

## 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 BOARD<sup>1)</sup>

€ 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 <sup>2)</sup>	0	0	0	0	0	0	0	0	0	0	0	0
Other benefits <sup>3)</sup>	4	4	14	9	19	0	0	45	0	21	36	79
<b>Total fixed remuneration</b>	<b>564</b>	<b>564</b>	<b>489</b>	<b>88</b>	<b>237</b>	<b>0</b>	<b>0</b>	<b>365</b>	<b>0</b>	<b>121</b>	<b>1,290</b>	<b>1,138</b>
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
<b>Total variable remuneration</b>	<b>0</b>	<b>1,120</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,076</b>	<b>0</b>	<b>1,593</b>	<b>0</b>	<b>4,788</b>
<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
<b>Total special payments</b>	<b>0</b>	<b>1,420</b>	<b>6</b>	<b>28</b>	<b>100</b>	<b>0</b>	<b>0</b>	<b>477</b>	<b>0</b>	<b>57</b>	<b>106</b>	<b>1,982</b>
Contributions to pension plan	57	57	43	0	17	0	0	0	0	10	117	68
<b>Total remuneration</b>	<b>621</b>	<b>3,162</b>	<b>537</b>	<b>116</b>	<b>354</b>	<b>0</b>	<b>0</b>	<b>2,918</b>	<b>0</b>	<b>1,781</b>	<b>1,512</b>	<b>7,976</b>

<sup>1)</sup> Includes salary components paid in 2018 and 2019 only.

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

<sup>3)</sup> 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
		<b>895.7</b>

### 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 BOARD<sup>1)</sup>

€ 1,000	Fixed remuneration		Attendance fee		Total	
	2019	2018	2019	2018	2019	2018
<b>Supervisory Board members in office as at 31.12.2019:</b>						
<b>Elected by the Annual General Meeting:</b>						
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)	-	-	-	-	-	-
<b>Appointed by registered shares:</b>						
Sarah Broughton (since 28.9.2018)	-	-	-	-	-	-
Laura Rubin (since 28.9.2018)	-	-	-	-	-	-
<b>Employee representatives:</b>						
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)	-	-	-	-	-	-
<b>Former Supervisory Board members:</b>						
<b>Elected by the Annual General Meeting:</b>						
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
<b>Appointed by registered shares:</b>						
Stefan Schönauer (until 28.9.2018)	-	-	-	-	-	-
Dr. Oliver Schumy (until 28.9.2018)	-	-	-	-	-	-
<b>Total</b>	<b>274</b>	<b>273</b>	<b>106</b>	<b>88</b>	<b>380</b>	<b>361</b>

<sup>1)</sup> 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.