second Shareholders' Rights Directive (ARUG II) deleted section 120 para. 4 sentence 1 of the German Stock Corporation Act and introduced a new section 120a of the German Stock Corporation Act. Section 120a para. 1 of the German Stock Corporation Act provides that the General Meeting of listed companies shall resolve on the approval of the remuneration system for the members of the Managing Board presented by the Supervisory Board in the event of any material change, but at least every four years.

On 22 February 2021, the Supervisory Board of the Company decided to further develop the Remuneration System 2019. To emphasise the importance of sustainability and to ensure a balance with the financial targets, a CO<sub>2</sub> reduction target will be added to the financial target of the annual bonus with retroactive effect from 1 January 2021.

The remuneration system for the members of the Managing Board of the Company is described in detail in the Remuneration Report in the section "Current Managing Board Remuneration System 2020"; the amendment applicable as of 1 January 2021 and resolved by the Supervisory Board on 22 February 2021 is explained in detail in the appendix to this agenda and is also described in the Remuneration Report in the section "Continuous Further Development of the Executive Board



Remuneration System". The resolution proposed under this agenda item refers to this.

The remuneration report is also part of the Corporate Governance chapter of the Annual Report 2020, which can be viewed on the internet at [www.heidelbergcement.com/en/hauptversammlung-2021](http://www.heidelbergcement.com/en/hauptversammlung-2021).

The Supervisory Board proposes to approve the system for the remuneration of the members of the Managing Board, which has been in force since 1 January 2021 and is described in more detail in the appendix to this agenda.

**8. Resolution on the amendment of article 12 of the Articles of Association (remuneration of the members of the Supervisory Board) and the system of remuneration of the members of the Supervisory Board**

Pursuant to section 113 para. 3 of the German Stock Corporation Act, the General Meeting passes a resolution on the remuneration and the remuneration system for the members of the Supervisory Board at least every four years.

The remuneration of the Supervisory Board is set forth in article 12 of the Articles of Association of the Company and was last amended by resolution of the General Meeting on 9 May 2019. It is intended to slightly adjust it with retroactive effect as of 1 January 2021 to reflect the increased use of electronic means of communication in the conduct of Supervisory Board meetings in modern manner in the remuneration. Only a change in the requirements for the payment of attendance fees set forth in article 12 para. 3 of the Articles of Association is intended. Furthermore, because of the removal of the corresponding recommendation in the German Corporate Governance Code, the obligation of the Company set forth in article 12 para. 6 of the Articles of Association to provide for a deductible for the members of the Supervisory Board in a directors & officers insurance policy taken out by the Company shall cease to apply. Otherwise, the remuneration shall remain unchanged.

Paragraphs 3, 5 and 6 of article 12 of the Articles of Association currently read as follows:

“(3) Moreover, the members of the Supervisory Board shall receive an attendance fee of €2,000 for each meeting of the Supervisory Board and its committees they personally attend at which such personal attendance is required. An attendance fee shall only be paid once where several meetings are held on the same day or consecutive days.

(5) The provisions of paragraphs 1 to 4 shall apply with effect from 2019 and shall replace the existing remuneration provisions.

(6) The Company may, in its own interest and at its own expense, take out appropriate D&O liability insurance for the members of the Supervisory Board. An appropriate deductible shall be provided for.”

- a) The Managing Board and the Supervisory Board propose to resolve that paragraphs 3, 5 and 6 of article 12 of the Articles of Association be reworded as follows:

“(3) Moreover, the members of the Supervisory Board shall receive an attendance fee of €2,000 for each meeting of the Supervisory Board and its committees they personally attend, regardless of the form in which the meeting is conducted. An attendance fee shall only be paid once where several meetings are held on the same day or consecutive days.

(5) The provision of paragraph 3 shall apply for the first time for the year 2021 and replaces the previously applicable provision on the attendance fee.

(6) The Company may, in its own interest and at its own expense, take out appropriate D&O liability insurance for the members of the Supervisory Board.”

Otherwise, article 12 of the Articles of Association shall remain unchanged.

- b) The Managing Board and the Supervisory Board further propose that the remuneration system for the members of the Supervisory Board adopted by the Supervisory Board on 17 March 2021 and set out in the appendix to this agenda be approved.

**9. Resolution on the amendment of article 16 para. 1 of the Articles of Association to reflect the amendments made by the Act on the Implementation of the second Shareholders' Rights Directive (ARUG II)**

The Act on the Implementation of the Second Shareholders' Rights Directive (ARUG II) of 12 December 2019 amended, among other things, the provisions of the Stock Corporation Act regarding the proof of shareholder status for bearer shares of listed companies. According to the new section 123 para. 4 sentence 1 of the German Stock Corporation Act, proof pursuant to section 67c para. 3 of the German Stock Corporation Act – i.e. proof of the ultimate intermediary in text form in accordance with the requirements under article 5 of the Implementing Regulation (EU) 2018 / 1212 – is now sufficient for the proof of shareholding. It is intended to reflect this adjustment the wording of article 16 para. 1 sentence 2 of the Articles of Association. This is merely an editorial clarification.

Article 16 para. 1 of the Articles of Association currently reads as follows:

“(1) To attend and exercise their voting rights at the Annual General Meeting, shareholders must have registered for the Annual General Meeting and have provided the Company with proof of their shareholding as of the

start of the 21st day before the Annual General Meeting. The proof must be provided in the form of a certificate of shareholding issued in text form by the depositary institution. Registration and proof of shareholding must be sent to the address specified in the notice of convocation and received by the Company six days prior to the date of the Annual General Meeting at the latest. The Company shall be entitled to request appropriate further proof in the event of any doubt concerning the accuracy or authenticity of the proof.”

The Managing Board and the Supervisory Board propose that article 16 para. 1 of the Articles of Association be amended to read as follows:

“(1) To attend and exercise their voting rights at the General Meeting, shareholders must have registered for the General Meeting and have provided the Company with proof of their shareholding as of the start of the 21st day before the General Meeting. For this purpose, a proof of shareholding issued in text form by the depositary institution or a proof pursuant to sections 123 para. 4 sentence 1, 67c para. 3 of the German Stock Corporation Act in conjunction with Article 5 of Directive (EU) 2018/1212 shall be sufficient. Registration and proof of shareholding must be sent to the address specified in the notice of convocation and received by the Company six days prior to the date of the General Meeting at the latest. The Company shall be entitled to request appropriate further proof in the event of any doubt concerning the accuracy or authenticity of the proof.”

**10. Resolution on the amendment of article 21 of the Articles of Association to allow a dividend in kind**

In order to allow the General Meeting the greatest possible flexibility in the future with regard to the appropriation of profits, the Managing Board and the Supervisory Board propose to add a paragraph 4 to article 21 of the Articles of Association with the following wording:

“(4) The General Meeting may resolve a distribution in kind instead of or in addition to a cash distribution.”

**11. Resolution on the amendment of article 8 para. 3 of the Articles of Association (term of office of the members of the Supervisory Board)**

Article 8 para. 3 of the Articles of Association currently provides that Supervisory Board members are elected for the period until the end of the Annual General Meeting that decides on the discharge for the fourth financial year after the beginning of the term of office. In future, the General Meeting shall be granted more flexibility with regard to the term of appointment of the members of the Supervisory Board.

Article 8 para. 3 of the Articles of Association currently reads as follows:

“(3) The election shall be for a term until the conclusion of the general meeting of shareholders at which a formal discharge is granted for the fourth fiscal year following the commencement of the term of office. In this respect, the fiscal year in which the term of office commences shall not be included in the calculation of such term.”

The Managing Board and the Supervisory Board propose that article 8 para. 3 of the Articles of Association be amended to read as follows:

“(3) Unless the General Meeting decides on a shorter term for individual members of the Supervisory Board to be elected by it or for the supervisory board as a whole, the election shall be for a term until the conclusion of the General Meeting at which a formal discharge is granted for the fourth fiscal year following the commencement of the term of office. In this respect, the fiscal year in which the term of office commences shall not be included in the calculation of such term.”

**12. Resolution on the approval of the amendment agreement dated 2 March 2021 to the control and profit and loss transfer agreement in place between HeidelbergCement AG and HeidelbergCement International Holding GmbH**

On 1 March 2002, HeidelbergCement AG concluded a profit and loss transfer agreement with its wholly owned subsidiary HeidelbergCement International Holding GmbH, which was approved by the General Meeting on 7 May 2002. At the time of the conclusion of the agreement, HeidelbergCement AG was still named Heidelberger Zement Aktiengesellschaft and Heidelberg-Cement International Holding GmbH was named Heidelberger Zement International Holding GmbH. The profit and loss transfer agreement was entered in the commercial register of HeidelbergCement International Holding GmbH on 12 June 2002. On 5 February 2014, the profit and loss transfer agreement was changed into a control and profit and loss transfer agreement by way of an amendment agreement. The shareholders' meeting of HeidelbergCement International Holding GmbH approved the control and profit and loss transfer agreement in notarial form on 11 February 2014. The General Meeting of HeidelbergCement AG approved the control and profit and loss transfer agreement on 7 May 2014. The control and profit and loss transfer agreement was entered in the commercial register on 13 May 2014.

Due to various amendments to sections 301 and 302 of the German Stock Corporation Act in recent years, it is necessary to reduce the previous regulations on the transfer of profits and the assumption of losses to the extent required by law. Only then can it be ensured that the intended fiscal unity will continue to be recognised for tax purposes. Therefore, section 2 of the agreement (transfer of profits) shall only provide for a dynamic reference to section 301 of the German Stock Corporation Act as amended. With regard to section 3 of the agreement

(assumption of losses), the dynamic reference to section 302 of the German Stock Corporation Act was already introduced in the amendment in 2014.

In order to be able to continue the existing fiscal unity in a legally secure manner, HeidelbergCement AG and HeidelbergCement International Holding GmbH have amended the aforementioned profit and loss transfer agreement in this respect, applying section 295 para. 1 of the German Stock Company Act.

The Managing Board and the Supervisory Board propose that the amended control and profit and loss transfer agreement between HeidelbergCement AG and HeidelbergCement International Holding GmbH dated 2 March 2021, as reproduced in the appendix to this agenda, be approved.

## **Appendix to agenda item 6**

### **Report of the Managing Board of HeidelbergCement AG to the Annual General Meeting on the acquisition of treasury shares pursuant to section 71 para. 1 no. 8 of the German Stock Corporation Act and to use them with the possible exclusion of subscription rights**

In item 6 of the agenda, the Managing Board and the Supervisory Board propose to make it possible for the Company to acquire treasury shares within the limits of section 71 para. 2 sentence 1 of the German Stock Corporation Act. There is at present no corresponding authorisation to repurchase shares.

With the proposed authorisation, it will be possible for the Company to realise the benefits associated with the acquisition of treasury shares in the interest of the Company and its shareholders. To this end, the Company is making use of section 71 para. 1 no. 8 of the German Stock Corporation Act and the maximum period of five years stipulated therein.

#### **Acquisition of treasury shares subject to the exclusion of a possible right to sell**

The Company is to be given the possibility of acquiring treasury shares first of all via the stock exchange, by way of a public purchase offer sent to all shareholders of the Company or via a public call for the submission of offers to sell sent to all shareholders of the Company.

In the case of a public purchase offer or a public call for the submission of offers to sell, it is possible that the number of shares in the Company offered by the shareholders can exceed the number of shares required by the Company. In this case, there must be an allocation based on quotas. In this connection there should be a possibility of preferential acceptance of smaller offers to sell or smaller portions of offers to sell up to a maximum of 100 shares. This possibility serves to avoid fractional amounts and small residual quantities in the determination of the quotas to be acquired and thus facilitates technical processing. De facto discrimination against small shareholders can also be avoided in this way. Moreover, the reapportioning may be conducted in accordance with the proportion of the offered shares (offer quotas) instead of according to participation quotas, since this allows for the acquisition process to be executed in an economically reasonable manner. Finally, it will be possible to provide for a rounding of shares according to commercial principles, in order to avoid fractional shares. In this respect, the acquisition quota and the number of shares to be acquired from individual offering shareholders can be rounded in such a manner as is necessary in order to facilitate, from a technical processing perspective, the acquisition of whole shares. The Managing Board considers such an exclusion of any more extensive statutory right of the shareholders to sell shares objectively justified and appropriate vis-à-vis the shareholders.

In addition to the acquisition via the stock exchange or by way of a public purchase offer sent to all shareholders or via a public call for the submission of offers to sell sent to all shareholders, the authorisation provides for the possibility of the acquisition taking place by means of Created Rights to Sell made available to the shareholders by the Company.

These Created Rights to Sell will be such that the Company is only obliged to acquire whole shares. If this means that Created Rights to Sell cannot be exercised, they will lapse unless the Managing Board resolves that they can be traded. This procedure treats the shareholders equally and facilitates the technical processing of the share repurchase.

### **Use of treasury shares**

The treasury shares acquired on the basis of the authorisation will be used by selling them via the stock exchange or in another suitable manner whilst ensuring the equal treatment of the shareholders or for any other purposes permitted by law. Shareholders' subscription rights can be excluded in the following cases:

The authorisation makes it possible for the Managing Board to sell treasury shares for cash, with the consent of the Supervisory Board, subject to the exclusion of the subscription rights at a price that does not fall significantly below the stock exchange price (authorisation, letter b) aa)). This is to make it possible for the Managing Board to react quickly and flexibly to favourable market situations and to achieve better economic conditions by setting a price that is in line with market prices, as compared to the situation where subscription rights are granted. The proposed authorisation will therefore ensure that the Company has an adequate equity base in the long term. By having a placement price of the shares that is in line with the stock exchange price, the shareholders' interest in value-based protection against dilution is also taken into account and each shareholder is given the opportunity to acquire the shares necessary to maintain his shareholding on approximately the same conditions on the market. The interests of the Company's shareholders are to be protected against random pricing by fixing an average price for the decisive stock exchange price.

The Managing Board is also to be authorised to sell the acquired shares, with the consent of the Supervisory Board, subject to the exclusion of subscription rights to third parties provided that this is done for the purpose of acquiring undertakings or for the other purposes referred to in letter b) bb) of the authorisation. This is to make it possible for the Managing Board to use the Company's shares as a means of payment and to react quickly and successfully to favourable offers or opportunities. The possibility of transferring shares in the cases covered by letter b) bb) of the authorisation may - in contrast to paying in money - prove to be the more favourable form of financing for the Company as it does not weaken its liquidity position and is therefore also in the interest of the shareholders. The Managing Board will ensure that the interests of the shareholders remain protected by appropriately fixing the relation between the respective values. When determining the value of the granted shares provided in payment, the Managing Board will take the stock exchange price of the Company shares as a basis. However, there is no provision for the value to be rigidly tied to the stock exchange price, especially so as not to call into question - through fluctuations in the stock exchange price - results of negotiations that have been achieved.

Furthermore, the Company is also to be able to use treasury shares to fulfil or secure obligations arising from convertible or warrant bonds ("**Bonds**") issued by it or a Group company of the Company within the meaning of section 18 of the German Stock Corporation Act (authorisation, letter b) cc)). Even if there is sufficient conditional capital

available for such Bonds, the terms and conditions of these Bonds usually provide that conversion obligations in particular can also be fulfilled through treasury shares. In such cases, shareholders' subscription rights must be excluded. This ensures even more flexible handling and makes it possible to prevent, by avoiding the issuing of additional shares, the dilution effect characteristic of a capital increase.

According to the detailed provisions in the authorisation resolution, when treasury shares are used by passing them on to third parties for cash (authorisation, letter b) aa)) or to fulfil the obligations arising for the Company from issued Bonds (authorisation, letter b) cc)), the authorisation to exclude subscription rights may only be used up to the maximum of 10% of the share capital provided for by law. Since it is possible to issue shares and other securities subject to the exclusion of subscription rights in direct or analogous application of section 186 para. 3 sentence 4 German Stock Corporation Act in other ways, too, and the multiple parallel utilisation of the 10% cap is to be excluded, the authorisation resolution provides in these cases that all shares issued in this way and all shares to be issued on the basis of such other securities be counted towards this cap.

Furthermore, it should be possible to use the treasury shares to implement a so-called scrip dividend (authorisation, letter b) dd)). Insofar as the exclusion of subscription rights within the meaning of section 186 para. 3 sentence 4 German Stock Corporation Act is required to implement a scrip dividend, the Managing Board is to be authorised in this regard to exclude the subscription rights of the shareholders in order to be able to implement a scrip dividend under optimal conditions. In the case of scrip dividends using treasury shares, shareholders are given the option of assigning to the Company their claim to the payment of the dividend based on the General Meeting's resolution on the appropriation of the profit in order to be able to receive treasury shares of the Company in return.

The implementation of a scrip dividend using treasury shares can take place as an offer sent to all shareholders, while preserving their subscription rights and with due observance of the equal treatment principle (section 53a German Stock Corporation Act). The shareholders will only be offered whole shares for subscription in each case; shareholders will receive a cash dividend for that part of the dividend entitlement that falls short of (or exceeds) the subscription price for a whole share and cannot subscribe to shares in this regard; no provision has been made for offering partial rights nor for establishing any trading in subscription rights or fractions thereof. Since the shareholders will receive a pro rata cash dividend instead of subscribing to treasury shares, this appears to be justified and appropriate.

Depending on the capital market situation, it may in specific cases be in the interest of the Company and its shareholders to structure the implementation of a scrip dividend using treasury shares in such a manner that the Managing Board offers treasury shares for subscription to all shareholders who are entitled to dividends in return for the assignment of their dividend entitlement, with due observance of the general equal treatment principle (section 53a German Stock Corporation Act), but with the formal exclusion of subscription rights in their entirety. The implementation of the scrip dividend with the formal exclusion of subscription rights will make it possible to carry out the scrip dividend under more flexible conditions. In view of the fact that the treasury shares will be offered to all the shareholders



and excess partial dividend amounts will be settled by paying a cash dividend, the exclusion of subscription rights would appear to be justified and appropriate in this case, too.

According to the authorisation, it should be possible for the Company to redeem treasury shares without a new resolution of the General Meeting as well (authorisation, letter b) ee)). This authorisation makes it possible to reduce the capital by redeeming shares or to reduce the number of no-par value shares with the share capital remaining the same.

In addition, the Managing Board is authorised, with the consent of the Supervisory Board, to exclude subscription rights in order to grant the bearers or creditors of conversion/option rights in respect of shares of the Company or corresponding conversion/option obligations in order to compensate for dilution subscription rights to the extent they would be entitled to after the exercise of these rights or after the fulfilment of these obligations. Finally, subscription rights for fractional amounts may be excluded to facilitate processing in the case of an offer to purchase treasury shares sent to all shareholders.

The Managing Board will use its due and proper discretion when deciding on the utilisation of the proposed authorisation and the use of the acquired treasury shares and will obtain the consent of the Supervisory Board where necessary. The Managing Board will report to the General Meeting as required. There are at present no specific plans to make use of an authorisation to acquire treasury shares granted by the General Meeting.

## **Appendix to agenda item 7**

### **Remuneration system for the Managing Board members of HeidelbergCement AG**

#### **Current Managing Board remuneration system 2020**

The current Managing Board remuneration system has been applied to all newly and reappointed members of the Managing Board since financial year 2019. It constitutes a further development to the system that was in force from 2014. The main differences concern the following points:

1. Introduction of a clause for the reduction, withdrawal, and clawback of variable remuneration in case of breaches of essential duties of diligence (clawback/malus clause).
2. Reduction of discretionary adjustment of the annual and long-term bonus by the Supervisory Board.
3. Increase in individual investment (share ownership) of the members of the Managing Board.
4. Introduction of a defined contribution pension promise.

The current Managing Board remuneration system was approved by the General Meeting on 9 May 2019 with a majority of 93.4% of the votes cast, pursuant to section 120 para. 4 of the German Stock Corporation Act (in the version applicable at that time).

### **Principles**

The following principles apply to Managing Board remuneration:

1. Remuneration and performance are closely linked: The variable performance-related remuneration component should account for a major share of total remuneration.
2. Variable remuneration focuses on sustainable performance and relates to the interests of the shareholders: The majority of variable remuneration should be linked to the long-term development of the company and paid out after an appropriate period of several years. The absolute development of HeidelbergCement's share price and the direct comparison with relevant benchmark indices should play a major role in this context. The long-term nature of the variable remuneration components is further supported by the fact that even the termination of a Managing Board contract has no influence on the target setting, valuation, and maturity.
3. Key performance indicators are in accordance with the Group strategy: The key performance indicators used to determine variable remuneration should be in line with HeidelbergCement's business strategy.

The system and amount of the Managing Board remuneration are determined by the Supervisory Board following a recommendation by the Personnel Committee. The external adequacy check is based on the size and international activity of the Group, its economic and financial situation, and its future prospects. In addition, the target and maximum remuneration of the members of the Managing Board are oriented towards the companies in the German DAX index as an external peer group as well as the tasks and performance of the relevant member of the Managing Board and of the entire Managing Board.

The internal comparison takes into account the remuneration of the top and senior management (upper management) and the total workforce of HeidelbergCement AG, both overall and in terms of development over time from 2016 to 2020. The target entitlements in the employment contracts were taken as a basis in accordance with the German Corporate Governance Code in relation to the fixed remuneration and the annual bonus and – provided that the corresponding employee groups are eligible – also to the long-term bonus.

In 2020, the ratio of the average Managing Board remuneration (including the Chairman of the Managing Board) to the average remuneration of the top and senior management was 1:12 (previous year: 1:13), and the ratio to the total workforce of HeidelbergCement AG was 1:45 (previous year: 1:46).

The remuneration is calculated in such a way that it is competitive on the market for highly qualified senior managers and provides an incentive for successful work in a business culture with a clear focus on performance and results.

## Remuneration elements

The remuneration system applicable since 1 January 2014 and further developed in 2019 comprises:

1. a fixed annual salary,
2. a variable annual bonus,
3. a variable long-term bonus with long-term incentive,
4. fringe benefits, as well as
5. pension promises.

### 1. Fixed annual salary

The fixed annual salary is a set cash payment relating to the financial year, which is based on each Managing Board member's area of responsibility and is paid on a monthly basis over the year. It amounts to around 29% of the target remuneration for the Chairman of the Managing Board and 33% for members of the Managing Board, when 100% of the target is met.

### 2. Annual bonus

The annual bonus is a variable remuneration element, which relates to the financial year and is 100% of the fixed annual salary for the Chairman of the Managing Board and 80% for members of the Managing Board, when 100% of the target is met. It amounts to around 29% of the target remuneration for the Chairman of the Managing Board and 26% for members of the Managing Board. The Group share of profit, adjusted for one-off items, is used as the key performance indicator. In addition, individual targets will be agreed with the Chairman of the Managing Board and the Managing Board members. Through the introduction of a clawback clause in all Managing Board agreements since 2019, reduction, withdrawal, and clawback of the annual bonus are possible in case of breaches of essential duties of diligence. The annual bonus is paid out in cash after the Annual General Meeting in the following year.

At the start of the financial year, the Supervisory Board ensures that the performance targets are demanding and ambitious, and it determines the degree of target achievement after the end of the financial year.

- Target value (value when 100% of the target is met)  
100% of the fixed annual salary for the Chairman of the Managing Board, 80% of the fixed annual salary for the Managing Board members
- Key performance indicators and weighting (value when 100% of the target is met)  
2/3 Group share of profit  
1/3 individual targets
- Target achievement range  
0 - 200% (The maximum value of the annual bonus is limited to 200% of the fixed annual salary for the Chairman of the Managing Board and 160% for the Managing Board members. Total loss of the entire annual bonus is possible. The determination of the range refers to each individual key performance indicator.)

### 3. Long-term bonus

The long-term bonus is a variable remuneration element based on the long term, which is to be granted in annual tranches starting in 2011. It amounts to 150% of the fixed annual salary for the Chairman of the Managing Board and 125% for members of the Managing Board, when 100% of the target is met. The long-term bonus amounts to approximately 42% of the target remuneration for the Chairman of the Managing Board and 41% for members of the Managing Board. Through the introduction of a clawback clause in all Managing Board agreements since 2019, reduction, withdrawal, and clawback of the long-term bonus are possible in case of breaches of essential duties of diligence.

The long-term bonus comprises two equally weighted components. The first component (management component with a term of three years) considers the internal added value as measured by earnings before interest and taxes (EBIT) and return on invested capital (ROIC), and is arranged in the form of a bonus with cash payment. The bonus will be paid after the Annual General Meeting in the year following the three-year performance period. The second component (capital market component with a term of four years) considers the external added value as measured by total shareholder return (TSR) – adjusted for the reinvested dividend payments and for changes in the capital – compared with the relevant capital market indices, using performance share units (PSUs). The PSUs are virtual shares used for the calculation of the capital market component.

At the start of every tranche, the Supervisory Board determines the performance targets for the two key performance indicators of the management component. After expiry of the respective performance period, the Supervisory Board will ascertain the extent to which the target has been reached for the management component; for the capital market component it will be ascertained by way of calculation.

The target for the management component is based on the Group's relevant three-year operational plan. The share-based capital market component is measured over a four-year period, on the basis of section 193 para. 2 and 4 of the German Stock Corporation Act.

For the capital market component, the number of performance share units (PSUs) initially granted is ascertained in the first instance: the number of PSUs is calculated from 50% of the target value of the long-term bonus divided by the reference price<sup>1)</sup> of the HeidelbergCement share as at the date of grant. After expiry of the four-year performance period, the PSUs definitively earned are to be calculated in a second step according to the achievement of the target and paid in cash at the reference price of the HeidelbergCement share valid at that time – adjusted for the reinvested dividend payments and for changes in the capital.

1) The reference price is respectively the average of the daily closing prices of the HeidelbergCement share on the Frankfurt Stock Exchange Xetra trading system for three months retrospectively from the start/expiry of the performance period.

- Target value (value when 100% of the target is met)  
150% of the fixed annual salary for the Chairman of the Managing Board and 125% of the fixed annual salary for the Managing Board members (of which 50% is the management component and 50% is the capital market component)
  
- Key performance indicators and weighting (value when 100% of the target is met)  
Management component (three-year performance period):  
1/2 average of EBITs attained during the performance period and 1/2 target ROIC at the end of the performance period.  
Capital market component (four-year performance period):  
1/2 peer TSR – calculation of TSR compared with DAX Index and 1/2 peer TSR – calculation of TSR compared with MSCI World Construction Materials Index.
  
- Target achievement range  
Management component: target achievement ranges from 0 - 200%, i.e. the maximum value of the management component of the long-term bonus is limited to 150% of the fixed annual salary for the Chairman of the Managing Board and 125% for the Managing Board members and total loss of the management component is possible. The range applies separately for each key performance indicator EBIT and ROIC.  
Capital market component: target achievement ranges from 0 - 200%, i.e. depending on the target achievement, the number of virtual shares (PSUs) can at most double or reduce to zero (total loss).
  
- Cap of performance of the HeidelbergCement share before payout  
Maximum of 2.5 times the reference price, which was determined at the start of the performance period.
  
- Payment under the respective long-term bonus plan is limited to twice the target value, where the amount of the capital market component can offset the management component.

#### **Payment system for the long-term bonus**

The long-term bonus plan 2020 - 2022/23, which was granted in 2020, provides for cash payment of both the management component after the Annual General Meeting 2023, i.e. in the year following the three-year performance period, and the capital market component after the Annual General Meeting 2024, i.e. in the year following the four-year performance period.

#### **4. Fringe benefits**

The taxable fringe benefits of the members of the Managing Board consist especially of the provision of company cars, mobile phone, and communication resources, the reimbursement of expenses, as well as insurance benefits, exchange rate hedging agreed on an individual basis<sup>1)</sup>, and assignment-related benefits, such as coverage of costs for flights home.

1) The amounts of the exchange rate hedging agreed on individual basis is not shown as fringe benefit but included in the total amounts of the respective remuneration elements.

## **5. Pension promises**

The retirement agreements of the members of the Managing Board appointed prior to 2016 contain the promise of an annual retirement pension, in the form of either an absolute amount or a percentage of the pensionable income. The -maximum percentage rate is 4% for each year of service started and may not exceed 60% of the pensionable income. For -retirement agreements since 2016, the maximum percentage rate is also 4% for each year of service started; however, the maximum amount is 40% of the pensionable income. The pensionable income is equivalent to a contractually agreed percentage of the fixed annual salary of the Managing Board member. When the Managing Board member's agreement is terminated and they start receiving the pension benefit, they receive a transitional allowance for six months, equal to the monthly instalments of the fixed annual salary.

In 2019, a defined contribution pension promise was introduced for the newly and reappointed members of the Managing Board. The design and expected pension benefits are based on the customary characteristics of such schemes, and existing contractual obligations are taken into account. When Dr. Dominik von Achten was reappointed in 2020, he received a value-based benefit commitment for the defined benefit obligations he had already earned, in addition to the defined contribution pension promise.

The pension is paid monthly either:

- after leaving the company upon reaching retirement age (pension benefit paid on individual basis between the 62<sup>nd</sup> and 63<sup>th</sup> year of age), or
- in the case of early termination of the agreement for reasons not attributable to the Managing Board member, provided the member has reached 60 years of age at the time the agreement is terminated, or
- due to permanent invalidity as a result of illness.

The retirement agreements include a survivor pension benefit. If a member of the Managing Board dies during the term of his employment contract, or after effectuating the pension benefit, the member's widow and dependent children receive a widow's/orphan's pension. In the case of defined benefit pension promises, the widow's pension is 60% and the orphan's pension 10% of the deceased's pension benefit as long as a widow's pension is being paid at the same time. If a widow's pension is not being paid at the same time, the orphan's pension is 20% of the deceased's pension benefit. In the case of defined contribution pension promises, the entitlement to the pension credit shall pass to the widow and surviving children.

In the case of contract extensions, the existing defined benefit pension promises are continued with the value of the pension benefit at the changeover date. If the Supervisory Board agrees additional retirement benefit commitments, these are covered by the defined contribution pension promise. The Supervisory Board reserves the right to decide on an adjustment of the retirement benefit, also in the existing system, in the case of contract extensions close to retirement.

### **Adjustment of remuneration**

The Supervisory Board has the option of discretionary adjustment (administrative discretion) of the annual and the long-term bonus in order to account for the personal

performance of the individual members of the Managing Board and/or for exceptional circumstances. In the case of new appointments or reappointments as of 2019, the discretionary adjustment amounts to  $\pm 15\%$  of the target value of these variable-remuneration elements; for existing contracts  $\pm 25\%$ .

Supervisory Board criteria for application of the discretionary adjustment:

- Extraordinary individual management performance: this includes outstanding sustainable personal performance in the business line for which a Managing Board member is responsible, as well as their contribution to the overall success of the company, taking into account specific market circumstances, such as unexpected short-term business developments.
- Extraordinary collective management performance: this includes outstanding economic development of the company – including in direct comparison with competitors – as well as continuous and sustainable development of the company (strategy, customers, products, processes, as well as environmental and employee aspects).

The current economic situation of the company and its short- and long-term prospects form the basic conditions for a potential discretionary adjustment.

### **Maximum remuneration**

The maximum remuneration (excluding fringe benefits and annual pension expenses) results from the fixed annual salary plus the sum of the individual variable remuneration components (annual bonus and long-term bonus), which are limited to twice the target value plus discretionary adjustments. The maximum remuneration corresponds to up to 184% of the target remuneration (if 100% of the target is met). For the current Chairman of the Managing Board, the maximum remuneration is limited to 158% by individual contractual regulations.

Pursuant to section 87 para. 2 of the German Stock Corporation Act, the Supervisory Board's right and obligation to reduce the Managing Board remuneration to an appropriate amount remains unaffected, if the position of the Group worsens after the fixing to such an extent that it would be unfair for the Group if remuneration of the Managing Board continued to be granted unchanged.

### **Individual investment (share ownership)**

To support the sustainable development of the Group, the Supervisory Board has decided upon a set of guidelines for the shareholdings of members of the Managing Board. Members of the Managing Board are obliged to invest part of their personal wealth to purchase a fixed number of HeidelbergCement shares and to hold these shares for the term of their membership on the Managing Board. In 2019, for new appointments and reappointments, the number of shares to be held by the Chairman of the Managing Board was set at 30,000 HeidelbergCement shares, at 20,000 HeidelbergCement shares for the Deputy Chairman of the Managing Board, and at 15,000 HeidelbergCement shares for the other members of the Managing Board. Under still existing contracts, ordinary members of the Managing Board are obliged to hold 10,000 HeidelbergCement shares. In order to comply with the guidelines, half of the amount paid for the long-term bonus, which was earned for Managing Board activities, is to be used to buy shares of the company until the full individual investment is generated. The accumulation of the individual investment can therefore take several years.

HeidelbergCement shares that are already held by Managing Board members are taken into account in the individual investment. The Supervisory Board has received confirmation that the individual investment has already been made or accumulated in accordance with the contract.

### **D&O liability insurance**

The members of the Managing Board are covered in the Group's existing D&O liability insurance. The agreed -deductible corresponds to the minimum deductible pursuant to section 93 para. 2 sentence 3 of the German Stock Corporation Act in the respective version.

### **Commitments in the event of early termination of Managing Board service**

The following guidelines on the redundancy pay cap and change of control clause are part of all Managing Board agreements.

### **Redundancy pay cap**

In accordance with the German Corporate Governance Code, when concluding new Managing Board agreements or extending existing Managing Board agreements, it must be ensured that payments to a member of the Managing Board – in the event of the early termination of a Managing Board membership without serious cause – do not exceed the value of two annual remunerations (including fringe benefits) and do not amount to more than the remaining term of the agreement. The redundancy pay cap is calculated based on the amount of the total remuneration for the past financial year and, if necessary, also on the amount of the anticipated total remuneration for the current financial year.

### **Change of control clause**

The current Managing Board agreements were drawn up before the publication of the new version of the German Corporate Governance Code of 16 December 2019 and are based on the version of 7 February 2017, according to which it must be ensured – in the event of the early termination of a Managing Board membership – that benefits promised as a result of a change of control do not exceed 150% of the redundancy pay cap.

### **Further development of the Managing Board remuneration system from 2021**

Sustainable management is an essential part of HeidelbergCement and will continue to be a main topic of our corporate strategy in the future. The focus is on climate protection: As an energy-intensive company, we want to make our contribution to the declared goal of the Paris climate agreement to keep the global temperature increase significantly below 2°C. Reducing our carbon footprint and increasing energy efficiency are key tasks for HeidelbergCement's management teams at all levels. For this reason, a CO<sub>2</sub> component will be introduced in the annual bonus from 2021, which links the reduction of CO<sub>2</sub> emissions to the annual bonus. In order to reflect the balance between economic indicators and sustainability goals, the Group's share of profit for the financial year (adjusted for non-recurrent effects) is multiplied by the factor of target achievement of the CO<sub>2</sub> reduction target. The result makes up 2/3 of the annual bonus if 100% of the target is met. The individual targets (1/3 of the annual bonus if 100% of the target is met) and their weighting remain in place. The maximum target achievement of the total annual bonus is 200% as before plus discretionary adjustment.



## **Appendix to agenda item 8**

### **Remuneration system for the Supervisory Board members of HeidelbergCement AG**

The system for the remuneration of the members of the Supervisory Board is based on the legal requirements and takes into account the recommendations of the German Corporate Governance Code.

The remuneration of the members of the Supervisory Board shall be balanced overall and shall be commensurate with the responsibilities and tasks of the members of the Supervisory Board and the situation of the Company, also taking into account the remuneration regulations of other large listed companies. At the same time, it should make the assumption of a mandate as a member or chairman of the Supervisory Board or a committee appear sufficiently attractive in order to be able to attract and retain outstanding mandate holders. This is a prerequisite for the best possible supervision of and advice to the Managing Board, which in turn make an essential contribution to a successful business strategy and the long-term success of the Company. The members of the Supervisory Board shall continue to receive a purely fixed remuneration to strengthen the independence of the Supervisory Board, to enable an objective and neutral performance of the advisory and supervisory function as well as independent personnel and remuneration decisions. The extent of the workload and the liability risk of the Supervisory Board members does not usually develop in parallel with the business success or the earnings situation of the Company. Rather, it is often in difficult times, when variable remuneration may be reduced, that the Supervisory Board members are required to perform their advisory and supervisory functions particularly intensively.

In accordance with the recommendation of the German Corporate Governance Code, the higher time expenditure of the Chairman and the Deputy Chairmen of the Supervisory Board as well as the Chairmen and members of the Audit and Personnel Committees shall be adequately taken into account through corresponding additional remuneration. The Chairman of the Supervisory Board shall receive two and a half times the basic remuneration of an ordinary member of the Supervisory Board, his/her deputy one and a half times. The Chairmen of the Audit Committee and the Personnel Committee shall each receive twice the additional remuneration of a committee member. The members of the Nomination Committee and the Arbitration Committee shall not receive any additional remuneration. In view of the special time burden, a higher additional remuneration shall be provided for the activity in the Audit Committee than for the activity in the Personnel Committee. There shall be no offsetting or reduction of remuneration for work on more than one committee.

In the case of several meetings on one day, attendance fees shall only be paid once, whereby participation by telephone, video conference or similar customary means of communication shall also entitle the respective member of the Supervisory Board to receive attendance fees. The remuneration (if applicable pro rata temporis) and the attendance fee shall be paid after the expiry of each business year.

Finally, the members of the Supervisory Board shall be included in a directors & officers liability insurance policy for members of the executive bodies and certain employees of the HeidelbergCement Group, maintained by the Company in its own interest and at its own expense, to the extent that such a policy exists. In addition, the Company reimburses each member of the Supervisory Board for his/her expenses and the value-added tax payable on his/her remuneration.

The regulations on remuneration and the remuneration system shall be regularly reviewed by the Supervisory Board for their appropriateness, whereby external remuneration experts may also be consulted. At least every four years and in the event of proposals to amend the remuneration regulations, the General Meeting shall pass a resolution on the remuneration of the members of the Supervisory Board. The general meeting may confirm the existing system of Supervisory Board remuneration or pass a resolution to change it. Corresponding resolution proposals to the General Meeting are submitted by the Managing Board and the Supervisory Board in accordance with the legally regulated allocation of responsibilities, so that there is mutual control between the two bodies. The decision on the final structure of the remuneration system rests with the General Meeting.

## Appendix to agenda item 12

### **Text of the amended control and profit and loss transfer agreement between HeidelbergCement AG and HeidelbergCement International Holding GmbH**

Due to various amendments to the German Stock Corporation Act in recent years, the control and profit and loss transfer agreement, originally concluded on 1 March 2002 and last amended on 5 February 2014, between Heidelberger Zement Aktiengesellschaft and Heidelberger Zement International Holding GmbH, is amended as follows.

#### **Control and Profit and Loss Transfer Agreement**

between

**HeidelbergCement AG**  
(formerly **Heidelberger Zement Aktiengesellschaft**)  
Berliner Strasse 6, 69120 Heidelberg

- hereinafter called "HZ" -

and

**HeidelbergCement International Holding GmbH**  
(formerly **Heidelberger Zement International Holding GmbH**)  
Berliner Strasse 6, 69120 Heidelberg

- hereinafter called "HZI" -

#### Preamble:

HZ, entered in the Commercial Register at the District Court Mannheim under HRB 330082, is the sole shareholder of HZI, entered in the Commercial Register at the District Court Mannheim under HRB 334775. In order to continue the already existing tax group relationship, the parties agree on the following amendment of the already existing control and profit and loss transfer agreement:

## **1. Administration and authorisation to issue instructions**

HZI is under the administration of HZ. HZ is therefore entitled to give direct instructions to the Management of HZI regarding the management of the company. Accordingly, HZI agrees to follow the instructions of HZ. The management and representation of HZI continue to be the responsibility of the Management of HZI.

## **2. Profit transfer**

The provisions of section 301 German Stock Corporation Act in its respective current version apply accordingly.

## **3. Transfer of loss**

The provisions of section 302 German Stock Corporation Act in its respective current version apply accordingly.

## **4. Protection of third party shareholders**

HZ is the sole shareholder of HZI. Therefore, no provisions are required for the protection of third party shareholders of HZI.

## **5. Effective date, term and cancellation of the agreement**

5.1 This agreement is subject to the consent of the Annual General Meeting of HZ and the Shareholders' Meeting of HZI. It went into effect at the time it was entered into the Commercial Register of HZI, retroactively as of 1 January 2002. The amendments to this agreement are subject to the consent of the Annual General Meeting of HZ and the Shareholders' Meeting of HZI. They shall take effect from the beginning of HZI's financial year in which the amendment to the agreement is entered in HZI's Commercial Register.

5.2 The agreement can be cancelled in writing by either party as of the end of 31 December 2026, subject to a 6-month cancellation notice. Otherwise the agreement will be automatically renewed every year for one calendar year, subject to the same cancellation notice.

## **6. Final provisions**

6.1 Any revisions and amendments to this agreement must be in writing.

6.2 No side agreements exist.

- 6.3 Should individual provisions of this agreement be wholly or partially invalid or void, this will not affect the validity of the other provisions of the agreement. The shareholders undertake to replace the invalid provision by a provision that comes as close as possible to the economic and legal purpose of the original provision. The same applies if a loophole becomes apparent in the implementation of the agreement. Insofar as no provision is agreed in this agreement, the legal provisions shall additionally apply.”

Heidelberg, 2 March 2021

HeidelbergCement AG  
The Managing Board

HeidelbergCement International Holding GmbH  
The Management

#### **Available documents**

In addition to the above control and profit and loss transfer agreement, the annual financial statements and the management reports of the contracting companies for the preceding three financial years as well as the joint report by the Managing Board of HeidelbergCement AG and the Management of HeidelbergCement International Holding GmbH according to section 293a of the German Stock Corporation Act may be viewed on the Internet at [www.heidelbergcement.com/en/annual-general-meeting-2021](http://www.heidelbergcement.com/en/annual-general-meeting-2021) as from the date on which the Annual General Meeting is convened.

## **Annual General Meeting without physical presence of shareholders**

Pursuant to section 1 para. 1 and 2 of the German Act on Measures in Corporate, Cooperative, Association, Foundation and Condominium Law to Combat the Effects of the COVID 19 Pandemic of 27 March 2020 (BGBl I, p. 570), last amended by the Amending Act of 22 December 2020 (BGBl I 2020, p. 3332) (hereinafter “**COVID-19 Act**”), the Managing Board, with the consent of the Supervisory Board, has decided that the Annual General Meeting will be held as a virtual general meeting without the physical presence of the shareholders or their proxies (with the exception of the Company's proxies). The Annual General Meeting shall be held in the presence of the Chairman of the Supervisory Board and the Chairman of the Managing Board and other members of the Supervisory Board and the Managing Board, the proxies of the Company and a notary public commissioned to record the minutes of the Annual General Meeting at the Company's offices in Heidelberg, Berliner Strasse 6.

The holding of the Ordinary General Meeting 2021 as a virtual General Meeting in accordance with the COVID-19 Act will lead to modifications in the procedures of the General Meeting and in the rights of the shareholders.

## **Requirements for following the virtual Annual General Meeting on the Internet and exercising voting rights (with record date and its meaning)**

For the shareholders, the entire Annual General Meeting will be transmitted in sound and vision on the Internet via the InvestorPortal explained below, which will be accessible at <https://www.heidelbergcement.com/en/annual-general-meeting-2021>.

In accordance with article 16 para. 1 of the Company's Articles of Association in conjunction with section 1 para. 3 of the the COVID-19 Act, shareholders must have registered for the Annual General Meeting and have provided the Company with proof of their shareholding as of the start of the 21st day before the Annual General Meeting, i.e. as of 15 April 2021, 0000 hrs (CEST) (so-called record date), in order to follow the Annual General Meeting and exercise their voting rights. For this purpose, a certificate of shareholding issued in text form by the depositary institution or a proof pursuant to section 67c para. 3 of the German Stock Corporation Act (in each case "proof of entitlement") shall be sufficient.

The registration and the proof of entitlement must be received by the Company at the latest six days prior to the Annual General Meeting, i.e. by 29 April 2021, 2400 hrs (CEST) at the following address:

HeidelbergCement AG  
c/o Deutsche Bank AG  
Securities Production  
General Meetings  
PO Box 20 01 07  
60605 Frankfurt am Main, Germany

Telefax: +49 (0)69 12012-86045  
E-mail: wp.hv@db-is.com

The Company shall be entitled to request appropriate further proof in the event of any doubt concerning the accuracy or authenticity of the proof of entitlement.

In relation to the Company, only those persons who have furnished such proof of entitlement shall be considered shareholders for the purpose of attending the Annual General Meeting or exercising the voting rights. The right to attend and the extent of the voting rights shall be determined exclusively by the shareholding of the shareholder contained in the proof of entitlement as at the record date. A registration for the Annual General Meeting will not block the shares from trading; for this reason shareholders can continue to freely dispose of their shares, also starting from the record date and even after having registered for the Annual General Meeting. Also in the case of the full or partial sale of the shareholding after the record date, only the shareholding of the shareholder as at the record date shall be decisive for the attendance and the extent of the voting rights; i.e. sales of shares after the record date do not have any effect on the right to attend or on the extent of the voting rights. The same shall apply to purchases and additional purchases of shares after the record date. Persons who do not own any shares as at the record date and only become shareholders afterward, shall not be entitled to attend and vote. The record date shall not have any relevance for the entitlement to dividends.

Following receipt of the registration and proof of shareholding by the Company at the above address, admission tickets for the virtual Annual General Meeting will be sent to the shareholders, containing the access data for the Internet-based InvestorPortal system (hereinafter "**InvestorPortal**") as well as an integrated form for the granting of the power of attorney, instructions to proxies and absentee votes, together with further explanations.

The InvestorPortal can be accessed via the following website of the Company:

<https://www.heidelbergcement.com/en/annual-general-meeting-2021>

In order to ensure that the admission ticket is received on time, we kindly ask the shareholders to send the registration and proof of their shareholding to the Company sufficiently in advance. No further action is required of shareholders who have requested, in a timely manner, the admission ticket for attending the Annual General Meeting from their depository institution. In such cases, the depository institution will handle the registration and proof of shareholding. Please note that the admission ticket is only used for organisational purposes and does not constitute an additional condition of attendance.

Further information on the registration procedure can be found on the website <https://www.heidelbergcement.com/en/annual-general-meeting-2021>.

### **Voting by proxies**

Shareholders who do not wish to follow the Annual General Meeting in person and/or do not wish to exercise their voting rights in person by means of absentee voting can also be represented by a proxy, e.g. a credit institution or a shareholders' association, when exercising their rights. They will then use the absentee voting or the proxy of the Company. Also in this case shareholders, proxies, credit institutions or shareholders' associations must register in due time for the Annual General Meeting and provide proof of shareholding. If the shareholder authorises more than one person, the Company can reject one or several of these persons.

If the proxy authorisation is not granted to intermediaries (such as a credit institution), shareholders' associations insofar as they are equivalent to them pursuant to section 135 para. 8 of the German Stock Corporation Act, proxy advisors or persons, that offer proxy voting services to shareholders as part of their regular business activities, the granting of the power of attorney, its amendment, its revocation and the proof of authorisation vis-à-vis the Company must be in writing in order to be valid. For granting power of attorney, shareholders may use the power-of-attorney form which is printed on the admission ticket and which is available on the Internet at [www.heidelbergcement.com/en/annual-general-meeting-2021](http://www.heidelbergcement.com/en/annual-general-meeting-2021). However, it is also possible to issue a separate power of attorney in writing.

The granting of the power of attorney, its amendment, its revocation and the proof of authorisation must be submitted by mail, by fax or by e-mail by 5 May 2021, 2400 hrs (CEST), to the following address:

HeidelbergCement AG  
c/o Computershare Operations Center  
80249 München, Germany  
Telefax: +49 (0) 89 30903-74675  
E-mail: [HCAG-HV2021@computershare.de](mailto:HCAG-HV2021@computershare.de)

Via the InvestorPortal, the granting of the power of attorney, its amendment, its revocation and the proof of authorization are possible until the end of the Annual General Meeting. From the start of voting at the Annual General Meeting, the proxy can also only object to a resolution of the Annual General Meeting.

In all cases, the date of receipt by the Company shall be decisive.

Intermediaries (such as a credit institution) and – insofar as they are equivalent to them pursuant to section 135 para. 8 of the German Stock Corporation Act – shareholders' associations, proxy advisors and persons, that offer proxy voting services to shareholders as part of their regular business activities, may set forth deviating conditions with respect to the process of their own authorisation. Shareholders are asked to agree with these persons or institutions on the form of such authorisation in advance.



## **Voting by proxies of the Company**

The Company also offers its shareholders and their proxies the possibility to have their voting rights exercised at the Annual General Meeting in accordance with their instructions by proxies nominated by the Company. A power-of-attorney and instruction form to authorise an employee of the Company as a proxy is enclosed with the admission ticket and is available on the Internet at [www.heidelbergcement.com/en/annual-general-meeting-2021](http://www.heidelbergcement.com/en/annual-general-meeting-2021). If employees of the Company are granted authorisation to act as proxies, instructions for exercising the voting right must be issued in each case. The employees of the Company are obliged to vote in accordance with the instructions. Please note that proxies of the Company will not accept instructions to object to Annual General Meeting resolutions and that the proxies are available only for voting on proposed resolutions presented together with the invitation or later-announced proposals by the Managing Board and/or Supervisory Board pursuant to section 124 para. 3 of the German Stock Corporation Act or by shareholders pursuant to section 124 para. 1 of the German Stock Corporation Act.

Powers of attorney for the proxies giving explicit instructions, their amendment and their revocation and using the forms designated for this purpose, must be received by the Company by mail, by fax or by e-mail, at the latest, on 5 May 2021, 2400 hrs (CEST) at the following address:

HeidelbergCement AG  
c/o Computershare Operations Center  
80249 München, Germany  
Telefax: +49 (0) 89 30903-74675  
E-mail: [HCAG-HV2021@computershare.de](mailto:HCAG-HV2021@computershare.de)

Via the InvestorPortal, the granting of the power of attorney and instructions to the proxies of the Company, their amendment and their revocation are possible until the beginning of the voting at the Annual General Meeting.

In all cases, the date of receipt by the Company shall be decisive.

## **Absentee voting process**

Shareholders and their proxies not wanting to appoint the proxies of the Company to vote on their behalf shall be entitled to cast their votes in writing, by fax, by e-mail or electronically via the InvestorPortal by way of absentee voting, provided they have registered in time; personal voting in the Annual General Meeting is not possible. This can be done using the form printed on the admission ticket or a corresponding form which is available online at [www.heidelbergcement.com/en/annual-general-meeting-2021](http://www.heidelbergcement.com/en/annual-general-meeting-2021).

We kindly ask our shareholders to note that absentee voting is only possible for proposed resolutions presented together with the invitation or later-announced proposals by the Managing Board and/or Supervisory Board pursuant to section 124 para. 3 of the German Stock Corporation Act or by shareholders pursuant to section 124 para. 1 of the German Stock Corporation Act.

The votes cast by way of absentee voting, their amendment and their revocation have to use the forms designated for this purpose and must be received by the Company by mail, by fax or by e-mail, at the latest, on 5 May 2021, 2400 hrs (CEST) at the following address:

HeidelbergCement AG  
c/o Computershare Operations Center  
80249 München, Germany  
Telefax: +49 (0) 89 30903-74675  
E-mail: HCAG-HV2021@computershare.de

Via the InvestorPortal, the votes cast by way of absentee voting, their amendment and their revocation are possible until the beginning of the voting at the Annual General Meeting.

In all cases, the date of receipt by the Company shall be decisive.

Even after submission of an absentee vote, shareholders retain the right to take part in the voting by proxy, in which case the absentee vote is automatically deemed to be rescinded.

If an absentee vote is received along with proxy voting authorisations with instructions to the proxies of the Company via the same channel, the submitted absentee vote is deemed to be cancelled and the proxy voting authorisations with instructions to the proxies of the Company treated prevail. If an absentee vote and/or proxy voting authorisations with instructions to the proxies of the Company are received via different channels, the last received prevails. If no determination can be made as to which of the above is overriding, (1.) votes and/or proxy voting authorisations received via the InvestorPortal shall prevail over any received by other ways, (2.) votes and/or proxy voting authorisations received via e-mail shall prevail over any received by fax and in writing by mail and (3.) votes and/or proxy voting authorisations received by fax shall prevail over any received in writing by mail.

Authorised intermediaries (such as a credit institution) and – insofar as they are equivalent to them pursuant to section 135 para. 8 of the German Stock Corporation Act – shareholders' associations, proxy advisors and persons, that offer proxy voting services to shareholders as part of their regular business activities, may also make use of absentee voting.

**Rights of the shareholders pursuant to sections 122 para. 2, 126 para. 1, 127, 131 para. 1 of the German Stock Corporation Act in conjunction with section 1 para. 2 COVID-19 Act**

***Amendment to the agenda pursuant to section 122 para. 2 of the German Stock Corporation Act***

In accordance with section 122 para. 2 of the German Stock Corporation Act shareholders with shares corresponding to a part of the share capital equal to €500,000 – i.e. 166,667 shares – can request that items be added to the agenda and announced. Each new item must be accompanied by a statement of reason or a proposal. The request is to be sent in writing to the Managing Board of the Company and must reach the Company no later than 30 days before the meeting, not counting the date of delivery. The last possible date for delivery is therefore 5 April 2021, 2400 hrs (CEST). Please send any such requests to the following address: HeidelbergCement AG, Vorstand, Berliner Strasse 6, 69120 Heidelberg, Germany. Further details as to the requirements for exercise of said right and its limits may be viewed at [www.heidelbergcement.com/en/annual-general-meeting-2021](http://www.heidelbergcement.com/en/annual-general-meeting-2021) under the heading “Information pursuant to section 121 para. 3 sentence 3 no. 3 of the German Stock Corporation Act regarding shareholders’ rights”.

***Motions and election proposals of shareholders pursuant to sections 126 para. 1, 127 of the German Stock Corporation Act***

In accordance with section 126 of the German Stock Corporation Act, all motions by shareholders regarding agenda items, including the reasons in support thereof, or proposals by shareholders for the election of auditors in accordance with section 127 of the German Stock Corporation Act, received by us at our address: HeidelbergCement AG, Abt. GL, Berliner Strasse 6, 69120 Heidelberg, Germany, or faxed to us at +49 (0) 6221 481-13 705 at least 14 days before the Annual General Meeting, whereby the day of receipt shall not be counted, i.e. by 2400 hrs (CEST) on 21 April 2021, and required to be disclosed will be published without undue delay after receipt at [www.heidelbergcement.com/en/annual-general-meeting-2021](http://www.heidelbergcement.com/en/annual-general-meeting-2021). Any responses from the management will likewise be published at the aforementioned Internet address. Further details as to the requirements for exercise of the rights and their limits are to be found there under the heading “Information pursuant to section 121 para. 3 sentence 3 no. 3 of the German Stock Corporation Act regarding shareholders’ rights”.

Since the Annual General Meeting is held as a virtual Annual General Meeting without the physical presence of the shareholders and their proxies (with the exception of the proxies of the Company), no motions can be made in the virtual Annual General Meeting. However, the Company will treat the motions and election proposals to be made available pursuant to sections 126, 127 of the German Stock Corporation Act as if they had been made or submitted at the Annual General Meeting if the shareholder making the motion or submitting the election proposal is duly authorised and registered for the General Meeting. The right of the chairman of the meeting to vote first on the proposals of the administration shall remain unaffected thereby.

It is pointed out that questions are to be submitted exclusively by the method described below in the section "Right to ask questions".

### **Right to ask questions**

Pursuant to section 1 para. 1 and 2 of the COVID-19 Act, shareholders have a right to ask questions by electronic means. The Managing Board has stipulated that any questions must be submitted by electronic means by 4 May 2021, 2400 hrs (CEST), at the latest. The Managing Board shall decide at its discretion, after due consideration, how it answers the questions.

Shareholders registered for the Annual General Meeting or their proxies may submit their questions to the Company in German via the InvestorPortal by 4 May 2021, 2400 hrs (CEST). The required access data are part of the admission ticket that will be sent to you after registration.

### **Possibility to object to resolutions of the Annual General Meeting**

Shareholders or their proxies who exercise the voting right have the right to object to a resolution of the Annual General Meeting via the InvestorPortal during the Annual General Meeting, i.e. from the opening of the Annual General Meeting until its closure, for the notary's minutes.

### **Publications on the Company's website**

The publications and explanations specified in section 124a of the German Stock Corporation Act are to be found at [www.heidelbergcement.com/en/annual-general-meeting-2021](http://www.heidelbergcement.com/en/annual-general-meeting-2021).

### **Notice of the aggregate number of shares and voting rights**

At the time of the convening of the Annual General Meeting, 198,416,477 no-par value shares out of the total of 198,416,477 no-par value shares issued are entitled to attend and vote. Each share entitled to attend shall carry one vote at the Annual General Meeting. The Company does not hold any treasury shares. There are no different classes of shares.

## **Information on data protection for shareholders of HeidelbergCement AG**

In the EU General Data Protection Regulation, transparency regarding data processing plays a key role. The security of your personal data and protection of your privacy are also our top priority. You can find information on the processing of your personal data by HeidelbergCement AG and your rights granted by the data protection law on the Internet at [www.heidelbergcement.com/en/annual-general-meeting-2021](http://www.heidelbergcement.com/en/annual-general-meeting-2021).

Heidelberg, March 2021

HeidelbergCement AG

The Managing Board

**Information pursuant to the Implementing Regulation (EU) 2018 / 1212 for the notification pursuant to section 125 of the German Stock Corporation Act by HeidelbergCement AG**

A. Specification of the message	
1. Unique identifier of the event	Virtual Annual General Meeting 2021 of HeidelbergCement AG
2. Type of message	NEWM
B. Specification of the issuer	
1. ISIN	DE0006047004
2. Name of issuer	HeidelbergCement AG
C. Specification of the meeting	
1. Date of the General Meeting	6. Mai 2021 (20210506)
2. Time of the General Meeting	10:00 a.m. CEST (8:00 a.m. UTC)
3. Type of General Meeting	GMET
4. Location of the General Meeting	www.heidelbergcement.com/en/annual-general-meeting-2021 Location of the General Meeting in the sense of the German Stock Corporation Act: Berliner Strasse 6, 69120 Heidelberg, Germany
5. Record Date	14 April 2021 (20210414)
6. Uniform Resource Locator (URL)	www.heidelbergcement.com/en/annual-general-meeting-2021

This is a convenience translation of the German invitation to the Annual General Meeting. Only the German version of this document is legally binding.

## **Chairman of the Supervisory Board**

Fritz-Jürgen Heckmann

## **Managing Board**

Dr. Dominik von Achten, Chairman

Dr. Lorenz Näger, Deputy Chairman

Kevin Gluskie

Hakan Gurdal

Ernest Jelito

Jon Morrish

Chris Ward

The Company has its registered office in Heidelberg, Germany. It is registered with the Commercial Register at the Local Court of Mannheim (Amtsgericht Mannheim) under HRB 330082.

## **Group Communication**

Phone: +49 6221 481-13227

Fax: +49 6221 481-13217

E-mail: [info@heidelbergcement.com](mailto:info@heidelbergcement.com)

## **Investor Relations**

Institutional Investors USA and UK:

Phone + 49 6221 481-13925

Institutional Investors EU and Rest of the World:

Phone + 49 6221 481-41016 and -39670

Private Investors:

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Fax: + 49 6221 481-13217

E-mail: [ir-info@heidelbergcement.com](mailto:ir-info@heidelbergcement.com)

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