



URBAN
BENCHMARKS.

PROCUREMENT POLICY

PROCUREMENT GUIDELINES

PREAMBLE

As one of the leading property investment and project development companies in Central Europe, we are the first choice for investors and shareholders, equity and outside capital providers, buyers, customers, tenants and other interested parties, suppliers, business partners and contractual partners, employees, government representatives and lobbyists, the media and the general public. We are successful in our field, setting standards of sustainability, quality, transparency and fairness in our business segment.

Our goal is to generate long-term value from real estate and provide long-term benefits to our shareholders, tenants and users while taking care to utilise resources responsibly in all our activities.

In the interests of this position and based on our code of ethics, CA Immo observes the following procurement guidelines, which are binding on all employees. Violations of the guidelines shall entail potential consequences under labour law.

Before concluding a contract, our contractual partners must recognise the sustainability and employee protection provisions enshrined in these guidelines, undertake to observe them and also oblige their business partners and suppliers to observe them.

The procurement guidelines apply to CA Immobilien Anlagen AG and to all companies in which CA Immobilien Anlagen AG, whether directly or indirectly, exercises sole or majority control (collectively referred to as 'CA Immo' in the following); they also apply to companies active on behalf of CA Immo or on account of CA Immo.

In the case of minority holdings (<50%) and joint ventures, our consistent aim in contract negotiations is to work towards compliance with the procurement guidelines as the basis for allocations.

While our procurement guideline regulates the execution of processes in the initiation of contractual relationships, it bears no relation to procurement rules under public law, to which CA Immo is not bound as long as the company does not participate in public procurements.

For reasons of legibility, the generic masculine form may be used in these guidelines; this explicitly includes

female and other gender identities where required to convey an assertion.

PURPOSE

The purpose of our procurement guidelines is to ensure standard, Group-wide procurement processes as well as full documentation of pre-selection (i.e. suitability test to final contract allocation) on the basis of applicable regulations and legislation, while taking account of aspects of sustainability and quality.

OBJECTIVES

Through these procurement guidelines, we pursue the following objectives in respect of all services to be commissioned (including construction services and deliveries, maintenance and repair orders, services provided by architects and engineers (including project management), general, non-construction-related services and deliveries and contracts for work and services):

- Ensuring price and quality competition to achieve optimum award results
- Ensuring service quality
- Ensuring cost-effectiveness
- Ensuring and promoting environmental protection and sustainability
- Ensuring adherence to planned deadlines
- Preventing actions detrimental to business
- Ensuring transparency in awarding contracts

GENERAL PRINCIPLES

The **principle of equal treatment (ban on discrimination)** is one of the main principles guiding procurement procedures. Unless discrimination is explicitly provided for or permitted under the law, all parties to procurement procedures must be treated equally.

The obligation to ensure equal treatment, which permeates every phase of the procurement process, requires all applicants and bidders to have the same chances of being granted access to the competition and the same chances of being awarded the contract. In practice, this essentially means that all bidders must have access to the same information and that identical deadlines, suitability criteria and award criteria must apply to all bidders in equal measure.

Notwithstanding this, the internal guidelines and competences of CA Immo (and particularly divisions of responsibilities) must be observed in all contract awards.

Where external service providers act on behalf of CA Immo in contract award processes, suitable measures must be enacted to ensure these procurement guidelines are observed along with all other internal guidelines.

CALLS FOR TENDERS AND INVITATIONS TO TENDER

In exercising their responsibilities and taking account of the relevant particularities and requirements of the (construction) measure, the employees responsible for awarding the respective contract decide on the:

1. TYPE OF CONTRACT AWARD

(e.g. general contractor/individual contract award, general planner/individual contract award for specialist planners)

2. TYPE OF SERVICE DESCRIPTION AND REMUNERATION

(e.g. for construction services by function or with service specifications; flat-rate or billing order, hourly wage or fee, etc.)

Fundamental rule: The service must be described as clearly and exhaustively as possible in order to ensure comparability of offers and avoid supplements. The service description (including individual components such as a quantity survey) must be exclusively drawn up and presented by CA Immo (if necessary with the help of external service providers).

3. NUMBER OF BIDDERS TO BE INVITED

Fundamental rule: A sufficient number of bidders must be invited to submit tenders in order to ensure price and quality competition, taking into account the value of the contract and the amount of processing work involved. For offers worth **€25,000 or more**, at least three bids must be obtained; however, it is recommended to obtain at least

three bids even for offers below this threshold. If a potential bidder rejects the invitation to submit an offer or fails to respond, this fact must also be documented.

Comparison offers may only be waived if there are substantial reasons (e.g. only a certain contractor is technically suitable; special urgency; supplementary order for ongoing measures; supplementary commissioning in the case of ongoing measures; jury ruling in architectural competitions; existing contractual obligations to commission a certain partner such as an urban planner). Exceptions must be documented in such a way that a competent third party could understand the reasons afterwards.

4. SELECTION OF BIDDERS

Fundamental rule: Only competent, efficient and reliable applicants are invited to submit tenders. Moreover, there may be specific requirements deriving from the respective task. If it is not possible to check these criteria in advance, the necessary proofs must be requested together with the offer or during the negotiation process (at least before a contract is signed). Such evidence may include creditworthiness certificates, references, qualifications of key personnel, personnel and technical resources, entry in the register of trades or commercial register, certificate of exemption from withholding tax for building contracts, liability insurance, etc. The existence of an environmental management system will be checked. Depending on the (financial) magnitude and thus the risk associated with the business plan, we tie our business partners into preventive measures (third party compliance) and/or perform third party due diligence appropriate to the circumstances, covering all aspects relevant to the particular business plan. A pending lawsuit with a (potential) bidder does not necessarily preclude entering into further business with that bidder/business partner. However, in the case of bidders with whom CA Immo is actively or passively involved in a (potential) legal dispute, the Legal and Corporate Office/Compliance departments must be consulted prior to awarding the contract if the contract value exceeds **€1 m**, and their concerns must be taken into account in the decision-making process as part of the business judgement rule.

5. TENDER DOCUMENTS

Fundamental rule: Tender documents should be sent to all bidders at the same time, stating a uniform deadline for submission of tenders. In order to ensure price competition and comparability of tenders, information relevant to the tender must always be made available to all eligible bidders at the same time. The applicable regional version of CA Immo's general contracting terms and conditions must be submitted together with the tender documents and applicants must be informed that the contract will be based on those terms and conditions. The main contractual clauses (deadlines, securities, liabilities, etc.) must also be mentioned in the tender documents.

BID EVALUATION AND AWARD DECISION

Bids must be submitted in writing and signed in a legally binding manner. In the case of inadequate, incomplete or unclear bids, the bidder should be given the opportunity to clarify or complete the documents as necessary.

Once open, bids must always be reviewed and processed by at least two responsible persons in keeping with the principle of dual verification.

Digital bids are accepted and communicated in a form that can be interpreted as binding even in the event of legal differences (signed to the sufficient extent and form).

As a first step, bids are reviewed internally by the persons responsible or the external service providers commissioned to do so, or by the jury in the case of a competitive procedure, thereby taking account of compliance with formal requirements and checking for anomalies that distort competition. The results of the review are documented in the course of deciding on allocations.

Award decisions are based on criteria defined before tenders are opened (e.g. price, quality, execution time, etc.) according to company-related considerations. Alongside an economic and project-related evaluation of bids, it is essential to ensure compliance with the social and environmental standards defined in the code of ethics. Bidders that do not commit to comply with at least the following points in their bids will not be considered in the award process:

- Observance of minimum wage and health and safety regulations as applicable in the relevant country and sector.
- Exclusion of all forms of activity not registered in line with applicable legislation (preventing illegal employment).
- Upholding human rights (as defined in the UN Charter and the European Convention on Human Rights) in their field of activity and, to the best of their knowledge, in the production and development of substances and equipment used. This includes all forms of forced labour and/or child labour (whereby the minimum standard is defined by the regulations of the [Minimum Age Convention – C138](#) and the [Forced Labour Convention – Co29](#) and must be applied in each case).
- Exclusion of all forms of discrimination on the basis of gender, sexual orientation, marital status, regional or social origin, race, skin colour, religion, age, membership of an ethnic minority, disability of any kind or other reasons.

COMMISSIONING

An order is placed following the bid evaluation, subsequent negotiations and compilation of an award decision by the internally authorised persons; this takes the form of a written contract conclusively and exhaustively regulating all stipulated arrangements and negotiation results.

The same applies where comparison offers have not been obtained for significant reasons (see points c and d above). In such cases, the reason for refraining from obtaining comparison offers must be documented in detail.

No services may be demanded or rendered before a contract is concluded. Order amendments and supplementary services must also be commissioned in writing (thereby agreeing prices) before any work is performed.

In order to secure provision of services during the construction phase and to secure the warranty obligation after acceptance, adequate securities (appropriate to the order volume) shall be demanded from the contractor (e.g. security retention, guarantee).

DOCUMENTATION

The purpose of the documentation is to ensure all information is available independently of individual persons

and to ensure allocation decisions are traceable. Therefore, all steps in the award process must be transparently documented in the project file. The award decision must be justified in writing, providing all criteria of consideration of all involved departments. The allocation process and the basis of the decision must be documented in such a way that a competent third party could understand the reasons afterwards.

REVIEW

Compliance with these guidelines is reviewed by Internal Auditing or, where necessary, by Corporate Office.