



**Public Hearing in the European Parliament:  
“A European policy for employee ownership and participation”  
Brussels, 22 March 2012**

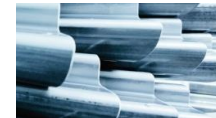
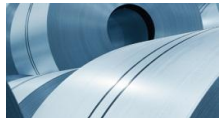
## **Employee Participation voestalpine AG**

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# voestalpine AG

Group	Revenue	EBIT	Employees
<b>GJ 2010/11</b>	€ 10.95 bn	€ 984 m	40,700



Steel	Special Steel	Railway Systems	Profilform	Automotive
Top European player	Global leadership	Global leadership	Global leadership	Top European player
Top 3 European supplier of high quality sheet and heavy plate for most demanding applications.	Worldwide leader in tool steel. Leading position in high-speed steel and special forgings.	European market leader for rails and processed wire, world market leader for turnouts and railway systems; leading position in welding consumables and seamless tubes.	Worldwide market leader in special sections and custom rollforming; leading position in precision strip.	Top 3 European player in the automotive supply industry for special components.

Headquarters in Linz / Austria; presence in 50 countries, with some 300 production and sales companies; half of the employees in Austria.

# aim of the voestalpine Employee Participation

- **contribution to secure the development of the company**

- **“Strategic Ownership“**

- to participate in decision making, in case of fundamental questions of the company, with more than 10% of shares (voting rights bundled in a foundation)

- **employees as core shareholder secure**

- stability for future development
      - defence against unrequested ownership restructuring

- **employees as core shareholder take part**

- voting rights at the Annual Shareholder Meeting
      - representative in the Supervisory Board of the Group

- **possibility for individual profit for the employees**

- to participate in the economic success of the Group

- bonus from the employer
    - receive yearly dividends
    - take part in a possible increase of share-price
    - use of tax advantages (national)

# general principles of the models

## ■ Austria

### ■ financing

- part of the wage increase because of collective bargaining used for allocating shares, inclusive additionally shares from the employer (Group internal works agreements)
- yearly profit related bonus payment partly in form of shares

### ■ bundling of voting right, sustainability

- blocking period during the complete employment in the Group
- voting rights are given to voestalpine Mitarbeiterbeteiligung Privatstiftung by trust agreement

### ■ attendance

- all of the around 20.600 employees in all of the 52 Austrian subsidiaries

## ■ International: United Kingdom - Germany - Netherlands - Poland

### ■ financing

- individual offer for discounted purchase of shares (e.g. 3:1)

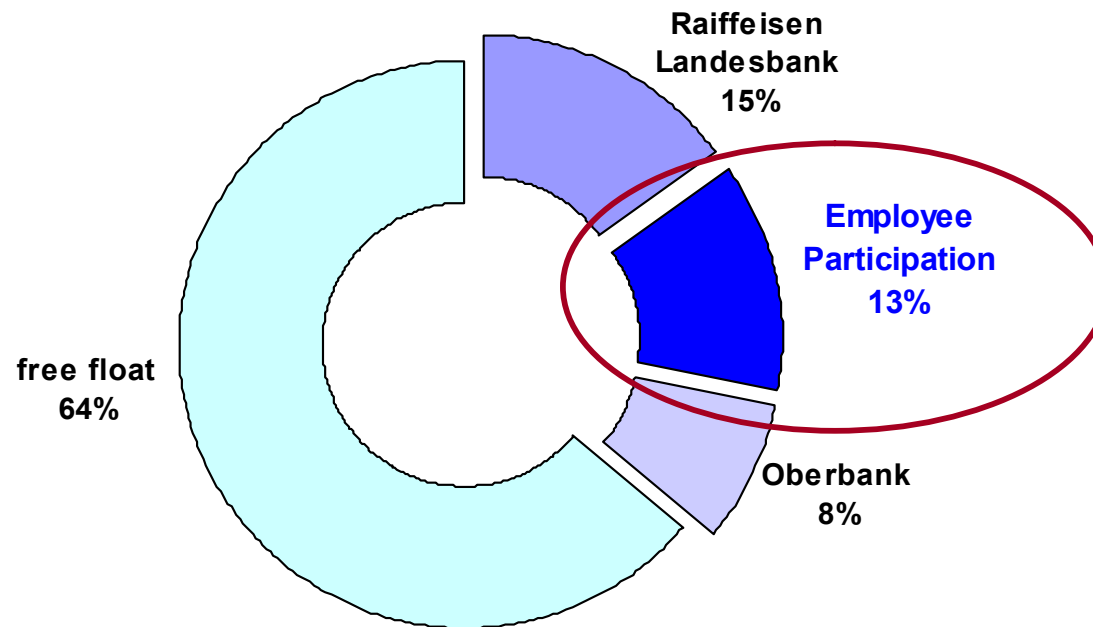
### ■ bundling of voting right, sustainability

- blocking period for 5 years
- voting rights are given to voestalpine Mitarbeiterbeteiligung Privatstiftung by trust agreement

### ■ attendance

- 1.100 employees in 48 international subsidiaries involved, around 15% quote of attendance

# voestalpine AG – shareholder structure



**By collectively bundled voting rights of 13% (approx. 22 m shares) employees are the second largest core shareholder!**

# experiences

- **motivation employees**
  - increase of identification
  - increase of productivity
  - attractiveness employer
- **participation on the economic success**
  - contribution employer
  - dividends
  - share price
- **stability ownership structure**
  - „poison-pill“ against hostile takeover
  - securing the company's existence
  - employees as long-term interested shareholders
- **cooperation of „Employee-Shareholders“**
  - voting rights at the Annual Shareholder Meeting
  - representative in the Supervisory Board of the Group
  - „double role“ as requested challenge

*„New answers  
for new challenges“*

# expectations from European policy

- **general promotion of Employee Financial Participation (EFP)**

voestalpine Mitarbeiterbeteiligung Privatstiftung supports the recommendations of the own-initiative opinion of EESC from October 2010 “Employee Financial Participation in Europe” (SOC/371 – CESE 1375/2010), especially topics concerning participation of employees in the equity of enterprises:

- **calling for a new Council recommendation for the member states concerning the promotion of EFP**

(like 92/443/EWG, Jul.1992):

formulation of proposals for promotion or for reduction of obstacles, of EFP-plans in national legislation

- **constitution of a dedicated budget heading in the EU budget**

to promote information about the EFP:

constitution of an information platform, collection of best-practice examples, constitution of national non-profit information centres for employers and employees

# expectations from European policy

- **reduction of obstacles to cross-border plans for EFP**

- **implementation of a simple “EU-EFP basic model”**, with legal recognition (tax treatment, company law, labour law,..) in all member states, in addition to existing national offers

example:

- **principles of the model: definition of individual volume, blocking periods, voting rights, ...**
  - **financing: shares financed by the employer and/or price reduced purchase by the employee**
  - **tax: exemption of duties for employees (tax and social security contributions) for the contribution (bonus) of employer and/or for the price reduction**
  - **administration: facility of a cross-border administrative entity, including collective voting rights**
- **mutual recognition of national EFP-plans** in member states
    - national conditions for EFP-plans in the country of the headquarters of the Group is recognised in all other member states of the EU
- **aspects for national transfer**
    - Shareholder’s Rights Directive: assurance of long term trust agreements for voting rights
    - Double Tax Treatment: simplification of document duties for EFP
    - Prospectus Directive: simplification of document duties for EFP
    - .....





for more information about “voestalpine Employee Participation” please have a look at:  
[www.voestalpine.com/group/en/group/employee-participation/](http://www.voestalpine.com/group/en/group/employee-participation/)

