

# PEOPLE OPPORTUNITIES

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Performance counts. This is the performance expectation that unites the people of HOERBIGER.

In 2014, HOERBIGER provided attractive jobs to 7,004 employees. HOERBIGER is the right place for anyone who is captivated by technological innovations and new business ideas, anyone who loves cultural diversity and demonstrates dedication every day.



**"HOERBIGER is a company where creativity and performance are recognized and promoted. That's important to me."**

**BASEM SCHWEIZER**  
Process champion for the implementation of the HOERBIGER career philosophy  
HOERBIGER Holding AG



"At HOERBIGER, people have always been our top priority. They are the ones who secure the success of the company long-term. This is why we promote their development and count on responsible leadership. Receiving the Top Employer Award shows that our HR policy is on the right track, and this fills us with great pride."

**GERHARD WAGNER**  
Chief Human Resources Officer  
and Member of the Executive Board  
HOERBIGER Holding AG

We are driven by a distinct will to succeed. This applies to all HOERBIGER associates worldwide. For years, this culture of excellence has formed the foundation for sustainable growth at HOERBIGER. We want to perform, we demonstrate above-average commitment, and we search continuously for improvement potential. This is why HOERBIGER time and again sets standards with its outstanding products and services.

For us, an open style of communication is routine, especially when executives communicate with their employees. Communication is not a one-way street at HOERBIGER. Our managers do not merely explain decisions, they also seek comprehensive feedback from their teams. This is the only way for us to learn where there is room for improvement. Constructive criticism is always welcome. We see criticism as an opportunity for improvement—in processes, in products, and also in our corporate culture.

For generations, HOERBIGER has been an attractive employer for talented individuals in a host of professions. We offer an environment that motivates employees to contribute to lasting corporate successes.

## HERITAGE

With his development of what at the time was a highly innovative steel plate valve, Hanns Hörbiger in 1895 laid the foundation for the present Group. This development furthered the

evolution of blast furnace technology and prepared the way for pressure chemistry.

Hanns Hörbiger's oldest son Alfred started the in-house production of valves in Vienna-Simmering in 1931. In the years after the end of the Second World War and the untimely death of Alfred Hörbiger in July 1945, his wife Martina Hörbiger managed to rebuild the plant in Vienna, which was almost fully destroyed, and quickly resumed the company's international relationships.

## PEOPLE AND VALUES

For more than a century, HOERBIGER has been shaped by the pioneering spirit of Hanns Hörbiger, the entrepreneurial courage of Alfred and Martina Hörbiger, proximity to its customers, and fairness toward business partners and employees. Our corporate values—Pioneering Spirit, Courage, Fairness and Closeness—are the direct result of our heritage.

The combination of our values is unique. Pioneering Spirit and Courage shape the HOERBIGER culture of innovation—Fairness and Closeness define our conduct toward suppliers and customers as well as among each other.

Our employees who embody the brand values are the hallmark of HOERBIGER's success. They provide the HOERBIGER Group with a distinctive profile.

## VALUES

### PIONEERING SPIRIT

- Overcoming your own boundaries
- Approaching new tasks without already knowing the solution

### COURAGE

- Taking carefully weighed risks
- Taking responsibility and seeing the job through even in difficult situations

### FAIRNESS

- Toward employees, customers, suppliers and all other business partners

### CLOSENESS

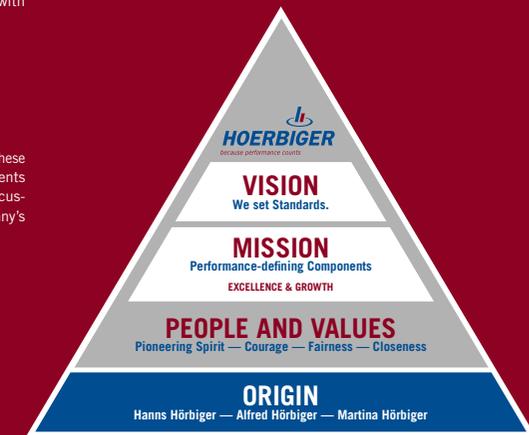
- Worldwide presence, familiarity with all cultures
- Knowing the customers and their needs

## OUR VISION WE SET STANDARDS

The HOERBIGER brand is synonymous with performance-defining components

- in compressors, industrial engines and turbines,
- in automobile transmissions, and
- in multifaceted mechanical and plant engineering applications.

Wherever we operate, we set standards with these technologically sophisticated key components and our services, and thereby enable our customers to sustainably increase their company's value.



## OUR MISSION EXCELLENCE & GROWTH

Performance-defining components are the driving force of the HOERBIGER Group. They form the center of our business model and the core of our mission.

The EXCELLENCE & Focus initiative, which since 2010 supported the strategic alignment of the Group with high-growth business segments, is now followed by Mission Excellence & Growth.

### PRODUCT EXCELLENCE

Our products combine customer value and unique selling propositions.

We are able to anticipate the expectations of our customers.

### SERVICE EXCELLENCE

Our Service combines technology and efficiency. We combine the expertise and leading technology of a Group with the efficiency and proximity to the customer of a decentralized organization.

We offer customer value and unique selling propositions in Service.

### MANAGEMENT EXCELLENCE

We develop business ideas and turn them into long-term success.

Through our strategic thinking, resolute action and exemplary leadership, and by continuously developing the employees and, along with it, management quality, we turn innovative business ideas into long-term success.

### OPERATIONAL EXCELLENCE

Our operational processes and technologies are benchmarks.

## TOGETHER WE CAN REALLY MAKE A DIFFERENCE

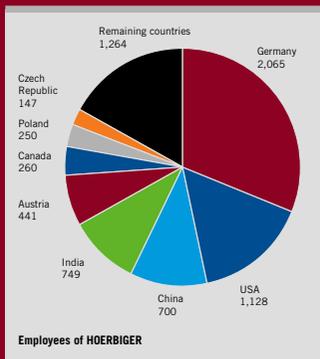
For generations, HOERBIGER has been an attractive employer for talented individuals in a host of professions. We offer an environment that motivates employees to contribute to lasting corporate successes.

Examples of the performance culture practiced at HOERBIGER can be found at the corporate level as well as in the Strategic Business Units and Business Divisions. People who stand out with their extraordinary commitment and exceptional achievements can be found everywhere at HOERBIGER.

As of December 31, 2014, the HOERBIGER Group had a worldwide staff of 7,004—285 employees more than in the previous year. This equates to an increase of 4.3 percent in the Group.

The Strategic Business Unit Compression Technology had 4,471 employees, the Strategic Business Unit Drive Technology 1,473, the Strategic Business Unit Automation Technology 383, and the Automotive Comfort System Business Division 412. A total of 265 employees worked in corporate functions.

### CULTURAL DIVERSITY



A very pleasing trend is that our employees were more loyal to the company in 2014 than ever before. At 9.76 percent, turnover in 2014 was considerably lower than in 2013 (13.2 percent).

## VOICE FOR EXCELLENCE— WE WANT TO KNOW HOW WE CAN IMPROVE

HOERBIGER launched the worldwide “Voice for Excellence” employee survey in 2011. As one of the supporting elements of a Group-wide feedback culture, it measures the level of engagement of all employees, making it an important indicator of the degree with which they identify with their company.

We measure employee engagement based on the “Say-stay-strive” model. It analyzes how positively employees talk about their company in conversations (“say”), how loyal they are to the company (“stay”), and how motivated they feel to exert extra effort for their company (“strive”).

The results of the 2014 “Voice for Excellence” survey continue the positive trend of the last few years: participation in the survey and employee engagement numbers at HOERBIGER have both reached new record levels.

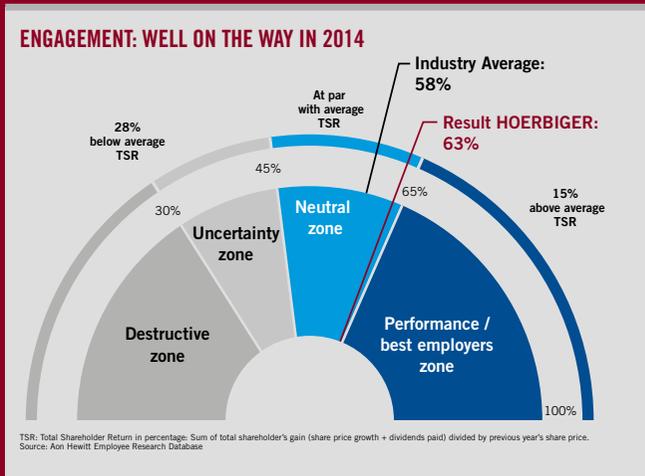
Across the company as a whole, employee engagement rose five points from 58 percent to 63 percent. This figure is extraordinary, clearly surpassing the average of all companies worldwide (61 percent). HOERBIGER’s employee engagement also exceeds the average of industrial firms (58 percent).

We want to improve further by 2016 and have set our target for consistent employee engagement at 65 percent or higher. The excellent response rate of 85 percent to our employee survey demonstrates that employees have accepted the “Voice for Excellence” initiative as an important feedback tool. In 2014, a total of 5,522 employees completed the questionnaire. The evaluation of all survey results showed that senior managers and employees collectively defined 528 “Voice for Excellence” initiatives in the HOERBIGER Group. These address areas where the employees identified room for improvement in their entities.



An apprenticeship at HOERBIGER is a new adventure every day.  
Markus Wiggins, Murat Yavsan, Markus Geiger, Luisa Waldmann, Stefan Paul

## MOTIVATION

BUSINESS PARTNER  
HUMAN RESOURCES

"As a Business Partner, Human Resources plays an active role in the development of new business models and in the expansion of our business activities. For operational management, we are partners on an equal footing."

**BERNHARD LINDNER**  
Head of Human Resources  
HOERBIGER Kompressortechnik Holding GmbH

In 2014, Corporate Human Resources—HR—worked hard to grow even further into the role of an indispensable Business Partner for business operations. Qualified HR employees assume an advisory role and actively participate in the development of strategies and business models and in the expansion of business activities.

With this, HOERBIGER HR employees fulfill a role that is more comprehensive and sweeping than in many other companies. HR has more extensive and active involvement in the operational business—a true opportunity for ambitious, entrepreneurially minded HR specialists who want to make a difference.

## WE ASSUME RESPONSIBILITY

Being a Business Partner means sharing risks and opportunities with the business side out of conviction and with passion. All activities are

geared toward creating economic value. This can only be accomplished if HR Business Partners assume and share responsibility.

Given their outstanding technical and methodological expertise, HR Business Partners are called upon to bring about improvements and, where necessary and justified, criticize shortcomings. This has created an entirely different role for HR at HOERBIGER compared to traditional, administratively oriented Human Resources organizations. At HOERBIGER, HR is a strategically minded driving force for change.

HR Business Partners secure the company's economic success by combining the interests of people and the interests of the company in the best possible way, and in the process repeatedly uncover interesting new solutions.

## HR ROADSHOW

The HR Roadshow in 2014 developed into a key HR tool. Following kick-off events in the USA and Singapore, stops in Vienna, Austria, and Kaufbeuren, Germany, were also part of the HR Roadshow.

HOERBIGER managers from all Strategic Business Units and Business Divisions as well as from the corporate functions had an opportunity as part of the Roadshow to discuss current HR matters. The goal of the Roadshow is to illustrate how the overall strategy of the HOERBIGER Group and the HR strategy complement each other, and what implementation tools are available to translate innovative business ideas into long-term success.

This applies to the STAR interview technique, for example, that HOERBIGER uses when recruiting new employees. STAR denotes Situation, Task,

Action and Result. These terms form the corner stones for all interviews conducted by HOERBIGER and promote the objectivity and quality of our hiring decisions.

WE GIVE TALENTED INDIVIDUALS  
A CHANCE

It is an important concern of ours to fill as many vacancies as possible from HOERBIGER's junior talent pool, and the succession planning process we have introduced plays a key role. Employees who, in the course of our succession management, are identified as potential future talent complete a multi-stage leadership program during their careers.

In 2014, as many as 55 percent of vacated management positions were filled internally. Internal recruitment for factory-floor employees was 31 percent.

## CREATIVITY

## BASEM SCHWEIZER

Basem Schweizer started an internship in April 2014 in the Human Resources department of HOERBIGER Holding in Zug, Switzerland. As a process champion, he was in charge of implementing the career philosophy. He also organized the 2014 "Voice for Excellence" survey.

Together with Peter Göbel (Head of the Global Resource Center, he coordinated the production of 100 video clips that demonstrate, based on examples of HOERBIGER employees from the entire Group, how the career philosophy can be brought to life in daily work settings.

The implementation of the Executive Board's motivational campaign in preparation for the "Voice for Excellence" survey—"Message in

the Bottle"—as well as the caricatures in the Executive Board's goal-setting video can also be attributed to Basem Schweizer's initiative.





**Roadshow team.**  
Bettina Bäumer, Mitchel Menlove, Falk Daubner, Francois Scholtz, Gerhard Wagner, Hari Abburi, Peter Goebel, Bettina Merkle

**HR PROGRAMS—DRIVERS AND CATALYSTS FOR LONG-TERM CORPORATE SUCCESS**

Providing continuous training for its employees is therefore of great importance for HOERBIGER. One example is our customized training and continuing education programs for up-and-coming as well as seasoned managers. In 2014, a total of 565 HOERBIGER employees participated in these programs—40 more than in the year before.

**CAREER DRIVE PROGRAM—STARTING POINT FOR CAREERS MEANT TO LAST**

In 2014, 166 employees participated in HOERBIGER's Career Drive Program. Within the scope of this program, HOERBIGER gives young talented individuals the opportunity to set the course for a career in the company that is meant to last.

During the three-stage program, attendees work closely with their HR Business Partner and manager. At the core of the training program is a three- to four-month project defined jointly by the attendee and their manager. Over the course of the project, the young employees have the opportunity to demonstrate their aptitude for managerial tasks.

**FOUNDATION OF LEADERSHIP PROGRAM – FUNDAMENTALS FOR SUCCESS**

HOERBIGER developed the Foundation of Leadership Program specifically for employees who do not yet have any managerial experience.

In 2014, a total of 346 employees from 38 nations attended the three-day workshops. Participants learned in detail about HOERBIGER's vision, mission and business model. The attractive seminar program also included an introduction to feedback and coaching techniques, and practical training based on a business simulation.

**HARVARD BREAKTHROUGH LEADERSHIP PROGRAM—FORGING CHANGE**

A kick-off workshop and six teaching modules, some of them lasting several weeks, form the basic framework for the Harvard Breakthrough Leadership Program. Over seven months, participants acquire essential management skills. At the heart of the program are the "Manage Yourself", "Manage Your Network" and "Manage Your Team" modules, each lasting six weeks.

The starting point for the Harvard Breakthrough Leadership Program is a three-day kick-off workshop. Attendees learn fundamental information about HOERBIGER's vision and mission, the corporate strategy, and the performance assessment methods employed in the Group. In addition, they acquire knowledge of the HOERBIGER 3C Change Method, which HOERBIGER uses to plan, manage and implement change processes. In 2014, 28 employees participated in the program.

**BUSINESS LEADERSHIP PROGRAM—EQUIPPED FOR DEMANDING TASKS**

The target group for the Business Leadership Program is employees in management positions who thanks to their talent were previously identified as part of the succession planning process for advanced managerial positions. 25 employees successfully completed the program in 2014.

2013 525 participants	2014 565 participants	
136 participants	166 participants	Career Drive Program (CDP)
306 participants	346 participants	Foundation of Leadership (FOL)
42 participants	28 participants	Harvard Breakthrough Leadership (HBL)
41 participants	25 participants	Business Leadership Program (BLP)

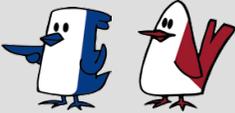
## IDEAS



**JINGCHUN JIANG**

Human Resources in 2014 selected two bird characters as brand ambassadors for the new HOERBIGER career philosophy. Following a worldwide naming competition, the suggestion submitted by Jingchun Jiang from HOERBIGER Valves (Changzhou) Co. Ltd. was the winner.

Now named "Drew" and "Cloris," the birds gained Group-wide fame as a result of the competition. They paved the way for the HOERBIGER career philosophy and helped deliver its message directly to our employees.



The Business Leadership Program lasts eight months and encompasses three modules: "Being Management", "Driving Simplicity and Innovation," and "Leading Culture & Change." In three workshops, participants intensively explore topics that qualify them for advanced managerial positions. These include corporate strategy, performance measurement, decision-making preparations, innovation management, and change management.

A key element of the Business Leadership Program is presentations to the Executive Board, during which the participants showcase their results from the workshops.

The first graduates of the Business Leadership Program assumed advanced management positions in 2014—with consistently positive leadership success and outstanding feedback from our employees.

**ADVANCED LEADERSHIP PROGRAM—  
FINE-TUNING  
HIGH-POTENTIAL CANDIDATES**

The Advanced Leadership Program is geared toward individual members of HOERBIGER top-level management. It was designed specifically for managers who want to prepare for top management functions through targeted, customized training. The program focuses on strategic topics and those related to the corporate organization.

The sparring partner for participants is the Executive Board, who evaluates the results of the participants' work and their implementation in specific projects.

**PROJECT SALES—  
MORE CLOUT  
FOR SALES**

HOERBIGER launched the SaleS Project in 2014 to increase the impact of our sales team. Geared to employees in OEM Sales it is designed to strengthen sales expertise and further increase focus on the customer.

In the development of our international teams in Sales, we employ a combination of coaching, eLearning and SPIN Selling™, a technique that consistently centers all selling activities on customer needs.

**3C METHOD—  
CONFIDENTLY MANAGING  
CHANGE PROCESSES**

HOERBIGER plans to pursue consistent growth in the years ahead. To achieve our growth targets we will have to implement a number of change

projects. The 3C Change Management Method developed by HOERBIGER in 2014 will help in the process: Change, Culture, Consistency.

3C answers the questions not only of what will be changed, but also how this can be done successfully in keeping with the corporate strategy. Another benefit is that 3C is equally suited to both small and complex projects. The method can be applied in its entirety, or in parts, in the manner of a modular system.

HOERBIGER rolled out the 3C Method as part of the training schedule in the Career Drive Program and the Business Leadership Program. In 2014, it was integrated into the kick-off event for the Harvard Breakthrough Leadership Program.

Worldwide, more than 300 attendees of the Career Drive Program became acquainted with the 3C Method in 2014. By the end of the year, over 390 candidates learned about the 3C Method in leadership development programs.

## CHANGE

**MURILO CARDOSO**

Murilo Cardoso (44) learned all about the HOERBIGER 3C Method during the 2013 Business Leadership Program. With the knowledge he gained, he started and successfully concluded a demanding change project in the finance organization of Latin America service area.

One of the key challenges was to integrate a variety of stakeholders at the national, regional and Strategic Business Unit levels to increase the efficiency of the finance organization in Latin America.

Today, the finance organization of Service Latin America is in its best position ever. The quality of the annual financial statement improved, because the figures are based on systematically

audited data. Thanks to Cardoso's initiative, the finance organization in Latin America is now working on more complex projects.





#### HR supporting growth in Asia.

Sally Tang (Singapore), Cathy Wu (China), Manoj Deshmukh (India), Nilima Bhope (India), Meenakshi Joshi (India)

#### IT'S ALL ABOUT OUR PEOPLE

### INITIATIVES—PROGRAMS—ENGAGEMENT

HOERBIGER has developed numerous initiatives and programs since 2011 with the goal of effectively boosting employee engagement. These measures center around the people of HOERBIGER because it is they, who contribute to the company's growth through their ideas, skills and engagement.

In 2014, 85 percent of all HOERBIGER employees participated in the "Voice for Excellence" survey. Approximately two-thirds—63 percent—considered themselves "engaged." They stand behind our company with great motivation, pride and passion.

This outstanding result makes HOERBIGER a benchmark by international standards in terms of being an attractive employer. As our employees' feedback demonstrates, HOERBIGER is a company where performance and personal commitment pay off, where people from different origins enjoy working together, and which they gladly recommend to friends and acquaintances.

The first important milestone toward becoming an even more modern and attractive employer was the decision by the Executive Board in 2011 to make the continuous promotion of employee engagement one of the Group's most important goals.

We have since launched many initiatives and accomplished a great deal:

In 2012, the first "Voice for Excellence" survey was conducted through the Group. The results and feedback were available online via the "Voice for Excellence Globe" for all employees to review. The action plans that were developed based on the survey results were transparent for everyone worldwide.

The introduction of 360-degree feedback for senior managers in 2013 was followed by the development of the "Excellence Behaviors Circle." This outlines the behavior patterns that

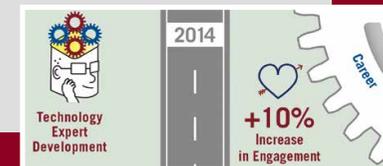
shape the culture of HOERBIGER and assigns them to one of four areas: Product Excellence, Service Excellence, Management Excellence, and Operational Excellence.

Another highlight in 2013 was the launch of the online learning platform "Always Learn." This allows all HOERBIGER employees to take advantage of customized training and continuing education programs—anywhere and at any time. During the 2013 HR Roadshow, Human Resources—in its new role as Business Partner—for the first time explained to more than 250 international executives the goals and initiatives that are planned to promote performance and engagement in the HOERBIGER Group.

Important milestones in 2014 included the introduction of the new Performance Management System for more than 3,300 employees, and the development of the Reward for Excellence bonus program for senior managers.

More than 500 employees who were designated as potential managerial candidates in the Group's Succession Plan in 2014 attended at least one of four programs at the HOERBIGER Leadership School that was launched in 2013. During the Roadshow, the HR team shared the company's strategy as well as programs designed by Human Resources to support the implementation of the corporate strategy with more than 280 senior managers.

The message for 2015: Our journey continues towards Excellence & Growth.



# ON THE ROAD 2011 – 2015

IMPROVE	2012	SUSTAIN
Career	Work Tasks	
People Focus	Sense of Accomplishment	
Senior Leaders	Company Reputation	



**Continuous Improvement**

**Few actions, well done.**

1 SEPTEMBER: VOICE FOR EXCELLENCE survey

JANUARY 2: Announce VOICE FOR EXCELLENCE results & next steps

JANUARY, FEBRUARY 3: Focused Group Discussions with employees (if necessary)

4 FEBRUARY: Management Teams plan actions & take responsibility

5 MARCH, JUNE, AUGUST: On going actions, progress reports & communication to employees by Management Teams

The V4E-Globe 100% Transparency to all Employees



Aligning globally on people processes

360° Feedback  
287 Level Managers



Development Guide

Succession Planning

513 Participants  
4 Programs



VOICE FOR EXCELLENCE



**The Executive Board**

The Executive Board invites all employees to the survey.  
27 Languages, 54 Countries



What do employees think about working at HOERBIGER?

Introducing Employee Engagement

2011

**2012 Focus**

1. Make Excellence Model the heart of people processes

2. Align all people processes for all employees – one definition, one abbreviation

3. Enhance employee communication: Transparency, Consistency, Clarity

Technology Expert Development

360° Feedback  
376 Level Managers

Performance Management implemented for over 3300 Employees

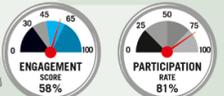
The Executive Board's goal sheets are available online and visible to all employees!

Postcards from the EB

HR-Relationship

Over 250 Participants

IMPROVE	2013	SUSTAIN
Career	Work Tasks	
People Focus	Sense of Accomplishment	
Company Values	Company Reputation	



**2013**

Senior Leaders +12%

People Focus +11%

Processes +11%

Company Values +11%

**2014**

Performance Management +4%

Senior Leaders +4%

People Focus +5%

Career +7%

Training and Development +7%

Company Values +8%

+10% Increase in Engagement

In 6 languages over 175 000 Pageviews

Always learn



Always learn

People Tools

Transparency & Simplicity as principles

565 Participants  
4 Programs

Career Philosophy

- stay in role successfully
- move between roles
- stay in role and do projects

Ideas for development  
All open Jobs are advertised

Thank you!

Over 280 Participants

IMPROVE	2014	SUSTAIN
Career	Company Reputation	
People Focus	Work Tasks	
Senior Leaders	Sense of Accomplishment	



**MISSION**  
EXCELLENCE & GROWTH

2015