
CORPORATE GOVERNANCE
REPORT 2019

19

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SUPERVISORY BOARD REPORT



Torsten Hollstein, Supervisory Board Chairman

DEAR SHAREHOLDERS,

In business year 2019, the Supervisory Board of CA Immo performed its tasks to the extent required by the law, articles of association and the rules of procedure. In the process, the Supervisory Board continually monitored and advised the Management Board on the management of the company, providing assistance on strategically important questions concerning the development of the company. The Supervisory Board was kept informed by means of detailed quarterly reports and other verbal and written reports. The Supervisory Board was informed in full and in good time about measures requiring its approval. The Management Board explained any deviations from budgets and targets. Decisions and measures taken by the Management Board were transparent. Cooperation between the Supervisory Board and the Management Board was characterised by open discussion. Close contact between the Supervisory Board chairman and the CEO underlined the openness of exchanges on matters of relevance to decision-making. All developments in the company were reported to the Supervisory Board promptly and in full; no objections were raised.

Main focus of Supervisory Board activity

At its eight meetings, the Supervisory Board was closely involved with budgeting and profitability issues linked to current development projects (and projects to be ap-

proved) in Berlin, Frankfurt, Mainz and Prague, real estate acquisitions and sales and aspects of the company's financing strategy (including the participation of CA Immo in IMMOFINANZ and the evaluation of another bond issue). Personnel-related issues (CFO succession and the management of CA Immo Deutschland GmbH) were also on the agenda. Central themes in regular reporting included issues relating to ongoing business activity, current legal proceedings and risks, developments on financial and real estate markets, resultant opportunities and threats and property valuations. Evaluating the organisation and working methods of the Supervisory Board and its committees was central to an annual self-assessment exercise. The results of this evaluation and the annual activity report on compliance management were discussed and corporate governance was reviewed.

Staffing changes in the Management Board and Supervisory Board

After Dr. Hans Volckens informed the Supervisory Board of his intention to resign his mandate prematurely in October 2018, the Supervisory Board, after carrying out a structured succession process and on the basis of a recommendation by the nomination committee, appointed Dr. Andreas Schillhofer as a member of the Management Board and the new company CFO at its meeting of 8th March 2019. Dr. Andreas Schillhofer took charge of the finance division on 1st June 2019.

Other personnel changes in the Supervisory Board were as follows: John Nacos resigned his mandate early at the end of the 32nd Ordinary General Meeting on 9th May 2019. The Supervisory Board would like to thank him for his valuable contribution and the commitment he demonstrated. At the same meeting, Dr. Monika Wildner and Jeffrey G. Dishner – the latter of whom was formerly appointed by means of a registered share – were elected to the Supervisory Board until the end of the Ordinary General Meeting of 2024. Jeffrey G. Dishner will also act as Deputy Chairman of the Supervisory Board alongside Dr. Florian Koschat.

Main activities of the committees

The **audit Committee** held four meetings in the last business year. The annual and consolidated financial statements for 2018 (including the management reports), the corporate governance report, the internal monitoring system and the effectiveness of risk management at CA Immo were discussed and examined with the auditor and the Management Board in March 2019. In accordance

with article 270 subsection 1a of the Austrian Commercial Code, the statement was obtained from the proposed auditor, whose legal relationship with CA Immo and its senior executives was scrutinised; the fee for carrying out the audit was negotiated and a recommendation on the selection of Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H. as the new (Group) auditor was again submitted. The financial result, risk management and the observations of Internal Auditing were discussed at regular intervals by the Audit Committee, which reported its findings to the Supervisory Board. Moreover, the legally required advance approvals for non-audit-related services of the auditor have been granted.

The **investment committee** convened eight times in 2019 to scrutinise potential real estate acquisitions and sales as well as the realisation of projects.

The **nomination committee** did not hold any meetings in 2019. Decisions made in line with the succession planning introduced for the Management Board in 2018 were rendered in writing. The **remuneration committee** convened three times in the past business year to confirm the extent to which agreed Management Board targets were met in 2018, and to agree targets for 2019 (performance-related pay). Moreover, the remuneration committee resolved to implement a new LTI (long-term incentive) scheme for executives in November 2019. Not least, the remuneration committee was closely involved with new legal obligations concerning the remuneration policy and system for the Management Board and the Supervisory Board ('say on pay').

The web site www.caimmo.com and the corporate governance report list the current members of the Supervisory Board and the composition of the committees, and contain more information on the responsibilities of the Supervisory Board and its committees.

Consolidated and annual financial statements for 2019

Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H. has audited the annual and consolidated financial statements to 31 December 2019 (including the management

reports for business year 2019) and expressed its unqualified auditor's opinion. The auditor also determined that the Management Board has established a risk management system with a concept that allows it to operate in such a way as to identify developments hazardous to the company's survival at an early stage. Moreover, an evaluation of compliance with rules 1 to 76 of the Austrian Corporate Governance Code for business year 2019 found that declarations of conformity submitted by CA Immo with regard to compliance with the C and R Rules of the Code were correct.

All documents making up the financial statements, the proposal on the distribution of profit, the auditor's reports and the corporate governance report were discussed in detail by the Audit Committee in the presence of the auditor and the Management Board members and examined. After concluding the examination, no significant objections were raised. The Supervisory Board concurs with the report of the audit committee and thus the findings of the audit. The annual financial statements for 2019 were duly approved and adopted in accordance with article 96 subsection 4 of the Austrian Stock Corporation Act. Taking into consideration the company's earnings performance and financial situation, the Supervisory Board indicated its consent to the Management Board's proposal on the distribution of profit.

The Supervisory Board would like to extend its thanks to all employees for their hard work and unwavering commitment, which ensured another extremely successful business year for CA Immo.

On behalf of the Supervisory Board
Torsten Hollstein, Chairman
Vienna, 25 March 2020



MANAGEMENT BOARD

ANDREAS QUINT
CHIEF EXECUTIVE OFFICER, CEO
 (born 1960)

Andreas Quint was appointed CEO of CA Immo as of 1 January 2018. He had been Head of Corporate Finance & Portfolio Transactions of BNP Paribas Real Estate (BNPPRE) before joining the CA Immo Group. Prior to that Mr. Quint held various management positions, among others, at Jones Lang LaSalle (between 2008 and 2013 initially as CEO Germany, then as CEO Corporate Finance Europe), Catella (CEO Germany) and as a partner at Ernst & Young.

Initial appointment: 1.1.2018
 Term of office ends: 31.12.2021

KEEGAN VISCIUS
MANAGEMENT BOARD MEMBER,
CIO (born 1981)

Keegan Viscius joined the Management Board of CA Immo as Chief Investment Officer with effect from 1 November 2018. Prior to that, US-born Viscius was a Senior Vice President in the European real estate acquisitions team of Starwood Capital responsible for sourcing, underwriting and executing investments across the entire range of real estate asset classes mainly in the Netherlands, Germany, CEE and Nordics.

Initial appointment: 1.11.2018
 Term of office ends: 31.12.2021

DR. ANDREAS SCHILLHOFER
MANAGEMENT BOARD MEMBER,
CFO (born 1971)

Dr. Andreas Schillhofer was appointed to the Management Board of CA Immo as Chief Financial Officer with effect from 1 June 2019. Before joining the CA Immo Group, Dr. Schillhofer has been Partner and Head of Real Estate Corporate Finance at PricewaterhouseCoopers. Prior to that Dr. Schillhofer held various management positions at financial institutions, among others, at Mediobanca, Bank of America Merrill Lynch and Greenhill & Co.

Initial appointment: 1.6.2019
 Term of office ends: 31.5.2022

ANDREAS QUINT
CEO



Development
 Engineering
 Corporate Strategy
 Corporate Office & Compliance
 Human Resources
 Legal
 Corporate Communications

KEEGAN VISCIUS
CIO



Investments
 Asset Management
 Fund Services
 Administration
 IT

DR. ANDREAS SCHILLHOFER
CFO



Tax & Accounting
 Controlling & Risk Management
 Finance
 Capital Markets & Investor Relations
 Property Valuation

INTERNAL AUDIT

FULL MANAGEMENT BOARD

SUPERVISORY BOARD¹⁾

ELECTED BY THE SHAREHOLDERS' MEETING

TORSTEN HOLLSTEIN (born 1965)

- Chairman of the Supervisory Board
- Initial appointment: 3.5.2016
- Term of office ends: 2021 (34th AGM)

Independent according to C Rule 53 and 54

Torsten Hollstein is a Managing Director and founding partner of CR Investment Management. He holds two state qualifications in law and was a lawyer with Lehman Brothers and German mid-market private equity company Hannover Finanz. Mr. Hollstein was Managing Director of Catella Property Germany prior to the spin-off of Catella Corporate Finance Germany and amalgamation with Deutsche River to create 'CR'.

JEFFREY G. DISHNER (born 1964)

- Deputy Chairman of the Supervisory Board
- Initial appointment: 9.5.2019²⁾
- Term of office ends: 2024 (37th AGM)

Independent according to C Rule 53

Jeffrey G. Dishner is a Senior Managing Director at Starwood Capital Group, where he is responsible for overseeing the Firm's acquisition efforts on a worldwide basis. Mr. Dishner is a member of Starwood's Executive and Investment Committees, and also serves on the Investment Committee and board of trustees of Starwood Property Trust (NYSE: STWD), an affiliate of Starwood Capital that is the largest commercial mortgage REIT in the U.S.

DR. FLORIAN KOSCHAT (born 1974)

- Deputy Chairman of the Supervisory Board
- Initial appointment: 3.5.2016
- Term of office ends: 2021 (34th AGM)

Independent according to C Rule 53 and 54

Dr. Florian Koschat is the CEO and founding partner of Pallas Capital Advisory AG, a corporate finance and M&A consulting firm. Mr. Koschat has

more than 17 years' experience in investment banking.

RICHARD GREGSON (born 1966)

- Initial appointment: 28.4.2015
- Term of office ends: 2020 (33rd AGM)

Independent according to C Rule 53 and 54

Richard Gregson is an Associate of the Institute of Chartered Accountants and a Registered Company Auditor in Australia. He has over 30 years' professional experience, much of which was spent with PricewaterhouseCoopers as a partner in the financial services field, including many years leading the firm's real estate practice in Russia. Mr. Gregson currently holds several posts in the areas of accounting, audit and advisory.

MICHAEL STANTON (born 1960)

- Initial appointment: 19.12.2014
- Term of office ends: 2020 (33rd AGM)

Independent according to C Rule 53 and 54

Having held various positions with GLS Capital, Oppenheimer & Company and Westpac Banking Corporation in New York, USA, Michael Stanton can call on more than 20 years' experience in the areas of finance. From 2006 to 2010 he was employed by the private equity group of Otkritie Financial Corporation. In 2010 he switched to O1 Group. Michael Stanton worked for CR Investment Management and EG Real Estate Advisors, before joining FFF Asset Management Ltd. as a portfolio manager.

UNIV.-PROF. DR. MMAG. KLAUS HIRSCHLER (born 1966)

- Initial appointment: 11.5.2017³⁾
- Term of office ends: 2022 (35th AGM)

Independent according to C Rule 53 and 54

Dr. Klaus Hirschler is a university professor at the Institute for Accounting

and Auditing at Vienna University of Economics and Business. He is mainly active in the fields of accounting, reorganisations and analysing annual financial statements; he is also Deputy Chairman of the expert committee on fiscal law at the Austrian Chamber of Public Accountants. Dr. Hirschler is a member of AFRAC (the Austrian Financial Reporting and Auditing Committee), member of the Supervisory Board of the Austrian Academy of Certified Public Accountants as well as a lecturer and the author of many specialist publications.

DR. IUR. MONIKA WILDNER, LL.M. (NYU) (born 1971)

- Initial appointment: 9.5.2019
- Term of office ends: 2024 (37th AGM)

Independent according to C Rules 53 and 54

Monika Wildner is an Austrian lawyer with a strong international transaction practice. She has degrees of the University of Vienna (Dr. iur. 1998) and New York University (LL.M. Corporate 2001). During her professional career, she specialized in corporate law, acted as counsel in international mergers & acquisitions and corporate finance projects, and gained outstanding expertise and experience in these fields.

¹⁾ With the exception of J. Dishner, no member holds supervisory board mandates or comparable functions in domestic and foreign listed companies.

²⁾ Delegated through registered share from 28 September 2018 until 9 May 2019.

³⁾ Delegated through registered share from 1 December 2016 until 11 May 2017.

DELEGATED BY REGISTERED SHARES

LAURA M. RUBIN (born 1964)

- Delegated through registered share: 28.9.2018
 - Term of office ends: until further notice
- Independent according to C Rule 53

Laura M. Rubin is a Managing Director and Head of Portfolio Management at Starwood Capital Group, with responsibility for overseeing and reporting on the company's real estate opportunity funds. She is a member of the company's Investment, Valuation and Disposition Committees. Prior to joining Starwood Capital in 2002, Ms. Rubin was a Vice President in Goldman Sachs & Co.'s real estate investment banking division. She also worked at JMB Realty and Urban Development Corp. in Chicago in the mid-1980s. Laura Rubin holds a B.S. degree, summa cum laude, in

economics from the Wharton School at the University of Pennsylvania and an MBA from the Kellogg School of Management at Northwestern University.

SARAH BROUGHTON (born 1976)

- Delegated through registered share: 28.9.2018
 - Term of office ends: until further notice
- Independent according to C Rule 53

Sarah Broughton is a Managing Director and Chief Financial Officer at Starwood Capital Europe, where she is responsible for overseeing the company's internal financial functions in Europe. She also spearheads the operations and investor reporting for Starwood European Real Estate Finance. Since joining Starwood in 2007,

Sarah Broughton has played a key role in the asset management of a diverse portfolio of assets throughout Europe. She previously spent five years as a Financial Reporting Manager for Whitbread Plc. Ms. Broughton earned a first-class honours degree in economics from Brunel University and qualified as a Chartered Accountant in 2001. She is a member of the Institute of Chartered Accountants of England and Wales, as well as the Securities Institute.

EMPLOYEE REPRESENTATIVES

MAG. (FH) SEBASTIAN OBERMAIR (born 1980)

- Employee representative
- Delegated since: 22.3.2016
- Term of office: open-ended

Sebastian Obermair completed a degree in business consultancy at the University of Applied Sciences Wiener Neustadt. In 2013, he was appointed head of the Group Accounting division of CA Immo. Prior to this, he had spent around six years working for the consolidation area of IMMOFINANZ AG.

Georg Edinger studied European business and corporate management in Vienna followed by real estate asset management at IRE | BS in Germany. In 1992, he began his career in sales for Austrian trading companies. He joined the Organisation division of CA Immo in 2012.

MAG. NICOLE KUBISTA (born 1974)

- Employee representative
- Delegated since: 3.5.2016
- Term of office: open-ended

Nicole Kubista started her career with BDO in Vienna in 1999, successfully qualifying as a tax consultant in 2003. In 2007, she joined CA Immo, where she is currently deputy head of the Tax and Accounting division. Amongst other things, she is responsible for compiling consolidated financial statements for Austria and Germany in particular.

WALTER SONNLEITNER (born 1972)

- Employee representative
- Delegated since: 10.2.2020
- Term of office: open-ended

Walter Sonnleitner started his career in 1999 as a designer and civil engineer in project development and construction of turnkey hospital projects and educational institutions. In 2016 he joined CA Immo, where he is working in the Engineering division for Austria and Eastern Europe.

ENVIRONMENTAL, SOCIAL, GOVERNANCE (ESG)

The CA Immo business model is based on sustainable value creation for the long term, taking account of environmental, economic and social considerations at Group and product level. Corporate governance is an overarching term spanning all CSR topics.

To meet the needs of all stakeholders as effectively as possible while ensuring the competitiveness of its real estate over the long term, CA Immo has adopted a **comprehensive sustainability policy**:

Products and services (real estate level)

CA Immo holds international investment properties of many different kinds at many stages of the property life-cycle. In order to ensure the longest possible value retention and marketability of all properties, CA Immo applies diversified quality management.

- Long-term maintenance of marketability and utilisation quality by investments in large, modern office properties in central locations
- Current development activity aimed at regenerating the portfolio and assuring quality
- Sustainability certification for core properties and projects (at least DGNB or LEED gold) or certifiable implementation of all development projects in the office and hotel asset classes as objectified evidence of the building quality

- Active, locally organised tenant support and retention through company branch offices

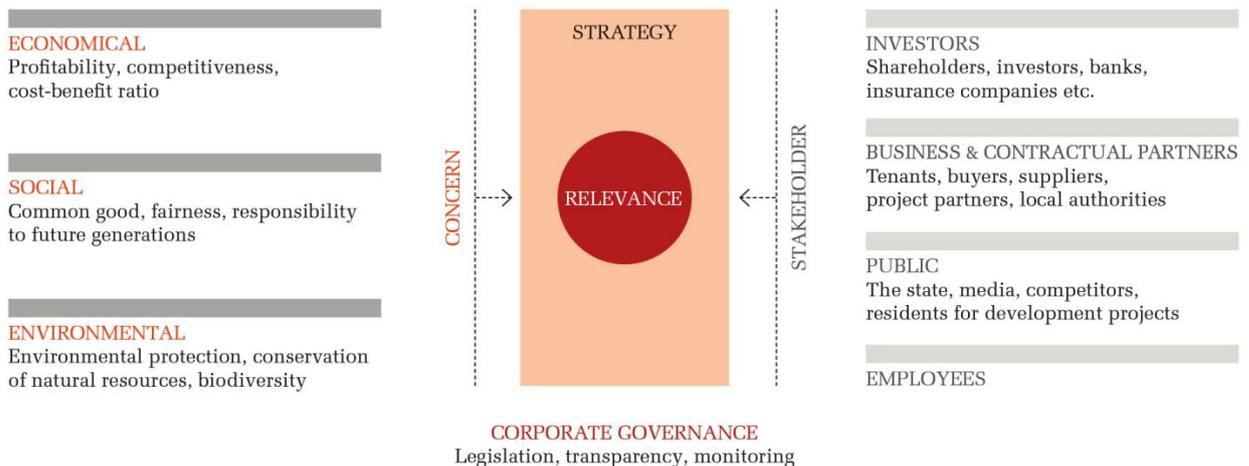
Corporate governance (Group level)

- Compliance management: Compliance with laws, guidelines and codes; measures to prevent corruption
- Full stakeholder communication: transparency of publications and documentation and continual dialogue with relevant target groups to ensure competitiveness
- Upholding a corporate culture that is respectful and fair to all stakeholders
- Responsible risk management in order to stabilise the company's success in the long-term

Integrated Sustainability Reporting

Sustainability reporting on our environmental, social and governance impacts is included in the individual sections of this report. We report in accordance with the EPRA Sustainability Best Practice Recommendations 3rd Edition (sBPR's). The data and narrative cover the calendar year ending 31 December 2019. Only reporting on the consumption of our investment portfolio (data and narrative) refer to the calendar year ending on 31 December 2018, since consumption data for our buildings was not available for business year 2019 at the time of reporting. An overview of all sustainability issues integrated in the Annual Report may be found in the EPRA Sustainability Index on the next page.

CORPORATE SOCIAL RESPONSIBILITY – SHARED VALUE MODEL



EPRA SUSTAINABILITY INDEX

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Like-for-like consumption from fuel	Fuels-LFL			
Building energy intensity	Energy-Int			
Direct GHG emission (total) Scope 1	GHG-Dir-Abs			
Indirect GHG emission (total) Scope 2	GHG-Indir-Abs ²			
Building GHG emissions intensity	GHG-Int			
Total water consumption	Water-Abs			
Like-for-like water consumption	Water-LFL			
Building water consumption intensity	Water-Int			
Weight of waste by disposal route (total)	Waste-Abs			
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CORPORATE GOVERNANCE REPORT¹⁾

RESPONSIBLE CORPORATE MANAGEMENT

For CA Immo, corporate governance is an all-embracing concept of responsible, transparent and value-based corporate leadership. The Management Board, Supervisory Board and managerial team ensure corporate governance is actively applied and continually developed across all departments. Alongside the Austrian Corporate Governance Code and the specifications of the Institut Corporate Governance der deutschen Immobilienwirtschaft e.V. (ICG), good company management incorporates the standards of the internal monitoring system (IMS), risk management, compliance and, particularly, internal regulations on organisational and supervisory duties (allocation of responsibilities).

Commitment to compliance with corporate governance standards

Compliance with legal provisions applicable in the CA Immo Group's target markets is a high priority for the company. The Management Board and Supervisory Board are committed to the Austrian Corporate Governance Code²⁾ and thus to transparency and principles of good corporate management. This corporate governance report is also available at <https://www.caimmo.com/de/investor-relations/corporate-governance/>.

External evaluation

The evaluation carried out by Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H. concerning compliance with rules 1 to 76 of the Austrian Corporate Governance Code for business year 2019 found that declarations of conformity submitted by CA Immo with regard to compliance with the C and R Rules of the Code were correct.

COMPLY OR EXPLAIN

The rules and recommendations of the version of the Corporate Governance Code applicable in business year 2019 (January 2018 amendment) are implemented almost in full. Discrepancies are noted in respect of C Rules no. 2 (right of appointment to the Supervisory Board) and no. 45 (executive positions with competitor companies).

C Rule no. 2: Formulation of shares in accordance with the 'one share – one vote' principle.

Explanation/reason: The ordinary shares of the company (98,808,332 bearer shares and four registered shares) were issued in accordance with the 'one share – one vote' principle.

The registered shares in existence since the founding of the company confer the right of nominating up to four Supervisory Board members. Partial use was made of this right of appointment: since the last Annual General Meeting held in May 2019, the Supervisory Board has comprised seven shareholder representatives elected by the Annual General Meeting, two shareholder representatives appointed by registered shares and four employee representatives. Transfer of registered shares requires the approval of the company. In the view of the company, the right of all shareholders to participate in the composition of the Supervisory Board is upheld in spite of the registered shares. The Austrian Stock Corporation Act provides for the delegation of members to the Supervisory Board, whereby the total number of appointed members may not exceed one third of all Supervisory Board members. Moreover, appointed members of the Supervisory Board may also be removed from office at the request of a minority (10% of the capital stock) where there is good cause relating to an individual member personally; however, this depends on a majority required for resolutions of 75% of the capital stock represented at the Annual General Meeting (article 21 of the Articles of Association of CA Immo). There are no preference shares or restrictions on issued ordinary shares of the company. The Austrian Takeover Act also ensures that all shareholders would receive the same price for their CA Immo shares in the event of a takeover bid (mandatory offer). The shareholders alone would decide whether to accept or reject any such bid.

C Rule no. 45: Supervisory Board members may not take up executive positions with companies that are competitors of CA Immo.

Explanation/reason: According to L Rule no. 52, the Annual General Meeting considers the professional and personal qualifications of candidates and aims to maintain a balance of expertise across the Supervisory Board in the selection of Supervisory Board members. Aspects of diversity are considered in terms of the representation of

¹⁾ In line with the AFRAC recommendations on corporate governance reporting, the corporate governance report of the parent company and the consolidated corporate governance report are tied together in one report.

²⁾ The Austrian Corporate Governance Code may be viewed on the web site of the Austrian Working Group for Corporate Governance at www.corporate-governance.at.

both genders, the age profile and the international make-up of the members of the Supervisory Board. The act governing the gender balance of women and men on Supervisory Boards will ensure the proportion of women on the Supervisory Boards of listed stock corporations (with six or more Supervisory Board members and a proportion of women of at least 20% in the overall workforce) and companies with over a thousand employees is at least 30%. Failure to meet this quota will render Supervisory Board elections void. The law has applied to Supervisory Board elections since the start of 2018; current Supervisory Board mandates are unaffected.

To meet these criteria and uphold an in-depth knowledge of the real estate sector, there will be a preference for persons with a background in a similar industry environment. For this reason, the possibility that Supervisory Board members will hold positions with broadly similar companies cannot be ruled out. However, persons proposed for election to the Supervisory Board must present to the Annual General Meeting their professional qualifications, state their vocational or similar functions and disclose all circumstances that could give rise to concern over partiality.

The following Supervisory Board members hold executive positions with similar companies: Sarah Broughton, Laura Rubin (both appointed by Starwood) and Jeffrey G. Dishner perform a full range of managerial functions within the Starwood Capital Group, a financial investor specialising in global real estate investment and CA Immo's largest shareholder.

As well as performing numerous functions for the company in relation to all manner of properties, Torsten Hollstein is the Managing Director and founding member of CR Holding GmbH, a leading pan-European consultancy and asset/investment management business specialising in commercial real estate. Michael Stanton is currently a Portfolio Manager for FFF Asset Management Limited, an alternative investment fund with offices in Cyprus, Luxembourg, London, Zurich and Moscow specialising in investments in securities, real estate and private equities. There is no direct competition with the companies listed.

In a different sector but noteworthy in terms of the transparency of related party transactions is Monika Wildner's Supervisory Board mandate with Volksbank Wien AG. At the end of 2019, Volksbank Wien became a long-term tenant of around 14,000 sqm of office space in

the CA Immo portfolio building at Dietrichgasse/Haidingergasse in the Lände 3 district. The lease contract (concluded before the Supervisory Board mandate at CA Immo was accepted) conforms to standard market terms and conditions and generates annual rental income of approximately € 2.3 m.

A full list of executive functions performed by Management and Supervisory Board members is published at www.caimmo.com.

THE EXECUTIVE BODIES OF CA IMMO

Management and supervisory structure

The responsibilities of Management and Supervisory Boards and cooperation between Board members are defined by the law, the Articles of Association and rules of procedure passed by the Supervisory Board (including the schedule of responsibilities for the Management Board). The obligations therein defined as regards business matters requiring approval and information provision and reporting by the Management Board apply to all subsidiaries of CA Immo. The articles of association and rules of procedure for the Supervisory Board may be inspected at www.caimmo.com. The full Supervisory Board rules on matters of critical importance as well as general strategy. The Board also executes its duties through four competent committees. A presiding committee was also established to rule on urgent matters. The Supervisory Board may also form other expert committees when appropriate.

The Executive Board

The Management Board of CA Immo has comprised three members since 1 June 2019. The **Chief Executive Officer** (CEO) is responsible for overall organisation and management, the strategic direction and future development of the company and for representing the company to its Supervisory Board members and shareholders. As the Management Board spokesperson, he also issues statements to the general public and the media. The **full Management Board** is responsible for achieving the aims of business policy; in this regard, the Board bears overall corporate responsibility at both company and Group level. Regardless of individual departmental and Board responsibilities, all agendas are discussed openly by the Board members at regular Management Board meetings, with departmental representatives included in the discussions. The implementation of resolutions passed is continually monitored. The Supervisory Board is informed immediately of any significant discrepancies

from planned values. Irrespective of the division of authority, each member of the Management Board shares responsibility for the overall running of the company's business affairs.

Information on staff changes in the Management Board and Supervisory Board are detailed in the Supervisory Board report.

The Supervisory Board and its committees

As at the balance sheet date, the Supervisory Board of CA Immo comprised seven members elected by the Annual General Meeting, two shareholder representatives appointed by registered shares and four employee representatives. The average tenure for elected Supervisory Board members is currently around three years. Its task is to oversee the management of the company and influence the company's strategic development. To ensure this, the Supervisory Board can demand all information on the company and associated Group companies from the Management Board. Major transactions such as investments, financing, plant closures and share deals may only be undertaken with the consent of the Supervisory Board. The members of the Supervisory Board are subject to the

same duty of care as Managing Directors and Management Board members, regardless of their status as representatives of shareholders and employees. Negligent conduct on the part of Supervisory Board members is countered by liability for damage resulting from such negligence.

The **audit committee** is responsible for overseeing the entire process of financial reporting, the (Group) auditing process, the effectiveness of the internal monitoring system, the internal auditing system and risk management. Auditing the annual and consolidated financial statements (including the management reports) and examining the corporate governance report and proposals on the distribution of profit are tasks of the audit committee. The committee also reviews the independence of the (Group) auditor – especially with regard to additional services performed on behalf of the company (non-audit services) – and puts forward proposals for the selection of the (Group) auditor to the Supervisory Board. All members of the audit committee (and especially Professor Klaus Hirschler, Richard Gregson and Sarah Broughton) are acknowledged as financial experts on the basis of their experience and professional track records.

CURRENT COMPOSITION OF THE COMMITTEES¹⁾

The audit committee	The investment committee	The nomination committee	The remuneration committee	The presiding committee
Sarah Broughton	Jeffrey Dishner	Jeffrey Dishner	Jeffrey Dishner	Sarah Broughton
Richard Gregson ³⁾	Georg Edinger ⁴⁾	Georg Edinger ⁴⁾	Torsten Hollstein ²⁾	Georg Edinger ⁴⁾
Professor Klaus Hirschler ²⁾	Torsten Hollstein ²⁾	Torsten Hollstein ²⁾	Dr. Florian Koschat	Torsten Hollstein ²⁾
Nicole Kubista ⁴⁾	Franz Reitermayer ⁴⁾ (until 10.2.2020)	Dr. Florian Koschat	Michael Stanton	Dr. Florian Koschat
Sebastian Obermair ⁴⁾	Laura Rubin	Sebastian Obermair ⁴⁾		Sebastian Obermair ⁴⁾
Michael Stanton	Michael Stanton	Michael Stanton		

¹⁾ As regards the independence of the individual committee members reference is made to the chapter Supervisory Board.

²⁾ Chairperson

³⁾ Deputy Chairperson

⁴⁾ Employee representative

The **investment committee**, in cooperation with the Management Board, prepares the ground for all investment decisions that must be taken by the full Supervisory Board. The investment committee may also approve investments in and sales of real estate and companies and the implementation of development projects and similar measures with total investment volumes of up to € 50 m; beyond this limit, the approval of the full Supervisory Board is required.

The **nomination committee** is responsible for succession planning for the Management Board and the Supervisory Board. Candidates for vacant Supervisory Board mandates put forward to the Annual General Meeting are considered on the basis of their professional and personal qualifications, with particular efforts made to maintain diversity and a balance of expertise across the Supervisory Board. Management Board members are invariably selected according to a defined appointment procedure, taking corporate strategy and the current position of the company into consideration. The **remuneration committee** also scrutinises the remuneration system for the Management Board. On account of their lengthy professional track records, all members of the remuneration committee possess sufficient knowledge and experience of remuneration policy.

The **presiding committee** rules on urgent matters and measures where no delay is possible and the approval of the Supervisory Board cannot be obtained in good time. Its decisions are presented to the Supervisory Board for authorisation as soon as possible.

Details of the main activities of the Supervisory Board and the committees in business year 2019 are provided in the Supervisory Board report.

Co-determination by employees on the Supervisory Board

Four employee representatives from the works council were appointed to the Supervisory Board. Although works council members are always numerically inferior owing to the one-third parity rule, their Supervisory Board activity affords them faster and fuller access to important information on happenings within the company and a right to be consulted on far-reaching corporate decisions. The works council may also enter into direct dialogue with shareholder representatives with a view to informing the owners of any managerial problems directly.

Co-determination of shareholders

The rights and obligations of the shareholders derive from the Stock Corporation Act and the Articles of Association of CA Immo. The most important shareholder rights are the right of profit-sharing, the right to attend General Meetings (with associated voting rights) and the right to request additions to an agenda and submit motions to a General Meeting. At the 32nd Annual General Meeting, for example, the shareholder group Petrus Advisers *et al* – contrary to the resolution of the company – proposed the election of Dr. Martin Hagleitner to the Supervisory Board. The nomination proposal was rejected, with all resolutions proposed by the company having the legally required majority. Given their voting rights, shareholders are entitled to vote not only on the appropriation of corporate profit, but also on the future direction of the company (for example by approving takeovers, capital measures or the actions of Management and Supervisory Board members). Another right of shareholders is the right to information: shareholders have the right to be informed on all key matters affecting the joint stock company. Further information on the rights of shareholders as regards Annual General Meetings is published at www.caimmo.com.

Independence and dealing with conflicts of interest

In accordance with the independence criteria laid down by the Supervisory Board (C Rule no. 53), a Supervisory Board member is deemed to be independent where he or she has no business or personal relationship with the company or its Management Board which could give rise to a material conflict of interests and thus influence the conduct of that member. All thirteen members of the Supervisory Board have declared their independence according to C Rule no. 53. With the exception of Sarah Broughton, Laura Rubin and Jeffrey G. Dishner, all members of the Supervisory Board meet the criteria under C Rule no. 54 in that they do not represent the interests of any shareholder with a stake of more than 10% (Starwood). However, some members of the Supervisory Board perform functions in related companies or similar organisations that have the potential to create a conflict of interests. Full details are provided under Related Party Disclosures in the notes, and in the explanations ('Comply or explain' for C Rule no. 45).

Neither Management Board nor Supervisory Board members are permitted to make decisions in their own interests or those of persons or organisations with whom they are closely acquainted where such interests are counter to the (business) interests of the CA Immo Group.

All conflicts of interests must be declared immediately. In the event of a contradiction of interests arising, the member in question shall be required to abstain from taking part in voting procedures or leave the meeting while the relevant agenda item is being discussed.

Moreover, members of the Management Board are not permitted to run a company, own another business enterprise as a personally liable partner or accept Supervisory Board mandates in companies outside the Group without the consent of the Supervisory Board. Senior executives may only enter into secondary activities (and in particular accept executive positions with non-Group companies) with the approval of the Management Board.

All business transactions conducted between the company and members of the Management Board as well as persons or organisations with whom they are closely acquainted must conform to industry standards and have the approval of the Supervisory Board. The same goes for contracts between the company and members of the Supervisory Board which oblige those members to perform services outside of their Supervisory Board activities for the CA Immo Group in return for remuneration of a not inconsiderable value (L Rule no. 48) and for contracts with companies in which a Supervisory Board member has a significant business interest. The company is not permitted to grant loans to members of the Supervisory Board outside the scope of its ordinary business activity.

COMPLIANCE

Compliance is a central component of good corporate management and the precondition for long-term success in business. For CA Immo, compliance is a risk management tool that establishes the framework for business activity. CA Immo's compliance management system is based on the pillars of prevention, identification, communication and intervention. Our compliance strategy aims to establish integrity as a firm part of corporate culture. That involves observing legislation and internal regulations while respecting fundamental ethical values and doing business in a sustainable manner. For CA Immo, integrity and fair dealings with partners are the basis of good business. The code of conduct of CA Immo is published at www.caimmo.com; it is binding on all executive bodies, employees and contractual partners, including architects, construction firms, estate agents, other service providers involved in lettings and joint venture partners. In particular, the code sets out regulations on conformity with the law, dealings with business partners and third

parties, handling company equipment and confidential information, avoiding conflicts of interest and so on. It also contains information on dealing with complaints, violations of the code of conduct and other provisions binding on CA Immo.

Our values are shared and consistently practised by all employees. To this end, we continually seek to upgrade our training concepts, incorporate compliance into our business processes and tailor communication to target groups. However, compliance also means promoting entrepreneurial risk-taking by creating a clear framework for taking calculable business risks. Breaches of legal provisions and internal regulations are incompatible with the law and our understanding of compliance, and appropriate sanctions will be taken in such cases.

Compliance organisation

All Group compliance and governance activity is handled by the Corporate Office division, which works closely with the Risk Management and Internal Auditing divisions to perform an advisory, coordinating and consolidating role; it reports directly to the CEO and the Supervisory Board or its audit committee. Responsibility for the content of compliance rests with the various Group divisional heads. The Corporate Office coordinates the compliance management system, develops the compliance programme on the basis of identified compliance risks specific to the industry, compiles and advises on guidelines, accepts comments and complaints (anonymously or otherwise) and oversees the resolution of compliance issues with Internal Auditing or external advisors. Moreover, employees regularly undergo training on preventing corruption, capital market compliance and other subjects.

Key compliance issues

In business year 2019, compliance activity focused on the implementation of new legal requirements (largely due to the second Shareholder Rights Directive), the drafting and revision of existing internal guidelines and the continual monitoring of the observance thereof. Once again, the main focus of activity was on numerous bilateral consultations on compliance and governance issues as well as internal processes and guidelines and so on.

Preventing corruption

CA Immo rejects every kind of corruption and to this end has defined compulsory principles (zero tolerance). Counter-corruption measures are reported to the Supervi-

sory Board at least once a year. Instances of potential corruption are investigated by the Group Auditing department on the basis of the auditing plan approved by the audit committee or based on special audit mandates issued by the Management Board, audit committee or full Supervisory Board. All operational Group companies are investigated for corruption risks at regular intervals.

GENDER DIVERSITY

CA Immo ensures equality and balance in the composition of its employee structure, both across the workforce as a whole and at all managerial and executive levels. Aside from professional qualifications, the recruitment process adheres to a strict policy of non-discrimination between women and men. As at the balance sheet date, the proportion of women working for the Group stood at approximately 52% (53% in 2018). The proportion of women was highest in the CEE subsidiaries (73%), followed by Austria (59%) and Germany (40%). There are still no women on the Management Board of CA Immo. Four women serve on the Supervisory Board, where the total proportion of women is 31%; analysed separately, women make up 33% of the shareholder representatives and 25% of the employee representatives.

Further information on the gender pay gap can be found in the group management report ('Employees' section).

The proportion of female managers increased to 29% compared with 24% for the prior year. In filling managerial vacancies, the focus is on internal succession planning and raising the proportion of women by deliberately targeting women in the recruitment process. Where qualification backgrounds are equivalent, preference is given to female applicants. Part-time employment does not preclude a managerial position. This model was used for the first time in 2019 by one managerial staff member. Graduate and talent management programmes also promote constantly gender balance.

CA Immo makes it possible to reconcile professional and family life by offering flexible working hours, part-time options, working from home, paternity leave and 'fathers' month'. Employees on a leave of absence remain linked to the internal information network and are invited to participate in annual team meetings and company events.

REMUNERATION REPORT

The remuneration report details the remuneration system for the Management Board and the Supervisory Board as well as the amounts and structure of remuneration. It also contains details of share ownership by members of the Management and Supervisory Boards.

GENERAL PRINCIPLES OF THE REMUNERATION SYSTEM FOR THE MANAGEMENT BOARD

The remuneration system for the Management Board is based on performance and profit, whereby criteria for long-term orientation, appropriateness and sustainability are critically important. The system takes the collective and personal performance of Management Board members into consideration. The remuneration system for Management Board members is aimed at establishing a competitive pay level combined with a strong performance-based component. The market orientation of the remuneration system is ensured by means of regular external benchmarking and reference to the sector (e.g. European real estate companies and relevant Austrian industrial businesses). The long-term interests of shareholders and stakeholders are reflected in the performance-related remuneration, which encompasses short-term and long-term elements as well as social considerations and environmental and governance aspects. Management Board performance is evaluated according to both financial and non-financial criteria. Special projects forming part of the implementation of corporate strategy are also taken into consideration. Generally speaking, the remuneration rules should comply with and promote sound and effective risk management; the rules should not encourage staff members to take risks that are inconsistent with the risk strategy of CA Immo.

The remuneration policy is compiled by the remuneration committee; where necessary, suitable external advisors are involved. The policy is regularly presented to the overall Supervisory Board for discussion and decision (complete with the main decision-making criteria and stating the reasons for any changes). The remuneration committee supports and advises the Supervisory Board on the conception and amendment of the remuneration policy. In future, the remuneration policy will be presented to the Annual General Meeting for resolution at least every four years, or whenever significant changes are made to the remuneration policy. Suggestions regarding the remuneration policy or (in future) the remuneration report expressed at the Annual General Meeting will be considered by the remuneration committee in the

course of further reviews, provided they appear appropriate and useful. Where such suggestions are not enacted, reasons will be given.

Management Board remuneration comprises a fixed, non-performance-related annual salary, performance-related (variable) components, fringe benefits and a pension fund. The criteria for the appropriateness of Management Board remuneration are the field of activity and responsibility, personal performance, the economic situation, the company's success/future prospects and the national and international standards for the property sector. The variable salary components are linked to a long-term increase in the value of the company and continually adjusted in line with strategic targets defined jointly by the Management Board and Supervisory Board. There are no stock option plans.

Fixed salaries and fringe benefits

The level of fixed salaries depends on spheres of competence as determined in the schedule of responsibilities. No separate payment is made for accepting mandates in Group companies. The fixed salary is paid in advance in 14 monthly payments as a basic non-performance-related component. Management Board members also receive fringe benefits in the form of remuneration in kind (company car, telephone, travel expenses) on the basis of individual regulations in employment contracts. Since they qualify as remuneration components, Management Board members must pay tax on these benefits.

FIXED SALARY

€ 1,000	Annual gross salary
Andreas Quint, CEO (since 1.1.2018)	560
Keegan Viscius, CIO (since 1.11.2018)	475
Dr. Andreas Schillhofer, CFO (since 1.6.2019)	375

Variable remuneration components

The bonus payment is linked to long-term operational and quality-based targets and also takes account of non-financial performance criteria. It is limited to 200% of the annual salary. Of the variable remuneration, half is linked to the attainment of short-term targets defined annually by the remuneration committee (annual bonus). The other half is currently based on outperformance of the following indicators, with performance thresholds defined annually by the remuneration committee: return on equity (ROE), funds from operations (FFO) and NAV

growth. The level of the bonus actually paid depends on the degree of target attainment: the values agreed and actually achieved at the end of each business year are compared and confirmed by the remuneration committee after verification by the auditor. The audit carried out by the external auditor is based solely on the attainment of indicators rather than the attainment of strategic targets.

Half of performance-related remuneration takes the form of immediate payments (**short-term incentive**); the remaining 50% is converted into **phantom shares** on the basis of the average rate for the last quarter of the business year relevant to target attainment. The payment of phantom shares is made in cash in three equal parts after 12 months, 24 months (**mid-term incentive**) and 36 months (**long-term incentive**). In this way, long-term incentives for corporate development are established and ultimately reflected in the share price. Phantom shares are converted at the average rate for the last quarter of the year preceding the payment year.

Pension regulations

For all Management Board members, the pensionable age is the legal retirement age in Austria. All Management Board contracts contain pension fund agreements into which the company currently pays annually agreed contributions of up to 10% of the fixed salary (defined contribution plan). Ongoing payments into the pension fund cease upon termination of an employment contract, in the event of termination owing to a change of control and, at the latest, on expiry of the original duration of the employment contract. In business year 2019, a total of € 117 K (2018: € 68 K) was paid out for Management Board members in the form of contributions to pension funds.

Change of control regulations

All Management Board contracts contain a change of control clause (CoC) assuring payments in the event of premature termination of Management Board duties following a change of control. A change of control occurs either where a shareholder or group of shareholders attains 25% of voting rights in the Ordinary General Meeting, or they are obliged to make a mandatory takeover bid where the investment threshold of 30% is exceeded. Corporate mergers always constitute a change of control. The contractual regulations provide for extraordinary termination rights as well as continued remuneration (including variable remuneration) for the remaining term of the employment contract. According to the calculation basis, com-

penetration for fixed remuneration may not currently exceed two years' fixed salary. Moreover, to compensate for the loss of variable remuneration, the company must grant the Management Board member a percentage part payment in the maximum amount of 80% of two years' fixed salary on the basis of existing Management Board contracts according to the specific sphere of activity and the position of the Management Board member. The exercising of a special right of termination in the event of a change of control in the sphere of the main shareholder Starwood has been contractually excluded for all serving members of the Management Board.

Claims where an employment contract is terminated

Where a Management Board member steps down, the amount of the severance payment shall be determined by the legal provisions (criteria being the total salary level and length of service), with the maximum payout equating to one full year's salary (including the bonus for the relevant business year). Payment is forfeited in the event of the Management Board member serving notice of termination without good cause. All contracts with Management Board members include adjustment payments to cover a Management Board member serving notice of termination for good cause; depending on the remaining term of the Management Board mandate, this is limited to a maximum of two annual salaries (including fringe benefits). As at the balance sheet date 31 December 2019, severance payment provisions for Management Board members totalled € 238 K (31.12.2018: € 79 K). There are no payment obligations to former members of the Management Board.

PAYMENTS TO THE MANAGEMENT BOARD IN 2019

During the reporting year, total salary payments to Management Board members stood at € 1,512 K (excluding salary-based deductions). Owing to the resignations of Management Board member Frank Nickel at the end of March 2018 and CFO Dr. Hans Volckens in October 2018 and the resultant severance and redundancy payments and extraordinary bonus payments, the comparable value for the previous year was € 7,976 K. Bonus and special payments were mainly connected to the last year's sale of the 26% stake in CA Immo held by the IMMOFINANZ Group to a Luxembourg fund managed by Starwood Capital (change of control). The salary-based deductions totalled € 97 K (2018: € 701 K).

Fixed remuneration

Fixed salary components totalling € 1,290 K (€ 1,138 K in 2018) were made up of the basic salary of € 1,254 K (2018: € 1,060 K) and other benefits (in particular remuneration in kind for cars, expense allowances and travel expenses) of € 36 K (2018: € 79 K). There was (and is) no other remuneration for accepting mandates with other corporate bodies within the CA Immo Group or for participating in committee meetings (e.g. attendance fees).

Variable remuneration

There were no variable salary components during the reporting period (2018: € 4,788 K). Bonus payments in the previous year comprised immediate payments in the amount of € 2,319 K and payment of the multi-year bonus (phantom shares) in the total amount of € 2,470 K.

Bonus payments in 2018 included the payment of all short-, medium- and long-term bonuses to all entitled members of the Management Board on the basis of 100% target attainment. Having terminated his employment contract prematurely, Frank Nickel received all outstanding bonus payments (annual and medium-term bonuses) in the amount of € 1,593 K ahead of time. All outstanding bonuses due to Dr. Hans Volckens since 2016 have also been paid. His variable remuneration thus comprised bonus payments of € 350 K for 2017 and 2018, a proportionate payment for the period up to and including 31 July 2019 and a special bonus for business year 2017 (€ 50 K). All 18,017 phantom shares issued since business year 2016, originally with a lock-up, were valued at an agreed price of € 32.00 per share and also paid in full. All bonus payments due to Andreas Quint (€ 1,120 K) in connection with the change of control for business year 2018

were also settled in full and in cash ahead of time on 31 October 2018. There was no conversion to phantom shares as otherwise provided for in the remuneration system for Andreas Quint.

Provisions of € 2,773 K (31.12.2018: € 0 K) had been formed for the Management Board under the variable remuneration system as of 31 December 2019. Of this, immediate payments amounting to € 1,254 K were due for payment by 31 May 2020 at the latest. Tranches of phantom shares starting in 2020 (multi-year bonus) account for € 1,520 K (31.12.2018: € 0 K). The conversion rate for the relevant annual bonus proportion of phantom shares is € 28.98 for this tranche.

Special payments

While special payments amounting to € 1,982 K accrued in 2018, such payments only amounted to € 106 K in the reporting year. This figure included a sign-on bonus in the amount of € 100 K for Dr. Andreas Schillhofer to compensate for bonus payments not received from his former employer owing to his early resignation. Special payments rendered in connection with the aforementioned change of control in 2018 included compensatory and severance payments totalling € 477 K. In the course of the change of control, Andreas Quint received a retention bonus of € 1,120 K for remaining at CA Immo in future. He was also paid a sign-on bonus of € 300 K as compensation for bonus payments not received from his former employer owing to his early resignation. This sign-on bonus was indicated in the consolidated financial statements for 31 December 2017.

PAYMENTS TO THE MANAGEMENT BOARD¹⁾

€ 1,000	Andreas Quint (CEO) since 1.1.2018		Keegan Viscius (CIO) since 1.11.2018		Andreas Schillhofer (CFO) since 1.6.2019		Hans Volkert Volckens (CFO) until 10.10.2018		Frank Nickel (CEO / member of the Management Board) until 31.3.2018		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Fixed salary	560	560	475	79	219	0	0	321	0	100	1,254	1,060
Other fees ²⁾	0	0	0	0	0	0	0	0	0	0	0	0
Other benefits ³⁾	4	4	14	9	19	0	0	45	0	21	36	79
Total fixed remuneration	564	564	489	88	237	0	0	365	0	121	1,290	1,138
Annual bonus	0	560	0	0	0	0	0	1,158	0	600	0	2,319
Multi-year bonus	0	560	0	0	0	0	0	917	0	992	0	2,470
Total variable remuneration	0	1,120	0	0	0	0	0	2,076	0	1,593	0	4,788
<i>Ratio fixed to variable remuneration</i>	<i>100:1</i>	<i>34:66</i>	<i>100:1</i>	<i>100:1</i>	<i>100:1</i>	<i>n.a.</i>	<i>n.a.</i>	<i>15:85</i>	<i>n.a.</i>	<i>7:93</i>	<i>100:1</i>	<i>19:81</i>
Sign-on bonus	0	300	0	0	100	0	0	0	0	0	100	300
Retention bonus	0	1,120	0	0	0	0	0	0	0	0	0	1,120
Change of control	0	0	0	0	0	0	0	185	0	0	0	185
Compensatory and severance payments	0	0	0	0	0	0	0	292	0	57	0	349
Relocation service	0	0	6	28	0	0	0	0	0	0	6	28
Total special payments	0	1,420	6	28	100	0	0	477	0	57	106	1,982
Contributions to pension plan	57	57	43	0	17	0	0	0	0	10	117	68
Total remuneration	621	3,162	537	116	354	0	0	2,918	0	1,781	1,512	7,976

¹⁾ Includes salary components paid in 2018 and 2019 only.

²⁾ Other remuneration for accepting mandates with other corporate bodies within the CA Immo Group and for participating in committee meetings (e.g. attendance fees).

³⁾ Remuneration in kind (company car, expense allowances, travel expenses, etc.)

PROFIT SHARING SCHEME FOR EMPLOYEES

To promote strong identification with its objectives and ensure employees have a stake in the success of CA Immo, variable remuneration is paid to all staff alongside fixed salaries. In line with the Management Board remuneration system, the precondition is the attainment of agreed quantitative and qualitative annual targets and positive consolidated net income. Managerial staff also participate in a remuneration scheme based on share prices.

Performance share plan (LTI) for executives

The LTI programme takes account of value creation of CA Immo over the long term. A wide-ranging revision carried out in business year 2019 (involving adaptation to

market standards) was approved by the remuneration committee in November 2019. One of the main changes to the LTI is the inclusion of all managers at first-line level along with branch managers; participation was previously voluntary and based on personal investment. In future, this element of remuneration will also be aimed at internal experts and those with leadership qualities. The plan provides for performance-based remuneration in the form of virtual shares of CA Immo. The final number of virtual shares is determined on the basis of performance criteria linked to medium-term strategy and stock yields. The target amount of the LTI is divided by the volume-weighted average share price for CA Immo (closing rate on the Vienna Stock Exchange) across the three-month period to 31 December of the respective bonus year. The provisional number of virtual shares is calculated in this

way; the final number of virtual shares is determined by the measurement of performance criteria at the end of the performance period of four years. The LTI will generally be payable on 31 December of the final year of the four-year performance period. Funds from operations (FFO) I and relative total shareholder return (TSR) against the EPRA Nareit Developed Europe ex UK index serve as equally weighted performance criteria for the LTI. FFO I reflects long-term earning power by taking account of recurring revenue and enables the effectiveness of letting activities to be depicted transparently. Relative TSR facil-

itates the evaluation of relative value creation for shareholders while enabling direct comparison with other real estate companies. The final number of shares is limited to 200% of the number of virtual shares. For the payment, the final number of virtual shares is multiplied by the volume-weighted average price for the last three months of the performance period. Payment of the resulting amount is made in cash; an upper limit of 250% of the target amount of the LTI applies.

Performance criteria	Performance thresholds	Allocation as %
FFO I (weighting 50%)	Maximum with deviation from budget of 20% in four-year average	200
	Target value with deviation from budget of 0% in four-year average	100
	Threshold and below with deviation from budget of -5% in four-year average	0
Relative TSR (weighting 50%)	Maximum at 40 ppt outperformance	200
	Target value at 10 ppt outperformance	100
	Threshold and below at -5 ppt outperformance	0

The previous LTI took account of the following performance criteria: NAV growth, TSR and FFO growth. The weighting for NAV and FFO growth was 30%, and 40% for the TSR. LTI was a revolving programme with a term (retention period) of three years per tranche. Participation presupposed a personal investment not exceeding 35% of the fixed annual salary. This was evaluated by applying the average rate for the first quarter of the year in which the tranche started, with the number of associated shares determined in line with the evaluation. At the end of each three-year performance period, a target/actual comparison was applied to define target attainment. Payments were made in cash.

At the end of 2018, the degree of target attainment for the seventh LTI tranche for 2016-2018 was 98%, equivalent to a monetary value of € 27.58 per share in the LTI programme. On the basis of these calculations, a total amount of € 676 K was paid out in 2019 for 24,498 participating shares. As at 31 December 2019, provisions total

ling € 896 K (including incidental charges; € 1,288 K on 31.12.2018) had been formed in connection with the LTI programme for the tranches beginning in 2017, 2018 and 2019. On 31 December 2019, employees of CA Immo held the following shares as part of the LTI programme:

OVERVIEW SHARE PORTFOLIO LTI TRANCHES

	Participating shares	Provisions incl. incidental charges as at 31.12.2019 in € 1,000
2017-2019	13,236 pcs.	462.8
2018-2020	12,370 pcs.	303.8
2019-2021	12,618 pcs.	129.1
		895.7

SHARE OWNERSHIP OF MANAGEMENT AND SUPERVISORY BOARD MEMBERS

As at 31 December 2019, only Management Board member Keegan Viscius privately held 1,817 CA Immo shares.

D&O INSURANCE

At CA Immo Group level, D&O manager liability insurance with coverage of € 50 m was taken out for the executive bodies (Management Board members, administrative authorities, supervisory bodies and senior executives) of the parent company and all subsidiary companies. On account of the general premium payment for all insured persons, there is no specific assignment of premium payments to Management Board members. The insurance does not provide for any excess.

REMUNERATION OF THE SUPERVISORY BOARD

In line with the Articles of Association of CA Immo, remuneration for the Supervisory Board for the past business year is determined annually by the Ordinary General Meeting.

Since 2017 the annual fixed remuneration has been € 30 K. The chairman receives double that amount, with their deputy paid one and a half times the fixed fee. Where a Supervisory Board member joins or steps down during the year, remuneration is paid pro rata in line with the Articles of Association. In addition, committee

and Supervisory Board members received an attendance fee of € 1,000 per meeting as well as the reimbursement of cash expenses associated with Supervisory Board activity. No company pension plans are provided for Supervisory Board members at CA Immo.

Total remuneration of € 380 K (€ 361 K in the previous year) was paid in business year 2019 (for 2018). Of this, attendance fees accounted for a total of € 106 K (previous year € 88 K). Moreover, expenditure of € 205 K (2018: € 206 K) was reported in connection with the Supervisory Board in business year 2019. Of this, cash outlays for travel expenses accounted for € 62 K (2018: € 90 K) and other expenditure (including training costs) accounted for € 39 K (2018: € 43 K). Legal and other consultancy costs amounted to € 103 K (€ 74 K in 2018). The consolidated financial statements for 2018 took account of consultancy costs of € 150 K for the CFO appointment procedure. No other fees (particularly for consultancy or brokerage activities) were paid to Supervisory Board members, and no loans or advances were paid.

Total Supervisory Board remuneration of € 309 K for business year 2019 will be proposed to the Annual General Meeting on the basis of the same criteria (fixed annual payment of € 30 K per Supervisory Board member plus attendance fee of € 1,000 per meeting), taking account of the waiver of remuneration for Supervisory Board members appointed on the basis of registered shares or assigned to the Starwood Group. The consolidated financial statements for 31 December 2019 took account of this remuneration.

REMUNERATION OF THE SUPERVISORY BOARD¹⁾

€ 1,000	Fixed remuneration		Attendance fee		Total	
	2019	2018	2019	2018	2019	2018
Supervisory Board members in office as at 31.12.2019:						
Elected by the Annual General Meeting:						
Jeffrey G. Dishner (since 9.5.2019 previously from 28.9.2018 appointed by registered share), Deputy Chairman	-	-	-	-	-	-
Richard Gregson (since 28.4.2015)	30	30	16	12	46	42
Professor Dr. Klaus Hirschler (since 1.12.2016)	30	30	16	12	46	42
Torsten Hollstein (since 3.5.2016), Chariman	60	60	15	14	75	74
Dr. Florian Koschat (since 3.5.2016), Deputy Chairman	45	45	10	7	55	52
Michael Stanton (since 19.12.2014)	30	30	15	17	45	47
Dr. Monika Wildner (since 9.5.2019)	-	-	-	-	-	-
Appointed by registered shares:						
Sarah Broughton (since 28.9.2018)	-	-	-	-	-	-
Laura Rubin (since 28.9.2018)	-	-	-	-	-	-
Employee representatives:						
Georg Edinger (since 3.5.2016)	-	-	-	-	-	-
Nicole Kubista (since 3.5.2016)	-	-	-	-	-	-
Sebastian Obermair (since 22.3.2016)	-	-	-	-	-	-
Franz Reitermayer (from 3.5.2016 to 10.2.2020)	-	-	-	-	-	-
Former Supervisory Board members:						
Elected by the Annual General Meeting:						
Prof. Dr. Sven Bienert (until 26.10.2018)	25	30	11	8	36	38
Dipl. BW Gabriele Düker (until 25.10.2018)	24	18	8	7	32	25
John Nacos (until 9.5.2019)	30	30	15	11	45	41
Appointed by registered shares:						
Stefan Schönauer (until 28.9.2018)	-	-	-	-	-	-
Dr. Oliver Schumy (until 28.9.2018)	-	-	-	-	-	-
Total	274	273	106	88	380	361

¹⁾ The table shows remuneration paid to elected capital market representatives, including attendance fees, in business years 2019 and 2018. The Supervisory Board members appointed by registered shares and the employee representatives received no remuneration.

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DISCLAIMER

This report contains statements and forecasts which refer to the future development of CA Immobilien Anlagen AG and their companies. The forecasts represent assessments and targets which the Company has formulated on the basis of any and all information available to the Company at present. Should the assumptions on which the forecasts have been based fail to occur, the targets not be met or risks materialise, then the actual results may deviate from the results currently anticipated. This report does not constitute an invitation to buy or sell the shares of CA Immobilien Anlagen AG.

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We ask for your understanding that gender-conscious notation in the texts of this report largely had to be abandoned for the sake of undisturbed readability of complex economic matters.

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