

# Agenda Annual General Meeting 2018





# Invitation to the Annual General Meeting

We hereby invite our shareholders to attend the Annual General Meeting on Wednesday, 9 May 2018, at 10:00 a.m. in the Heidelberg Convention Centre (“Kongresshaus Stadthalle Heidelberg”) at Neckarstaden 24, 69117 Heidelberg, Germany.

## Agenda

- 1. Submission of the adopted annual financial statements, the approved consolidated financial statements of the Group, as well as the combined management report of HeidelbergCement AG and HeidelbergCement Group, as well as the report of the Supervisory Board for the 2017 financial year**
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The above documents and the Managing Board’s proposal for the appropriation of the profit may be viewed on the Internet at [www.heidelbergcement.com](http://www.heidelbergcement.com) on the Investor Relations/Annual General Meeting page. The documents will also be available and will be explained during the Annual 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**
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The balance sheet profit for the 2017 financial year of HeidelbergCement AG amounts to €408,386,159.52. The Managing Board and Supervisory Board propose:

- a) that a dividend in the amount of €1.90 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 €376,991,306.30 would be paid for the 198,416,477 no-par value shares carrying dividend rights for the 2017 financial year; and
- b) that the remaining balance sheet profit in the amount of €31,394,853.22 be carried forward in full.

In accordance with sec. 58(4) sentence 2 German Stock Corpora-

tion Act, the dividends are due on the third business day following the Annual General Meeting, i.e. on 15 May 2018.

### **3. Resolution on the approval of the Managing Board's actions for the 2017 financial year**

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The Managing Board and Supervisory Board propose that the actions of the members of the Managing Board for the 2017 financial year be approved.

It is intended that the Annual 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 approval of the Supervisory Board's actions for the 2017 financial year**

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The Managing Board and Supervisory Board propose that the actions of the members of the Supervisory Board for the 2017 financial year be approved.

It is intended that the Annual 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 2018 financial year**

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The Supervisory Board proposes, based on the recommendation of its audit committee, that Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart, Germany, be appointed as the auditor of the annual financial statements and consolidated financial statements for the 2018 financial year as well as to review the abbreviated financial statements and the interim management report for the first six months of the 2018 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 (6) of the EU Regulation on statutory auditors or audit firms (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) has been imposed upon it.

## **6. Special election of Supervisory Board members**

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In accordance with sections 96(1) and 101(1) of the German Stock Corporation Act and sec. 7(1) no. 1 of the German Co-Determination Act, in conjunction with Article 8(1) and (2) of the Company's Articles of Association, six members of the Supervisory Board are to be elected by the Annual General Meeting and another six members of the Supervisory Board are to be elected by the employees. Election nominations are not binding upon the Annual General Meeting.

Pursuant to sec. 96(2) sentence 1 of the German Stock Corporation Act, the Supervisory Board must comprise at least 30 % women and at least 30 % men. Pursuant to sec. 25(2) of the Introductory Law of the German Stock Corporation Act, this minimum share for women and men has to be observed regarding elections for filling individual or several positions on the Supervisory Board as of 1 January 2016. In case the number of Supervisory Board positions to be filled is not sufficient to meet the minimum share, the positions have to be filled with persons of the under-represented gender, in order to gradually increase its share. Existing mandates can be exercised until the regular expiry date.

At present, the Supervisory Board of HeidelbergCement AG consists of eight men and three women (including Ms. Suckale), so that the required minimum share is not fulfilled. An application for judicial completion of the Supervisory Board with a further member has been submitted. This means, that a vacant seat on the Supervisory Board has to be filled by a female member.

Mr. Alan Murray left the Supervisory Board with effect from 30 June 2017. Pursuant to sec. 104 of the German Stock Corporation Act and based on its ruling of 21 August 2017, the Local Court (Amtsgericht) of Mannheim appointed Ms. Margret Suckale as successor of Mr. Alan Murray to the Supervisory Board. Ms. Margret Suckale is to be put to the Annual General Meeting as candidate for the election.

The election nomination by the Supervisory Board is based on the recommendation of its Nomination Committee and takes into

account the objectives of the Supervisory Board's composition which are part of the Supervisory Board's profile of required skills and expertise adopted by the Supervisory Board. The profile of required skills and expertise and the included objectives for the composition of the Supervisory Board were adopted by the Supervisory Board on 11 September 2017 and are published – along with the implementation status – in the Corporate Governance statement for the 2017 financial year. This Corporate Governance statement is contained in the Annual Report 2017 which is available on the Internet at [www.heidelbergcement.com](http://www.heidelbergcement.com) on the Investor Relations/Reports and Presentations page and will be available in the Annual General Meeting.

The Supervisory Board proposes that

Ms. Margret Suckale, place of residence: Hamburg, Germany, profession: Member of the Supervisory Board of Deutsche Telekom AG, Bonn, Germany, and Member of the Supervisory Board of DWS Group GmbH & Co. KGaA, Frankfurt am Main, Germany

be elected as shareholder representative to the Supervisory Board. Ms. Margret Suckale shall be elected for the remaining term of the other Members of the Supervisory Board, i.e. such term will run until the close of the Annual General Meeting resolving on the formal approval of the acts of the Supervisory Board for the 2018 financial year.

*Personal information:*

Year of birth: 1956

Place of birth: Hamburg, Germany

Nationality: German

*Education:*

1985	Second state examination in Law, Hamburg
2001	Executive Master of Business Administration from WHU, Vallendar and Kellogg School of Management, Illinois/USA
2002	Executive Master of European and International Law, University of St. Gallen/ Switzerland

*Career:*

Since 3/2018 Member of the Supervisory Board of DWS Group GmbH & Co. KGaA

- Since 9/2017 Member of the Supervisory Board of Deutsche Telekom AG
- Since 8/2017 Member of the Supervisory Board of Heidelberg-Cement AG
- 2011-5/2017 Member of the Board of Executive Directors of BASF SE, responsible for Engineering and Maintenance, Environmental Protection, Health & Safety, European Site & Verbund Management and Human Resources; also Labour Director at BASF SE and Site Director for Ludwigshafen
- 2009 Senior Vice President, Global HR – Executive Management & Development, BASF SE, Ludwigshafen
- 2008 Member of the Management Board responsible for HR and Services, Deutsche Bahn Mobility & Logistics AG, Berlin
- 2005 Member of the Management Board responsible for HR and Services, Deutsche Bahn AG, Berlin
- 2004 Head of Central Staff Units, Deutsche Bahn AG, Berlin
- 1997 Head of Legal Division, Deutsche Bahn AG, Berlin
- 1996 Joint Venture Mobil/BP, Integration Team, Mobil Europe Ltd., London/UK
- 1991 Various positions in human resources for subsidiary companies of the Mobil Corporation in Europe, for example, in London (UK), Copenhagen (Denmark), Vienna (Austria) and Hamburg (Germany)
- 1985 Legal Adviser for Marketing, Sales, Contract, Competition, and Antitrust Law, Labor Law, Supply and Distribution, Mobil Oil AG, Hamburg

*Membership in other legally required supervisory boards of German companies*

Deutsche Telekom AG, Bonn

DWS Group GmbH & Co. KGaA, Frankfurt am Main

*Membership in comparable German and foreign supervisory committees of commercial enterprises*

none

The present election recommendation takes into account the profile of skills and expertise adopted by the Supervisory Board on 11 September 2017 and also the objectives regarding its composition which were adopted at the same date. There are no personal or business relations between Ms. Margret Suckale and

the companies of the HeidelbergCement Group, the executive bodies of HeidelbergCement AG as well as Mr. Ludwig Merckle, a shareholder holding a material interest in the Company (point 5.4.1 of the German Corporate Governance Code). In the appraisal of the Supervisory Board, Ms. Margret Suckale is an independent Supervisory Board member within the meaning of point 5.4.2 of the German Corporate Governance Code. The Supervisory Board has satisfied itself that Ms. Suckale can devote the expected amount of time required for membership of the Supervisory Board.

**7. Resolution on the granting of a new authorisation to issue warrant bonds or convertible bonds, profit participation rights or participating bonds and to exclude the subscription right in respect of such warrant bonds or convertible bonds, profit participation rights or participating bonds, as well as the creation of a new Conditional Capital 2018 and the corresponding amendment of the Articles of Association**

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The authorisation to issue warrant bonds or convertible bonds, profit participation rights or participating bonds resolved at the Annual General Meeting of 8 May 2013 will expire on 7 May 2018. This granted authorisation has not yet been utilized and is to be extended with a reduced volume. Therefore, a new Conditional Capital 2018 is to be created and Article 4(4) of the Articles of Association is to be restated.

**A. Authorisation to issue warrant bonds or convertible bonds, profit participation rights or participating bonds and to exclude the subscription right in respect of such warrant bonds or convertible bonds, profit participation rights or participating bonds against cash contributions**

The Managing Board and Supervisory Board propose that the following resolution be adopted:

The Managing Board is authorised, subject to the approval of the Supervisory Board, to issue, until 8 May 2023, once or several times, bearer or registered warrant bonds or convertible bonds, profit participation rights or participating bonds or a combination of these instruments (collectively the “Bonds”) up to a total nominal amount of €4,000,000,000 and to grant option rights to or impose obligations on the holders or creditors of the warrant bonds or



participation rights or option rights under the participating bonds, and/or conversion rights to or obligations on the holders or creditors of convertible bonds or convertible participation rights or convertible participating bonds, relating to no-par bearer shares in the Company representing an aggregate pro rata amount in the share capital of up to €118,800,000, subject to the terms and conditions of the warrant or convertible bonds. The Bonds shall be issued against cash contributions.

In addition to euros, the Bonds may also be issued in the valid currency of an OECD country, up to an amount corresponding to the euro value of the aforesaid total nominal amount. The Bonds may also be issued by a Group company of the Company within the meaning of sec. 18 of the German Stock Corporation Act, in which the Company directly or indirectly holds an interest of at least 90 %. In such case, the Managing Board is authorised, subject to the approval of the Supervisory Board, to assume a guarantee on behalf of the Company for such Bonds, and to grant to, or to impose upon, the holders or creditors of warrant or convertible bonds, option or convertible participation rights and option or convertible participating bonds, as the case may be, option and conversion rights or obligations, in each case relating to no-par bearer shares in the Company.

To the extent that the shareholders are not allowed to directly subscribe for the Bonds, the shareholders shall be granted the statutory subscription right such that the Bonds shall be offered by a credit institution or a syndicate of credit institutions subject to the obligation to offer the Bonds to the shareholders for subscription. If Bonds are issued by a Group company of the Company within the meaning of sec. 18 of the German Stock Corporation Act, in which the Company holds a direct or indirect interest of at least 90 %, the Company shall ensure its shareholders are granted the statutory subscription right in accordance with the preceding sentence.

However, the Managing Board is authorised, subject to the approval of the Supervisory Board, to exclude from the shareholders' subscription right any fractional amounts resulting from the subscription ratio and to also exclude the subscription right to such extent as may be necessary in order to be able to grant to the holders or creditors of option or conversion rights or obligations already issued, at an earlier point in time, subscription

rights on a scale to which they would be entitled after exercising their conversion or option rights or after performance of their conversion obligations.

The Managing Board is further authorised, subject to the approval of the Supervisory Board, to completely exclude the subscription right of the shareholders regarding Bonds with option or conversion rights or obligations, if the Managing Board, upon due review, determines that the issue price of the Bonds is not significantly below the theoretical market value of the bond, as determined in accordance with generally accepted - in particular, financial - calculation methods. The authorisation to exclude the subscription right only applies to Bonds issued with option or conversion rights or obligations relating to shares representing an aggregate pro rata share in the share capital of no more than 10 %, whether at the time of coming into effect or – if such value is lower – at the time of exercise of the present authorisation. New no-par value shares issued from an authorised capital subject to the exclusion of the subscription right pursuant to sec. 186(3) sentence 4 of the German Stock Corporation Act during the term of this authorisation until the issue of Bonds with option or conversion rights or obligations without the subscription right pursuant to sec. 186(3) sentence 4 of the German Stock Corporation Act are also to be counted towards the aforesaid 10 % limit. Moreover, treasury shares that are sold subject to the exclusion of the subscription right on the basis of an authorisation pursuant to sections 71(1) no. 8, 186(3) sentence 4 of the German Stock Corporation Act and following the adoption of a resolution on the present authorisation must also be counted towards this limit.

To the extent that profit participation rights or participating bonds are issued without conversion rights/obligations or option rights/obligations, the Managing Board is authorised, subject to the approval of the Supervisory Board, to exclude the subscription right of the shareholders as a whole, if such profit participation rights or participating bonds have obligation-like features, i.e. if no membership rights in the Company and no share in the liquidation proceeds are granted thereunder and if the payable interest is not calculated by reference to the profit for the financial year, the balance sheet profit or the dividend. Furthermore, in such case, the interest and the issue price of the profit participation rights or the participating bonds must accord with the market conditions prevailing at the time of issue.

Where warrant bonds are issued, one or more warrants shall be attached to each partial bond granting to the holder or creditor the right to subscribe for no-par value bearer shares of the Company subject to the warrant bonds terms and conditions to be determined by the Managing Board. The terms and conditions of warrant bonds issued by the Company may provide that the option price can also be paid by transfer of partial bonds and, if applicable, additional cash payment. The pro rata amount of the share capital represented by the shares to be subscribed for under each partial bond must not exceed the nominal amount of the partial bond. To the extent that fractions of shares arise it may be provided that these fractions be consolidated into full shares for subscription pursuant to the terms and conditions of the options and/or bonds, if applicable, against additional payment. The same applies accordingly if warrants are attached to a profit participation right or a participating bond. In case the nominal value of the warrant bonds and the option prize are denominated in different currencies, the last available ECB reference rate at the time of the final determination of the issue amount of the bonds shall be decisive for the translation.

Where convertible bonds are issued, the holders or creditors are granted the right to convert their bonds into no-par value bearer shares of the Company pursuant to the terms and conditions of the convertible bonds to be determined by the Managing Board. The Company may opt not to grant a conversion right to the holders or creditors, if the German Stock Corporation Act permits to do so at the time of use of the authorisation. The conversion ratio is determined by dividing the nominal amount – or the issue price below the nominal amount – of the partial bond by the conversion price determined for one share in the Company, and may be rounded up or down; furthermore, an additional payment in cash and a consolidation of, or a compensation for, any non-convertible fractions may be determined. The nominal amount/pro rata amount of the share capital represented by the shares to be subscribed for under each partial bond must not exceed the nominal amount of the convertible bond. The same applies accordingly if the conversion right relates to a profit participation right or a participating bond. In case the nominal value of the convertible bonds and the conversion price are denominated in different currencies, the last available ECB reference rate at the time of the final determination of the issue amount of the bonds shall be decisive for the translation.

Where Bonds are issued which provide for an option or conversion right or an option or conversion obligation, the relevant option or conversion price to be determined for a share, even given a variable exchange/conversion rate, must equal 80 % of the volume-weighted average price of the shares of the Company in XETRA (or a corresponding successor system) on the Frankfurt stock exchange, on the last three days of stock exchange trading prior to the resolution by the Managing Board on the issuance of the bond, or where shareholders are entitled to subscription rights to the bond, in the closing auction during the days on which subscription rights to the bond are traded in XETRA (or a corresponding successor system) on the Frankfurt stock exchange, with the exception of the last two days of subscription rights trading.

Notwithstanding the provisions in sec. 9(1) of the German Stock Corporation Act, the option or conversion price in respect of Bonds with option or conversion rights or obligations may be adjusted in a value-preserving manner (*wertwahrend*) in case of economic dilution of the value of the option or conversion rights or obligations, as provided in the relevant terms of the respective Bonds, unless such adjustment is already regulated under applicable law and a subscription right is granted to the holders or creditors of option or conversion rights on a scale to which they would be entitled after exercising their conversion or option rights. The terms and conditions of the Bonds may provide for further adjustments of the option and/or conversion rights or obligations, or of the option and/or conversion price, in case of a capital reduction or other extraordinary measures or events (e.g. acquisition of control by third parties).

The terms and conditions of the Bonds may provide that, in case of conversion or exercise of the option, the Company is entitled, instead of granting new no-par value shares, to pay an amount in cash equivalent to the volume-weighted average price of the amount of shares of the Company otherwise to be delivered, as such price is quoted in XETRA (or in a corresponding successor system) on the Frankfurt Stock Exchange during the ten trading days following the notice of conversion or exercise of the option. In the event that the Company announces its decision to exercise the right to payment of an amount in cash upon conversion or exercise of the option, the aforementioned period of ten trading days shall not start until three trading days after the announce-

ment of the cash payment of the Company. The terms and conditions of the bonds may also provide that the warrant bonds and/or convertible bonds may, instead of being converted into new no-par value shares out of conditional capital, be converted, at the option of the Company, into already existing no-par value shares of the Company or shares of another listed company, or that the option right or the option obligation may be satisfied by delivery of such shares.

The terms and conditions of the Bonds may also provide for (i) a conversion obligation or an option obligation as of the maturity date (or as of any other point in time which can also be determined by a future event, uncertain at the time of issuance of the Bonds) or for (ii) the right of the Company, upon maturity of Bonds with option or conversion rights (including maturity due to termination), to grant to the holders or creditors of the Bonds no-par value shares in the Company or in another listed company in lieu of payment of the amount due (or parts thereof). In such cases the option or conversion price – in deviation from the foregoing rule concerning the conversion price upon the exercise of a conversion right – shall equal at least the volume-weighted average price of the share of the Company or another company listed in XETRA (or a corresponding successor system) on the Frankfurt stock exchange during a reference period of ten to 20 days prior to the maturity date or any other specified point in time, as defined in the terms and conditions of the Bonds, even if such average price is below the above minimum price (80%). The pro rata amount of the share capital represented by the shares to be issued upon exercise of the option and/or conversion must not exceed the nominal amount of the Bonds. Sec. 9(1) in conjunction with sec. 199(2) of the German Stock Corporation Act are to be observed.

The Managing Board is authorised, subject to the approval of the Supervisory Board, to determine all further details regarding the issuance and the features of the Bonds, including without limitation, interest rates, issue price, term to maturity and denomination, creation of a conversion or option obligation, determination of an additional cash payment, consolidation of, or compensation for, any fractions, payment in cash in lieu of granting shares of the Company, granting of existing shares in lieu of issuing new shares, anti-dilution provisions and the applicable option and conversion periods, and/or where applicable, to determine such details in

consultation with the relevant bodies of the Group company of the Company issuing the warrant bonds or convertible bonds.

As far as the approval of the Supervisory Board is required according to this authorisation, the Supervisory Board may delegate the resolution on the approval to one of its committees.

## **B. Creation of a new Conditional Capital 2018 as well as the corresponding amendment of the Articles of Association**

The Managing Board and Supervisory Board propose that the following resolution be adopted:

### **a) Creation of a new conditional capital**

The share capital is conditionally increased by an additional amount of up to €118,800,000, divided into up to 39,600,000 new no-par value bearer shares (Conditional Capital 2018). The conditional capital increase serves the purpose of granting no-par value bearer shares upon the exercise of option or conversion rights (or upon fulfilment of corresponding option/conversion obligations), or upon exercise of the Company's right to grant, in lieu of payment of the amount in cash due (or parts thereof), shares of the Company to the holders or creditors of warrant bonds or convertible bonds, profit participation rights or participating bonds (or combinations of these instruments) issued on the basis of the authorisation resolved by the Annual General Meeting of 9 May 2018 under item 7 A. until 8 May 2023 by the Company or by a Group company of the Company within the meaning of sec. 18 of the German Stock Corporation Act in which the Company directly or indirectly holds an interest of at least 90 %. The new shares are issued at the option or conversion price, as the case may be, which corresponds to the specifications of this authorisation.

The conditional capital increase is only to be implemented to the extent that option or conversion rights are exercised, or holders or creditors of bonds subject to the obligation to exercise the option or to convert their bonds comply with such obligation, or to the extent that the Company exercises its right to grant shares of the Company in lieu of payment of the amount in cash due (or parts thereof), and unless cash settlement has been accepted or own shares or shares of another listed company are used for performance purposes. The new shares issued are entitled to dividends as of the beginning of the financial year in which they

are created. As far as legally permissible, the Managing Board may determine, subject to the approval of the Supervisory Board, a dividend entitlement of new shares deviating from the provisions set forth in sec. 60(2) of the German Stock Corporation Act.

The Managing Board is authorised, subject to the approval of the Supervisory Board, to determine all further details regarding the implementation of the conditional capital increase.

**b) Amendment of the Articles of Association**

Article 4(4) of the Articles of Association is to be restated as follows:

“(4) The share capital shall be conditionally increased by an additional amount of up to €118,800,000, divided into up to 39,600,000 new no-par value bearer shares (Conditional Capital 2018). The conditional capital increase shall only be implemented to the extent that the holders or creditors of option or conversion rights, and/or the holders or creditors subject to the obligation to exercise the options or to convert their bonds, under warrant bonds or convertible bonds, profit participation rights or participating bonds issued or guaranteed by the Company or a Group company of the Company within the meaning of sec. 18 of the German Stock Corporation Act, in which the Company holds an interest of at least 90 %, until 8 May 2023 on the basis of the authorisation resolved by the Annual General Meeting of 9 May 2018 under item 7 A., exercise such rights and/or comply with such obligations, or to the extent that the Company exercises its right to grant shares of the Company in lieu of payment of the amount in cash due (or parts thereof), and unless cash settlement has been accepted or own shares or shares of another listed company are used for performance purposes. The new shares shall be issued at the option or conversion price, as the case may be, which corresponds to the specifications of this authorisation.

The new shares shall be entitled to dividends as of the beginning of the financial year in which they are created. As far as legally permissible, the Managing Board may determine, subject to the approval of the Supervisory Board, a dividend entitlement of new shares deviating from the provisions set forth in sec. 60(2) of the German Stock Corporation Act. The Managing Board shall be authorised, subject to the approval of the Supervisory Board, to determine all further details regarding the implementation of the conditional capital increase.”

**c) Authorisation to amend the Articles of Association**

The Supervisory Board is authorised to amend Article 4(1) and (4) of the Articles of Association in accordance with the relevant issuance of the new shares and to effect all amendments to the Articles of Association in connection therewith relating only to the wording. The same applies accordingly in case the authorisation to issue warrant bonds or convertible bonds, profit participation rights or participating bonds is not used upon or prior to the expiry of the term of the authorisation, as well as where the Conditional Capital 2018 is not used after expiry of the term for the exercise of the option or conversion rights or for the fulfilment of option or conversion obligations, respectively.



**Requirements for attending the Annual General Meeting and exercising voting rights (with record date pursuant to sec. 123(4) sentence 2 of the German Stock Corporation Act and its meaning)**

In accordance with Article 16(1) of the Company's Articles of Association, 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 18 April 2018, 0000 hrs (so-called record date), in order to attend and exercise their voting rights at 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.

The registration and proof of shareholding must reach the Company six days prior to the date of the Annual General Meeting at the latest, i.e. by 2 May 2018, 2400 hrs 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](mailto: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.

In relation to the Company, only those persons who have furnished such proof 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 solely in accordance with the proof of shareholding of the shareholder 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.

After the Company has received the registration and the proof of their shareholding at the above-mentioned address, the shareholders will be sent admission tickets for the Annual General Meeting. In order to ensure that the admission tickets are 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, an 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 admission tickets are only used for organisational purposes and do not constitute additional conditions of attendance.

### **Voting by proxies**

Shareholders may also appoint a proxy, such as a credit institution or shareholders' association, to vote on their behalf in the Annual General Meeting. 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 a credit institution, a shareholders' association or another person or institution legally equated with these pursuant to the regulations of the German Stock Corporation Act, the granting of the power of attorney, 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](http://www.heidelbergcement.com) on the Investor Relations/Annual General Meeting page. However, it is also possible to issue

a separate power of attorney in writing. The granting of the power of attorney, its revocation and the proof of authorisation must be sent to us at our address: HeidelbergCement AG, Abt. GL, Berliner Strasse 6, 69120 Heidelberg, Germany, or by fax: + 49 (0) 6221-481-13 705 or via e-mail to the e-mail address: HCAG-HV2018@computershare.de. For this purpose, on the day of the Annual General Meeting, the entrance and exit control to the meeting in the Heidelberg Convention Centre (“Kongresshaus Stadthalle Heidelberg”) at Neckarstaden 24, 69117 Heidelberg, will also be available from 9:00 a.m.

Credit institutions, shareholders’ associations and persons equivalent to them pursuant to sec. 135(8) and (10) of the German Stock Corporation Act, 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**

Employees of the Company may also serve as proxies. The following applies to the proxies nominated by the Company: The Company additionally offers its shareholders the option of being represented 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 printed on the admission ticket and is available on the Internet at [www.heidelbergcement.com](http://www.heidelbergcement.com) on the Investor Relations/Annual General Meeting page. 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 speak, lodge appeals against Annual General Meeting resolutions, ask questions or propose motions 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 sec. 124(3) of the German Stock Corporation Act or by shareholders pursuant to sec. 124(1) of the German Stock Corporation Act, or those made available in accordance with sections 126, 127 of the German Stock Corporation Act. Powers of attorney for the proxies giving explicit instructions, and using the forms designated

for this purpose, must be received by the Company, at the latest, on 7 May 2018, 2400 hrs at our address: HeidelbergCement AG, Abt. GL, Berliner Strasse 6, 69120 Heidelberg, Germany, or by fax: + 49 (0) 6221-481-13 705 or by the end of the general debate in the Annual General Meeting by e-mail to the e-mail address: HCAG-HV2018@computershare.de. Powers of attorney and instructions that are given to the proxies of the Company can be amended or revoked, at the latest, by 7 May 2018, 2400 hrs in writing or by fax to the above-described address/fax number or by the end of the general debate in the Annual General Meeting by e-mail to the above-described e-mail address. In all cases, the date of receipt by the Company shall be decisive.

On the day of the Annual General Meeting, powers of attorney and instructions to the proxies of the Company can also be given, amended or revoked from 9:00 a.m. on at the entrance and exit control to the meeting in the Heidelberg Convention Centre (“Kongresshaus Stadthalle Heidelberg”) at Neckarstaden 24, 69117 Heidelberg.

### **Absentee voting process**

Shareholders not wanting to attend the Annual General Meeting personally and not wanting to appoint a proxy to vote on their behalf shall be entitled to cast their votes in writing, by fax or by e-mail by way of absentee voting, provided they have registered in time. This can be done using the form printed on the admission ticket or a corresponding form which is available online at [www.heidelbergcement.com](http://www.heidelbergcement.com) under Investor Relations/Annual General Meeting.

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 sec. 124(3) of the German Stock Corporation Act or by shareholders pursuant to sec. 124(1) of the German Stock Corporation Act.

The votes cast by way of absentee voting have to use the forms designated for this purpose and must be received by the Company, at the latest, on 7 May 2018, 2400 hrs at our address: HeidelbergCement AG, Abt. GL, Berliner Strasse 6, 69120 Heidelberg, Germany, or by fax: + 49 (0) 6221-481-13 705 or received by e-mail by the end of the general debate in the Annual General Meeting

under HCAG-HV2018@computershare.de. The votes cast by way of absentee voting may be changed or rescinded in writing or by fax to the above address or fax number until 7 May 2018, 2400 hrs at the latest, or until the end of the general debate in the Annual General Meeting by e-mail to the above e-mail address. 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 meeting personally or 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, absentee votes and/or proxy voting authorisations with instructions to the proxies of the Company received in writing shall prevail over any received by fax or e-mail; absentee votes and/or proxy voting authorisations with instructions to the proxies of the Company received by fax shall prevail over any received via e-mail.

Shareholders should be aware that the exercise of certain participatory rights (such as the right to submit questions or motions and make statements) by absentee vote is not possible.

Credit institutions, shareholders' associations and persons equivalent to them pursuant to sec. 135(8) and (10) of the German Stock Corporation Act, 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(2), 126(1), 127, 131(1) of the German Stock Corporation Act

### **Motions and election proposals of shareholders pursuant to sections 126 (1), 127 of the German Stock Corporation Act**

In accordance with sec. 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 Supervisory Board members or auditors in accordance with sec. 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 on 24 April 2018, and required to be disclosed will be published without undue delay after receipt at [www.heidelbergcement.com](http://www.heidelbergcement.com) on the Investor Relations/Annual General Meeting page. 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 sec. 121(3), sentence 3 no. 3 of the German Stock Corporation Act regarding shareholders' rights".

### **Amendment to the agenda pursuant to sec. 122(2) of the German Stock Corporation Act**

In accordance with sec. 122(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 8 April 2018, 2400 hrs. 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](http://www.heidelbergcement.com) on the page entitled "Investor Relations/Annual General Meeting" under the heading "Information pursuant to sec. 121(3), sentence 3, no. 3 of the German Stock Corporation Act regarding shareholders' rights".

### **Shareholders' rights to information pursuant to sec. 131(1) of the German Stock Corporation Act**

To the extent that such information is necessary to permit a proper evaluation of the relevant item on the agenda, each shareholder shall upon request be provided with information pursuant to sec. 131(1) of the German Stock Corporation Act, at the Annual General Meeting by the Managing Board regarding the Company's affairs, including legal and business relations with affiliated companies and the situation of the Group and the companies that are included in the Group annual accounts. As a general principle, requests for information at the Annual General Meeting are to be made verbally during the general debate. The information provided shall comply with the principles of proper and genuine accountability. The Managing Board may refuse to provide information if the conditions set forth in sec. 131(3) of the German Stock Corporation Act are met.

Under Article 18(2), sentence 3 of the Articles of Association, the chair of the meeting may restrict as he sees fit the time allotted to participants to speak, to ask questions, or for both together, either for the entire duration of the Annual General Meeting, for individual items on the agenda, or for individual speakers, either at the beginning of or during the course of the Annual General Meeting, and, if necessary to ensure the due and proper conduct of the meeting, order the end of the debate.

Further details as to the requirements for exercise of the right and its limits are to be found at [www.heidelbergcement.com](http://www.heidelbergcement.com) on the page entitled "Investor Relations/Annual General Meeting" under the heading "Information pursuant to sec. 121(3), sentence 3, no. 3 of the German Stock Corporation Act regarding shareholders' rights".

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

The publications and explanations specified in sec. 124a of the German Stock Corporation Act are to be found at [www.heidelbergcement.com](http://www.heidelbergcement.com) on the page headed "Investor Relations/Annual General Meeting".

### **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.

Heidelberg, March 2018

HeidelbergCement AG

The Managing Board

### **Report of the Managing Board to the Annual General Meeting in respect of item 7 of the agenda in accordance with sections 221(4) sentence 2, 186(4) sentence 2 of the German Stock Corporation Act:**

The proposed authorisation to issue warrant bonds or convertible bonds, profit participation rights or participating bonds or a combination thereof ("Bonds") in the total amount of up to €4,000,000,000 and to create the Conditional Capital 2018 in the amount of up to €118,800,000 is intended to further render possible the options of the Company for financing its activities, as described in detail below, after the expiry on 7 May 2018 of the authorisation resolved at the Annual General Meeting of 8 May 2013 and to enable the Managing Board, with the approval of the Supervisory Board, to seize flexible and short-term financing opportunities in the interest of the Company, in particular in case of favourable capital market conditions. The Bonds shall be issued against cash contributions.

Shareholders will generally be entitled to the statutory subscription rights in respect of Bonds with option or conversion rights or obligations attached (sec. 221(4) in conjunction with sec. 186(1) of the German Stock Corporation Act). To the extent that the shareholders are not allowed to directly subscribe for the Bonds, the Managing Board may, at its option, offer the Bonds to a credit institution or a syndicate of credit institutions subject to the obligation to offer the Bonds to the shareholders for subscription in accordance with their subscription rights (indirect subscription right within the meaning of sec. 186(5) of the German Stock Corporation Act).



The authorisation to exclude the subscription right in respect of fractional amounts enables the use of the requested authorisation through full amounts and facilitates the settlement of the subscription rights of the shareholders. The advantage of the authorisation to exclude the subscription right in favour of the holders or creditors of already issued option or conversion rights or obligations lies in the fact that the option or conversion price for already issued option or conversion rights or obligations need not be reduced, thereby enabling an altogether higher cash inflow. Thus, both cases of exclusion of the subscription right are in the best interest of the Company and its shareholders.

The Managing Board is further authorised, with the approval of the Supervisory Board, to completely exclude the shareholders' subscription right if Bonds with option or conversion rights or obligations are issued at an issue price which is not materially lower than the market value of such Bonds. This enables the Company to quickly seize favourable market opportunities on a short-term basis and, by determining the conditions in accordance with prevailing market terms, to achieve better terms regarding interest rates and issue price of the Bond. If the subscription rights were not excluded, any such market-oriented determination of the conditions and a smooth placement would not be possible. While sec. 186(2) of the German Stock Corporation Act permits disclosure of the subscription price (and thus of the terms and conditions of such Bonds) until three days prior to the end of the subscription period, considering the frequently observed volatility on the stock markets, the market risk will still be immanent for a number of days, which results in safety margins to be deducted in the determination of the terms and conditions of the Bond, and, eventually, in conditions which are not based on market terms. Also, the existence of a subscription right could jeopardise any successful placement with third parties, or result in additional expenses, due to the uncertainty of the exercise thereof (subscription behaviour). Finally, the granting of a subscription right would hinder the Company's ability to respond to favourable or adverse market conditions on a short-term basis due to the length of the subscription period, and the Company would instead be subject to declining stock prices during such period, which, in turn, could deteriorate the Company's options for the raising of capital.

In this case, sec. 186(3) sentence 4 of the German Stock Corporation Act shall apply accordingly pursuant to sec. 221(4) sentence 2 of the German Stock Corporation Act. This provision prescribes a limit of 10 % of the share capital in respect of excluded subscription rights which is to be observed according to the resolution. The amount of conditional capital, which in this case may only be made available for the purpose of securing option or conversion rights or obligations, must not exceed 10 % of the share capital existing at the time the authorisation to exclude the subscription right pursuant to sec. 186(3) sentence 4 of the German Stock Corporation Act comes into force. The resolution on the authorisation contains a corresponding provision to also ensure that, even in the case of a capital reduction, the limit of 10 % of the share capital is not exceeded, since the authorisation to exclude the subscription right expressly prescribes that the 10 % limit must not be exceeded whether at the time of coming into effect or – if such value is lower – at the time of exercise of the present authorisation. New shares issued from an authorised capital subject to the exclusion of the subscription right pursuant to sec. 186(3) sentence 4 of the German Stock Corporation Act during the term of this authorisation until the issuance of Bonds with option or conversion rights or obligations without the subscription right pursuant to sec. 186(3) sentence 4 of the German Stock Corporation Act are also to be counted towards the aforesaid 10 % limit. Moreover, treasury shares that are sold subject to the exclusion of the subscription right on the basis of an authorisation pursuant to sections 71(1) no. 8, 186(3) sentence 4 of the German Stock Corporation Act and following the adoption of a resolution on the present authorisation must also be counted towards this limit.

Sec. 186 (3) sentence 4 of the German Stock Corporation Act further provides that the issue price must not be materially lower than the quoted price. This provision is intended to prevent a significant economic dilution of the value of the shares. Whether or not such dilutive effect will occur in connection with the issuance of Bonds with option or conversion rights or obligations under exclusion of subscription rights can be determined by calculating the notional market value of the Bond in accordance with recognised calculation methods, in particular, methods of financial mathematics, and comparing such price with the issue price. If, following due review, such issue price is deemed to be only insignificantly lower than the notional market value at the

time of issuance of the Bond, the exclusion of subscription rights is deemed permissible in accordance with the intent and purpose of the provision laid down in sec. 186(3) sentence 4 of the German Stock Corporation Act owing to the minor discount. Thus, the resolution provides that the Managing Board, prior to issuing the Bonds with option or conversion rights or obligations, upon due review, must determine that the intended issue price will not cause any significant dilution of the value of the shares, as the issue price of the Bond is not significantly lower than their notional market value calculated in accordance with recognised calculation methods, in particular, methods of financial mathematics. This means that the notional market value of each subscription right would decrease to almost zero to the effect that the shareholders will not suffer any significant economic disadvantages on account of the exclusion of the subscription rights. All this will ensure that the exclusion of the subscription rights will not cause any significant dilution of the value of the shares. Furthermore, the shareholders may maintain their proportionate share in the share capital of the Company even after exercise of option or conversion rights, or after the option or conversion obligations have taken effect, at any time by additional purchases of shares through the stock exchange. On the other hand, the authorisation to exclude subscription rights enables the Company to determine the conditions in accordance with prevailing market terms, and to obtain the highest possible degree of certainty that the Bonds can be placed with third parties and that favourable short-term market opportunities can be seized.

To the extent that profit participation rights or participating bonds are to be issued without option rights/obligations or conversion rights/obligations, the Managing Board shall be authorised, with the approval of the Supervisory Board, to exclude the subscription right of the shareholders as a whole, if such profit participation rights or participating bonds have obligation-like features, i.e. if no membership rights in the Company and no share in the liquidation proceeds are granted thereunder and further provided that the payable interest is not calculated by reference to the profit for the financial year, the balance sheet profit or the dividend. Furthermore, the interest and the issue price of the profit participation rights and the participating bonds must accord with the current market conditions prevailing at the time of issue. Where the aforesaid conditions are fulfilled, the shareholders will not suffer any disadvantages from the exclusion of the subscription

right, because the profit participation rights or participating bonds grant no membership rights in the Company and no share in the liquidation proceeds or in the profits of the Company.

The Managing Board and Supervisory Board will carefully examine in each individual case whether they are making use of the authorisation to exclude the shareholders' subscription right. This authorisation will only be used if, in the assessment of the Managing Board and Supervisory Board, this is in the best interest of the Company and, therefore, of its shareholders.

The conditional capital (up to €118,800,000) is required to fulfill delivery of shares of the Company that may be acquired through the exercise of option or conversion rights or obligations attached to the Bonds.

A corresponding volume limit as well as the deduction clauses ensure that the sum of all exclusions of subscription rights in the two existing authorised capitals and the new Conditional Capital 2018 will not exceed a limit of 20 % of the share capital existing at the time the authorisation to exclude the subscription right comes into force.

The Managing Board will report on every use of the authorisation to issue Bonds at the subsequent Annual General Meeting.

Heidelberg, March 2018

HeidelbergCement AG

The Managing Board

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. Bernd Scheifele, Chairman

Dr. Dominik von Achten, Deputy Chairman

Kevin Gluskie

Hakan Gurdal

Jon Morrish

Dr. Lorenz Näger

Dr. Albert Scheuer

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 481-13 227

Fax: +49 6221 481-13 217

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

## **Investor Relations**

### **Institutional Investors USA and UK:**

Phone + 49 6221 481-13 925

### **Institutional Investors EU and Rest of the World:**

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### **Private Investors:**

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Fax: + 49 6221 481-13 217

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

## Directions to the Annual General Meeting



### **When travelling by public transport:**

From Heidelberg Central Railway Station take the bus Line 32. Get off at the stop "Kongresshaus". (Further information: [www.vrn.de](http://www.vrn.de))



**HeidelbergCement AG**  
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