

## **Remuneration policy TOP 8**

33rd Annual General Meeting (“AGM”)  
CA Immobilien Anlagen Aktiengesellschaft  
in the premises of the Company, Mechelgasse 1, 1030 Vienna  
25 August 2020, 2:00 pm (Vienna time)



# **Remuneration policy**

for the

**Management Board**

and the

**Supervisory Board**

of

**CA Immobilien Anlagen AG („CA Immo“)**

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## **I. Remuneration of the Management Board**

### **1. Preamble**

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 aims 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.

Performance-related remuneration, which contains both short-term and long-term elements as well as social, environment and corporate governance issues (“ESG” issues), takes particular account of the long-term interests of shareholders and stakeholders.

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.

The remuneration rules outlined in this policy must promote and comply with sound and effective risk management. The remuneration rules do not endorse the taking of risks that are incompatible with the risk strategy of CA Immo.

The remuneration policy must accord with the aims of business and risk strategy, the corporate culture and values of CA Immo, long-term interests and measures enacted with a view to preventing conflicts of interest. All secondary activities of Management Board members must be approved by the Supervisory Board.

Finally, it should be mentioned at this point that existing Management Board contracts cannot be amended unilaterally, i.e. without the consent of the respective Management Board member as partner to the contract. The present remuneration policy on which existing Management Board contracts are based is therefore described below. Where the remuneration policy to be applied to contracts concluded in the future deviates from the existing remuneration policy is also described.

### **2. General principles**

#### **2.1. Procedure for determining remuneration policy for the Management Board**

The remuneration policy is determined by the full Supervisory Board of CA Immo and presented to the Annual General Meeting (“AGM”) for resolution at least every four years, or whenever significant changes are made to the remuneration policy, whereby the resolution of the AGM is advisory and not disputable in line with the Austrian Stock Corporation Act. In the event that the AGM rejects the proposed remuneration policy, the policy will be reviewed and presented to the subsequent AGM with reference to the review.

The remuneration policy is compiled by the remuneration committee in partnership with those persons within CA Immo responsible for corporate governance and compliance; where necessary, suitable external advisors or the HR department are involved. The policy is presented at least annually to the 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.

Suggestions regarding the remuneration policy or the remuneration report expressed at the AGM 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.

#### **2.2. Influence of employee terms of employment on the remuneration policy**

Remuneration and employment conditions for company employees influence the remuneration policy as follows:

- The remuneration system for the Management Board, and in particular the split into fixed and variable salary components and the basic requirement of positive consolidated net income for variable remuneration, comply with the remuneration system for employees of CA Immo. However, the arrangement

for employees (type and proportionate amount of variable remuneration, etc) differs from that applied to Management Board members and depends on the position, role and duties of the particular employee.

- The strategic corporate objectives used for the variable remuneration of Management Board members are also applied as performance criteria for the variable remuneration of individual business areas and their employees (according to duties and position).
- In future, the remuneration system for Management Board members will be further aligned with that for employees by also applying the LTI program for executives approved by the remuneration committee in November 2019 to contracts concluded with Management Board members (see point 3.3).
- Moreover, the remuneration and employment conditions for employees will be incorporated into the remuneration policy to the extent that variable remuneration for the Management Board will depend in part on strategic corporate goals, which may also include terms of employment.
- The company car policy applicable to all employees will also be applied to Management Board members.
- The regulations for all staff governing business travel and expense claims are also applied to business trips made by the Management Board by analogy.
- The personal insurance policies concluded for all employees (and especially accident insurance) will be identical to those for senior managers, although the sums insured will be higher in the event of a claim (see point 3.2.4).
- Otherwise, the remuneration and employment conditions for employees do not influence the remuneration policy for the Management Board. In particular, annual salary increases for employees do not influence Management Board remuneration; the fixed salaries for Management Board members remain constant for the duration of the contract term.

### 3. Remuneration scheme

Members of the Management Board of CA Immo are employed under local, Austrian conditions. Employment contracts are concluded with CA Immobilien Anlagen Aktiengesellschaft, Vienna, and subject to Austrian law. Salaries are defined in euros (gross).

In compliance with the Austrian Corporate Governance Code (“ÖCGK”), the remuneration system currently established for Management Board contracts is based on the following principles, which are described in detail below.

Management Board remuneration is made up of fixed and variable elements as well as remuneration in kind. The remuneration package for individual Management Board members comprises a basic salary (fixed), short-term incentives (50% of the annual bonus in the form of ‘immediate payments’), a mid- and long-term incentive plan (50% of the annual bonus in the form of phantom shares), pension contributions and non-monetary elements.

Proportion of target remuneration <sup>1</sup>	Modifiers of target remuneration
$\frac{1}{3}$ Basic Salary	Fixed
$\frac{1}{3}$ Short Term Incentives (immediate payment)	Target attainment factor
$\frac{1}{3}$ Mid- and Long-Term Remuneration (phantom shares)	Target attainment factor in allocation year x Share price development to relevant payment time (12, 24, 36 months after allocation)

Figure 1: Remuneration scheme

<sup>1</sup> Added to this is a maximum of 15% of the basic salary for other benefits (in kind) (see point 3.2) and contributions to pension funds and personal insurances (see point 3.2.3).

### **3.1. Fixed remuneration**

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 proportion of fixed remuneration in overall remuneration must be high enough to enable financial independence at individual level with regard to the payment or non-payment of a variable salary component. Among other things, fixed remuneration serves to attract the best qualified managers from the real estate sector or a similar sector (e.g. financial/banking sector), and to retain and motivate managers who will manage the company in the best interests of shareholders.

The fixed remuneration component (basic salary), remuneration in kind and pension contributions (other benefits) support the long-term development of the company, especially with regard to the recruitment process and retaining Management Board members. The fixed remuneration element must be competitive in respect of the external market.

First and foremost, the basic salary (fixed remuneration) rewards the fundamental acceptance of a Management Board mandate and the general responsibility this entails for individual Management Board members. The fixed remuneration also reflects the value of the respective position, expertise, experience and status on the market.

Moreover, fixed remuneration ensures that Management Board members have an interest in the development of the company that is unconnected with the targets defined by the Supervisory Board or its remuneration committee, and that they are duly prepared to make decisions with no (direct) influence on variable remuneration whenever necessary. Furthermore, fixed remuneration reflects the market value of every member of the Management Board, which duly influences acceptance on the market and promotes the long-term development of the company.

#### Basic salary

The basic salary is paid in advance in 14 equal monthly payments as a non-performance-related component, whereby the 13th and 14th instalments are paid together with the monthly payments for June and November. The level of fixed salaries is determined by respective qualifications (according to the schedule of responsibilities), the business situation and the prospects of CA Immo as well as the national and international standards of the real estate sector. Before a new contract is concluded, the appropriateness of the basic salary is evaluated and assessed by the remuneration committee.

#### Remuneration in kind

Management Board members also receive fringe benefits in the form of remuneration in kind (company car, company accommodation, travel expenses, relocation costs, etc) in line with individual regulations in employment contracts. Management Board members are entitled to accident insurance for the duration of their employment contract; they also have health insurance through the Austrian social insurance scheme.

#### Pension contributions

All Management Board members are entitled to a defined contribution plan; contributions are paid by the company into a pension fund. The actual level of the company pension depends on the level of capital available in the pension fund. Retirement depends on the approved business plan for the pension fund. For all Management Board members, the pensionable age is the legal retirement age in Austria. With a few exceptions, ongoing payments into the pension fund cease when an employment contract is terminated.

### **3.2. Remuneration in kind**

In line with individual regulations in employment contracts, Management Board members receive fringe benefits in the form of remuneration in kind (company car, company accommodation, travel expenses) along with other benefits as described below. Any remuneration in kind granted must correspond to the position of the Management Board member, taking account of cost-effectiveness and appropriateness as well as public image. In future, new contracts will have to ensure that these other benefits (excluding insurance and pension contributions) do not represent more than 15% of the basic salary.

Management Board members are responsible for the payment of all taxes and deductions on the value of non-monetary benefits for private use.

### **3.2.1. Travel expenses**

Business trips outside of the place of employment are reimbursed in line with the company's applicable travel cost guidelines. In a partial deviation from the travel cost guidelines, the cost of first class tickets for train travel and the cost of business class tickets for air travel will be reimbursed. When making travel bookings and selecting hotels, care must be taken to ensure hotels booked meet a suitable standard while offering value for money wherever possible.

### **3.2.2. Work equipment**

In common with employees of CA Immo, Management Board members are entitled to make private use of supplied work equipment (telephone, tablet, laptop, company car, etc) under the terms of applicable internal guidelines, without incurring additional costs as a result.

### **3.2.3. Pension scheme contributions**

Provision can be made for the company to pay an agreed amount of an appropriate percentage of the annual basic salary into a defined contribution plan chosen by the Management Board member. The actual level of the company pension depends on the level of capital available in the pension fund. Retirement depends on the approved business plan for the pension fund. For all Management Board members, the pensionable age is the legal retirement age in Austria. 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.

The right to draw retirement pension arises by reaching the earliest legal age, in which female employees are entitled to a social-security-related statutory retirement pension, if the employment relationship terminated. For this, it makes no difference whether the employer or the prospective beneficiary terminates the employment relationship.

The right to draw early age retirement pension arises by reaching the earliest legal age, in which female employees are entitled to a social-security-related early age retirement pension due to long insured periods, if the employment relationship terminated by mutual agreement.

### **3.2.4. Insurance**

For the duration of their tenure, Management Board members are insured against accident under the usual conditions of an Austrian insurance scheme, with the company meeting the costs thereof; coverage is both occupational and private, with the Management Board members and their inheritors (beneficiaries).

The company also bears the costs of Group-wide D&O (directors and officers) insurance, which also covers Management Board members.

In view of the general premium payment for all insured persons, there is no specific assignment of premium payments to Management Board members. Those insurances are therefore not included in the maximum threshold mentioned in 3.2.

## **3.3. Variable remuneration**

The performance-related (variable) payment is linked to long-term operational and quality-based targets and takes account of both financial and non-financial performance criteria that are defined in this policy. The performance of Management Board members is measured according to quantitative and qualitative targets, including the sustainability of medium- and long-term achievements.

Since financial indicators demonstrate the operational success of our property business, these indicators are preceded by a series of other non-financial performance indicators, which are key to measuring and managing our operational business: ultimately, both financial and non-financial performance criteria are applied to variable remuneration in line with financial indicators to be attained.

The main non-financial performance criteria directly impacting the financial indicators are:

- the occupancy rate, which reflects the quality of the portfolio and the company's success in managing it;
- the quality of locations and infrastructure, which are critical to the marketability of properties;

- sustainability certifications, which affirms the quality of the portfolio in sustainability terms and which makes a major contribution to the effective management and marketability of properties;
- local market knowledge guaranteeing efficient management and tenant retention.

Further, issues of personnel, strategic, technical, organizational and operational development as well as sustainability issues and performance indicators linked to the environment, social affairs and corporate governance (e.g. “ESG” reporting) can be incorporated into annually defined corporate goals.

Variable remuneration may only be paid in reasonable proportion to fixed remuneration; for Management Board members, the ratio between variable and fixed remuneration is restricted to a maximum 200% of the annual fixed remuneration. The current composition is as follows:

#### Annual bonus

For the variable remuneration element, targets (performance criteria) are agreed at the start of every bonus year, with the attainment level measured at the end of that year. The performance criteria are 50% determined by the aforementioned specific financial indicators for the business year in question, and 50% determined by the attainment of strategy-related and operational corporate goals (hereafter “corporate goals”) (e.g. portfolio optimization by selling a certain number of non-core assets, etc), also determined annually by the remuneration committee along with the aforementioned indicators. The targets for the respective bonus year are determined by the remuneration committee by 31st March of each calendar year at the latest.

The second half of the annual bonus depends on the attainment of specific company indicators in the relevant bonus year, namely:

- Return on equity (ROE),
- Result from current property management (FFO) per share and
- Growth of net asset value (NAV) per share.

The remuneration committee must decide on the value and weighting of indicators for the respective bonus year by 31st March of each calendar year at the latest.

The level of the bonus actually paid depends on the degree of target attainment (0%-100%); 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. These target indicators can be graded in such a way that partial fulfilment of the various criteria (and thus partial fulfilment of the relevant performance criteria) is possible. Between the different grades of achievements, a linear interpolation takes place.

The total amount of the two bonus payments for a bonus year is notionally divided into two equal parts:

#### Immediate payment

The first part of the annual bonus is paid to the Management Board member as an immediate, short-term incentive payment directly (i.e. by 31st May following the end of the bonus year).

#### Phantom shares

The second part of the bonus is converted into virtual shares of the company (‘phantom shares’); this part is therefore linked to company profits and losses, but not dividend payments. The conversion rate for the phantom shares is determined by the average share price for the company in the last three months of the respective bonus year.

Phantom shares are paid out in cash in three instalments after 12, 24 and 36 months, with each instalment containing an equal number of shares. In this way, long-term incentives for corporate development are established and ultimately reflected in the share price. The average price of the company share over the last three months of the calendar year prior to payment of the relevant instalment is applied when converting the phantom shares for payout.

The first one-third instalment of phantom shares will be paid by 31st May of the year following the bonus year. Payment of the second and third instalments of phantom shares will be made by 31st May of the second and third years following the bonus year.

Through the phantom shares Management Board members receive payments solely determined by the market price for shares within the reference period. This ensures that the interests of Management Board members are aligned with those of shareholders.

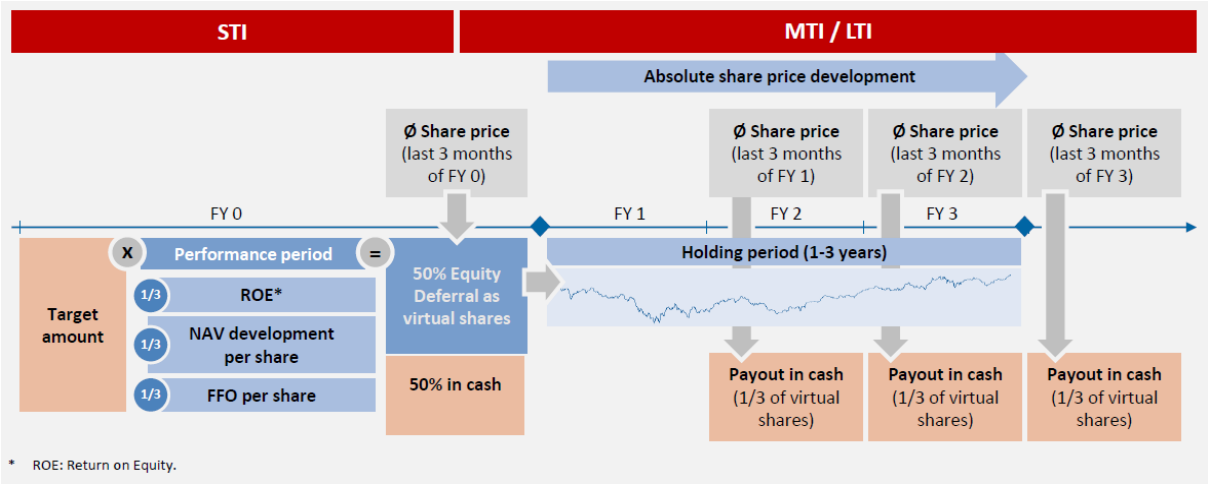


Figure 2: Phantom Share Program

The arrangement of variable remuneration chosen by CA Immo aims to promote the long-term development of the company. On the one hand, the division of variable remuneration ensures that the steps necessary for the development of the company are taken in line with strategic considerations; on the other, it takes account of the long-term success of the CA Immo share and thus the interests of shareholders.

Performance Share Plan (LTI)

In future, to take even greater account of the expectations of investors as regards long-term incentive systems for Management Board members, the existing phantom shares model will be replaced with a new long-term incentive program in all new Management Board contracts.

The Performance Share Plan will aim to promote long-term value creation for CA Immo. A long-term incentive (LTI) serves to align the interests of Management Board members and shareholders. The plan provides for performance-based remuneration in the form of virtual shares of CA Immo. The final number of virtual shares is determined by performance criteria that reflect the performance of the Management Board. The performance criteria are linked to medium-term strategy as well as stock yield. The Performance Share Plan also provides an incentive to avoid unnecessary risks.

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 31st 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 evaluated as of 31st December of the final year of the four-year performance period.

Equally weighted performance criteria for the LTI are

- Funds from operations („FFO“) I und
- relative total shareholder return (TSR) against the EPRA Nareit Developed Europe ex UK index.

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 facilitates the evaluation of relative value creation for shareholders while enabling direct comparison with other real estate companies.



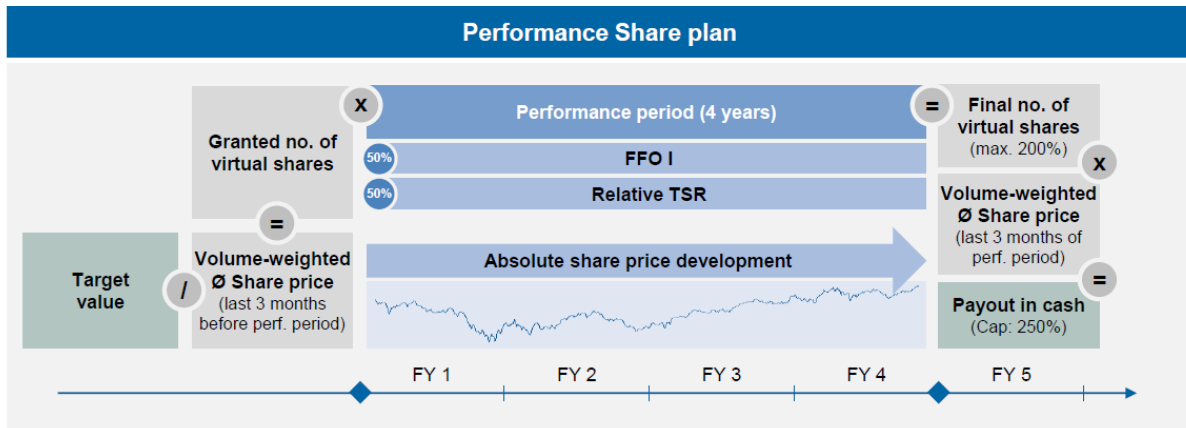


Figure 3: Performance Share Plan

The amount allocated for a performance criterion is determined by comparing agreed targets with values actually attained, and expressed as a percentage. Allocation between performance thresholds is linear. The following table shows the amounts allocated for the two performance criteria in line with the performance thresholds:

Performance criteria	Performance thresholds	Allocation as %
<b>FFO I</b> (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
<b>Relative TSR</b> (Weighting 50%)	Maximum at 40 ppt Outperformance	200
	Target value at 10 ppt Outperformance	100
	Threshold and below at -5 ppt Outperformance	0

Figure 4: Performance-/Allocation criteria

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.

### 3.3.1. Performance criteria for variable remuneration

As regards the attainment of specific indicators and corporate goals, increases to be achieved and/or absolute figures are determined at the start of the respective business year (until 31st March) on the basis of the previous year's results, the actual business situation of the company and the expected long-term development and strategy. These target indicators can be graded in such a way that partial fulfilment of the various criteria (and thus partial fulfilment of the relevant performance criteria) is possible. Between the different grades of achievements, a linear interpolation takes place. Exceeding certain targets does not compensate for shortfalls in other goals.

The corporate goals must encompass the responsibilities and tasks of all Management Board members. Specific corporate goals and the financial indicators to be achieved are weighted according to their importance to the company and/or the resources required to achieve them. Corporate goals must be structured so that no individual target represents a proportion of more than 12.5% of total variable remuneration.

50% of the targets have to be specific financial indicators and 50% have to be corporate goals.

To avoid contradictory interests within the Management Board, the company deliberately refrains from setting targets for individual Management Board members; however, the possibility remains that individual target

agreement for the variable salary component linked to corporate goals may be incorporated into existing contracts as well as new Management Board contracts, without changing the amount of variable remuneration.

At the conclusion of every business year, the Management Board provides the Supervisory Board or its remuneration committee with a report on the fulfilment of the performance criteria (financial indicators and corporate goals). Based on this report and an endorsement by the auditor, the Supervisory Board or its remuneration committee determines the level of target attainment by the full Management Board. Variable remuneration is then calculated according to this assessment and, as described under point 3.3, split between short-term incentives (immediate payment) and mid-/long-term incentives (phantom shares or future LTI); refer also to point 3.3 for details of the method used for calculating the payout amount in respect of phantom shares.

A Management Board member shall have no entitlement to variable remuneration in the respective bonus year where the appointment is not extended by the Supervisory Board for reasons that are responsibility of the Management Board member.

### **3.3.2. Bonus payments, clawbacks and malus**

Regardless of the general principles of civil and labour law, variable remuneration is only awarded where this is sustainable in the light of the company's financial situation and justified on the basis of the proven performance of the affected person; otherwise, variable remuneration will be withheld or reduced (malus).

In the event of poor or negative performance by the company, variable remuneration will be significantly reduced; where net operating income is negative, it will be waived entirely (malus). According to existing Management Board contracts, however, this only applies to ongoing variable remuneration; bonus claims already awarded but not paid out yet due to the holding period are presently not affected by this regulation.

No immediate payment is rendered where variable remuneration is awarded in the form of phantom instruments (such as phantom shares). Phantom instruments are paid in cash after 12, 24 and 36 months or in future after a performance period of 4 years. For this part, the variable remuneration is reduced in the event of negative development for the company (in tandem with the share price).

Variable remuneration it may not be rendered in the form of vehicles or by applying methods that enable applicable legal regulations to be circumvented.

According to the provisions of liability law, wrongfully paid amounts may be reclaimed where, for instance, a Management Board member commits fraud, falsely claims the fulfilment of performance criteria or is dismissed without notice, and where any damage under liability law is incurred owing to the actions of a Management Board member. Current Management Board contracts do not stipulate further arrangements for clawbacks and/or the subsequent adjustment of variable salary components already awarded.

Appropriate provisions will be inserted in future Management Board contracts, according to which the value of all or part of variable remuneration so far unpaid (and in particular phantom shares) may be reduced by means of an ex post adjustment (penalty). Future contracts will also contain an agreement under which CA Immo is able to reclaim variable salary components already paid and refrain from paying as yet unpaid variable salary components (clawback) where there is suspicion of the following circumstances:

- Fraud by a Management Board member during the term of their appointment;
- Misleading information, where there is reason to presume such information has (or could have) influenced the determination of target attainment;
- Evidence of misconduct or gross negligence on the part of a Management Board member;
- Criminal action against the assets of the CA Immo Group;
- The company has grounds to impose premature termination under the terms of article 27 of the Salaried Employees Act.

The decision as to whether such circumstances have arisen and whether to reclaim or withhold payments is made by the full Supervisory Board.

Irrespective of the aforementioned performance criteria being met, Management Board members will receive no bonus or only a partial bonus for the bonus year in question where:

- the company reports negative net operating income (after minorities) in the bonus year;

- certain significant and exceptional special effects occur, including in particular:
  - major acquisitions or sales of business units or company assets;
  - significant effects of litigation or settlement agreements;
  - significant effects from amendments to tax law, accounting principles or other regulations impacting the financial result;
  - major reorganisation or restructuring measures;
  - other exceptional expenditure, or
  - significant changes to key variables (exchange/interest rates, valuations, etc) resulting in a financial crisis for the company.

In this case, the variable remuneration outlined above is at the sole discretion of the Supervisory Board, which must give reasons for its decision.

### **3.4. Other benefits**

#### **3.4.1. Payment during incapacity to work**

Where a Management Board member is unable to work owing to illness or accident, the company will continue to pay the Board member proportionate fixed remuneration for a maximum period of six months in the full amount, and in the amount of 49% for a further three months, unless the employment contract terminates beforehand.

#### **3.4.2. Benefits to recruit Management Board members**

In certain cases, it can be necessary to pledge certain benefits to potential a Management Board member (i.e. alongside the remuneration offered) to ensure a vacancy is filled. These may include covering relocation costs, meeting the costs of staying in a hotel at the new workplace, assisting with their residential situation (concluding a rental agreement or buying a property). Such benefits, which are individually agreed, must be clearly restricted in employment contracts, either as a percentage proportion of the fixed remuneration for the relevant Management Board member, in terms of amount or in another way.<sup>2</sup>

Sign-on bonuses, which must be approved by the company's Supervisory Board, are only payable in the first year of the appointment and presuppose that the company has appropriately sound liquidity. They can only be granted under the condition that significant parts of bonus payments from the former employer of the Management Board candidate are cancelled or reduced due to the job changeover.

#### **3.4.3. Offering benefits to retain Management Board members**

In specific cases, it may be necessary to pledge additional benefits alongside the stated remuneration so that an existing Management Board member will agree to extend their mandate or decline to exercise a right of termination. Such benefits required to retain a Management Board member may not exceed 75% ("stay-on cap") of the current fixed annual remuneration for the Management Board member in question.

These benefits may only be assured where at least one of the following reasons applies:

- A personnel change in the Management Board is impractical or inopportune given the challenging situation facing the Group;
- despite long-term succession planning, filling the position as appropriate is not possible at the specific time.

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<sup>2</sup> For example, number of overnight stays in a hotel of a certain category, number of flights from the employee's home city in a certain class.

#### **4. Duration of employment contracts of Management Board members and regulations in the event of termination**

The contract terms must correspond to the duration of the appointment of Management Board members and to the maximum legally permissible duration. Where a Management Board member accepts reappointment before their term of office ends, the employment contract shall be automatically extended for the duration of the new appointment.

##### **4.1. Benefits in the event of the death of a serving Management Board member**

In the event of the death of a Management Board member with a current employment contract, the full current remuneration may be paid to a spouse/registered partner and/or under-age children (jointly or proportionately) for a period of up to six months (including variable remuneration due for the period). Outstanding payments from variable remuneration will also be paid to inheritors.

##### **4.2. Notice periods**

Management Board contracts do not provide for regular termination and/or probation periods. Such an agreement would contradict the basic principle of contracts generally concluded for the duration of appointments, which cannot be terminated in the usual way. This is also in the interests of shareholders, as otherwise the ensuing insecurity for the Management Board and the company as a whole would jeopardize the long-term strategic direction of the company.

##### **4.3. Termination of appointment**

Where a Management Board member is not reappointed before their term of office ends, the employment contract shall terminate, by agreement, on expiry of the agreed contract term (termination of appointment). In this instance, agreement may be reached that the Management Board member retains their entitlement to fixed remuneration up to six months from the end of the term of office. In future contracts this provision will be waived.

##### **4.4. Change of control**

On the basis of the currently agreed Management Board contracts, in the event of a change of control, the Management Board member is entitled to resign his position as a member of the Management Board, thereby observing a notice period of six months to the end of a calendar month and rescinding their employment contract. This right shall lapse at the latest within three months of the Management Board member becoming aware of all events leading to a change of control, and shall not apply where the employment contract of the Management Board member is due to terminate less than six full months following the change of control.

Where a Management Board member exercises their special right of termination in response to a change of control, the company shall grant him or her compensation for the loss of the fixed annual salary along with a part payment for loss of variable remuneration in accordance with the specific contractual agreement.

According to the calculation basis, compensation for fixed remuneration may not exceed two years' fixed salary. Moreover, the company has to grant the Management Board member a contractually agreed percentage part payment to compensate for the loss of variable remuneration not exceeding 80% of two years' fixed salary.

In the event of a change of control, all payments will be restricted to the remaining term in relation to the total duration of the employment contract; for example, where a Management Board member is appointed for a term of three years and their employment contract has a remaining term of 18 months, the Management Board member will receive 50% of the payments outlined above.

Partly, it had been agreed that the company continues to pay into the pension fund and fund accident insurance for the remaining term of the employment contract.

Future Management Board contracts will not include such change of control clause anymore.

##### **4.5. Termination for cause**

Contracts do not provide for ordinary notice of termination outside of the agreed term. However, the employment contract of a Management Board member shall terminate with dismissal for good cause for which the Board member is responsible (article 75 subsection 4 Stock Corporation Act). Where the company prematurely terminates the employment contract of a Management Board member without good reason under

the terms of § 27 of the Salaried Employees Act, the Management Board member shall retain all entitlements based on the employment contract (including variable remuneration) for a duration of 24 months, but not beyond the expiry of their term of office.

#### **4.6. Fate of variable remuneration where employment is otherwise terminated**

In the following cases, the Supervisory Board may authorise full payment of the variable salary component to a Management Board member for the bonus year in question despite the employment of the Management Board being terminated:

- Reaching the regular retirement age;
- Retirement owing to serious illness for which the Board member is not responsible (incapacity);
- Serious illness for which the Board member is not responsible;
- Justified premature resignation of the Management Board member for good cause;
- Death of the Management Board member; or
- Where the Supervisory Board omits to reappoint a Management Board member without good reason.

The Management Board member shall receive no bonus or only a partial bonus for the respective bonus year where

- they resign prematurely as a Management Board member without good reason;
- they are dismissed from the Board prematurely.

A Management Board member shall have no entitlement to variable remuneration in the respective bonus year where their appointment is not extended by the Supervisory Board for reasons that are responsibility of the Management Board member, and in particular where reasons apply under the terms of article 27 of the Salaried Employees Act.

#### **4.7. Severance pay**

It may be agreed that where an employment contract terminates, a Management Board member is entitled to a severance payment amounting to one monthly salary (one twelfth of the fixed annual salary) per year of service completed; this payment must not exceed one year's fixed salary, however.

There is no entitlement to this severance payment where the Management Board member

- is dismissed by the Supervisory Board owing to negligent breach of duty under the terms of article 75 subsection 4 of the Stock Corporation Act,
- resigns prematurely without good cause, or
- rejects the offer of reappointment and extension of the employment contract under identical or improved conditions without reason.

#### **4.8. Early payment on contract termination**

In the event of premature contract termination, a Management Board member no longer influences the long-term development of the company. In such cases, depending on the reason for the early contract termination, it may be necessary to render payments due to a Management Board member early in the course of what is often mutually agreed termination in practice. This applies in particular to long-term variable remuneration outstanding from previous bonus years. The company may only agree to premature payment under the condition that the Management Board member resigns early for a reason not of their own making.

Where a Management Board contract is rescinded prematurely, the remuneration committee must endeavor to restrict the level of early payments.

Future Management Board contracts will need to be structured in such a way that early payment of mid- and long-term incentives (phantom shares, performance share plan) is prohibited.

Where a Management Board member resigns their mandate early, for whatever reason, payments to the Management Board member may not exceed the value of two year's total remuneration payments

(compensation cap) and may not exceed the value of remuneration for the remaining term of the employment contract. Total remuneration for the past business year and (where applicable) the expected total remuneration for the current business year must be taken into account in calculating the compensation cap.

#### **5. Possible deviations from this remuneration policy**

Temporary deviation from the remuneration policy is only permissible where necessary to serve the long-term interests and general viability of the company.

Diverging from the remuneration policy is thus permitted where an urgent and unforeseeable need arises to fill a (new) vacancy and the remuneration policy makes this impossible (or impossible within the required time, or impossible to appoint a person suitable for the respective position and the duties it entails).

Otherwise, deviations from the remuneration policy are only allowed where they relates to the level and/or system of variable remuneration.

## **II. Remuneration scheme for the Supervisory Board**

### **1. Principles of Supervisory Board remuneration**

Supervisory Board remuneration complies with the articles of association of CA Immo and the Austrian Stock Corporation Act. The structure of Supervisory Board remuneration is regularly reviewed to ensure compliance with Austrian, European and international corporate governance recommendations and provisions. The appropriateness of the remuneration level is evaluated at regular intervals on the basis of regional and sector-specific benchmark studies.

The level of total remuneration reflects the responsibility and complexity of the duties of Supervisory Board members as well as the business and financial situation of the company.

Remuneration takes account of the individual roles and responsibilities of Supervisory Board members, including acting as (deputy) chairperson of the Supervisory Board; attendance fees are paid for accepting committee mandates.

Supervisory Board remuneration is structured so as to facilitate appropriate oversight of the Management Board as well as independent decision-making on Supervisory Board staffing and pay.

### **2. Structure and components of remuneration**

The structure of Supervisory Board remuneration is determined annually by the AGM and regulated in the articles of association of CA Immo. Remuneration is solely on a fixed basis.

#### Fixed annual remuneration

Supervisory Board members are remunerated in the form of a fixed cash amount. Payments are rendered once a year in arrears following resolution by the AGM.

The chairperson of the Supervisory Board receives double that amount, with the deputy chairperson paid one and a half times the fixed fee. Where a member joins or steps down from the Supervisory Board during the year, remuneration is paid pro rata in line with the articles of association.

Employee representatives on the Supervisory Board are employed by CA Immo and receive the customary remuneration for their activities.

Members and chairpersons of committees do not receive additional remuneration for committee roles.

#### Attendance fees and reimbursement of expenses

In addition to their basic pay, Supervisory Board members receive an appropriate attendance fee for every Supervisory Board and committee meeting they attend.

Moreover, appropriate expenses incurred in the course of Supervisory Board activity (including applicable VAT) are reimbursed to members.

### **3. Pension plans and other fringe benefits**

No loans or advances are paid to Supervisory Board members on principle.

At Group level, D&O insurance with coverage of € 50 million was taken out for all executive bodies of the parent company and its subsidiaries. In view of the general premium payment for all insured persons, there is no specific assignment of premium payments to Supervisory Board members. The insurance does not provide for any excess.

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