

WARIMPEX

Corporate Governance Report

Commitment to the Code of Corporate Governance

Warimpex is committed to compliance with the Austrian Code of Corporate Governance (ACCG) as well as the Polish Best Practice for GPW Listed Companies 2016. The Management Board declares that it complies with both sets of guidelines to the best of its ability and published its corporate governance report at www.warimpex.com (About us/Corporate Governance). Deviations from individual corporate governance rules relate to the Company's structure and/or to Polish rules that are not complied with due to the Company's primary orientation towards the relevant Austrian regulations.

Austrian Code of Corporate Governance, as amended in January 2015

The Austrian Code of Corporate Governance (as amended in January 2015 and which was applied for financial year 2017, www.corporate-governance.at) contains rules that must be followed (L-Rules), rules that are not mandatory for the Company but for which justification must be provided in the event of non-compliance (C-Rules), and rules that are entirely optional for the Company. Failure to comply with them requires no justification (R-Rules). Overall, the Company's statutes and the internal terms of reference for the Management Board and the Supervisory Board comply with the L-Rules in full, and with all of the C-Rules except as explained below:

- The Company has neither outsourced its internal auditing functions nor set up a separate staff unit for internal auditing purposes, which would be required by Rule 18. The Company has no intention to make such changes at this time. The Management Board has judged that such measures would be disproportionately cost intensive, and the implementation of Rule 18 is not planned for the foreseeable future for cost reasons.
- According to Rule 62, an external evaluation of compliance with the C-Rules must take place regularly, in any case at least every three years. The results of this evaluation must be presented in the corporate governance report. An internal evaluation is completed on the basis of the External Evaluation of Compliance with the Austrian Code of Corporate Governance questionnaire, which is also used for external evaluations. No external evaluation is conducted for cost reasons.
- An assessment by the financial auditor of the effectiveness of the Company's risk management system in accordance with Rule 83 did not take place because the operational risk management system is installed at the level of the Group's subsidiaries, and because equity-investment-specific risk management is an integral part of equity investment management in the Company's function as a holding company.

Poland – Best Practice for GPW Listed Companies 2016

The Company has decided to comply with these Polish rules, with the following exceptions. The majority of the exceptions relate to Austrian law, to which the Company is subject.

Rule I.Z.1:

A company should operate a corporate web site and publish documentation required under Polish law in a separate section of this web site. Warimpex is a company that is subject to Austrian law. Austrian law calls for a corporate governance report that contains a great deal of this information, but not all of it. Additional documents can also be accessed in other parts of the web site. The following items are not required by Austrian law, and are therefore not fulfilled:

- 1.2.: Curricula vitae are only published on the web site for candidates for the Supervisory Board.
- 1.8.: Selected financial indicators for the last five years are not available in a document enabling the recipient to process such data.
- 1.9.: Information about the planned dividend and the dividend paid out by the company in the last 5 financial years, including the dividend record date and the dividend payment date, cannot be downloaded.
- 1.11.: There is no internal guideline on changing the financial auditor.
- 1.15.: There is no formulated diversity policy.
- 1.19.: In accordance with Austrian law, questions from shareholders about agenda items are documented in the minutes of the annual general meetings, but not published by the Company on its own web site.
- 1.20.: Audio and video recordings of the annual general meetings are not made by the Company, and are therefore not published on the Company's web site.

Rule II.Z.10.:

Austrian law does not require an assessment by the Supervisory Board of the internal control, risk management, and compliance systems and other such systems. Austrian law requires that a Supervisory Board report be submitted to the annual general meeting; the contents of this report do not fully satisfy the Polish regulations.

Rule III.Z.3ff.:

The Company has neither outsourced its internal auditing functions nor set up a separate staff unit for internal auditing purposes. The Company has no intention to make such changes at this time. The Management Board has judged that such measures would be disproportionately cost intensive, and the implementation of this is not planned for the foreseeable future for cost reasons.

Rule IV.R.2. and IV.Z.2.:

Webcasts of the Company's annual general meeting are currently not offered, but will be offered in future when required by law. The Company allows votes to be cast by authorised proxy, and this option is exercised by numerous Polish institutional investors.

Rule IV.R.3.:

Company capital measures that entail the acquisition of shareholder's rights are executed at the same time or during the same periods in Austria and Poland; excepted from this are annual general meetings, which are always held at a venue in Austria.

SUMMARY OF THE BOARDS AND OFFICERS AND THE CORRESPONDING REMUNERATION

Management Board**Franz Jurkowitsch**

Chairman of the Management Board

Year of birth: 1948

First appointed: 2 September 1986

Appointed until 30 September 2019

Responsibilities: strategy and corporate communications

Chairman of the supervisory board of Vienna International Hotelmanagement AG, Vienna (until May 2017)

**Georg Folian**

(until 31 December 2017)

Year of birth: 1948

First appointed: 2 September 1986

Deputy chairman of the supervisory board of Vienna International Hotelmanagement AG, Vienna (until May 2017)

**Daniel Folian**

(from 1 January 2018)

Year of birth: 1980

First appointed: 1 January 2018

Appointed until 31 December 2022

Responsibilities: finances and accounting, investor relations, and financial management

**Florian Petrowsky**

Member of the Management Board

Year of birth: 1967

First appointed: 1 May 2014

Appointed until 1 May 2021

Responsibilities: transaction management, organisation, human resources, and legal issues

**Alexander Jurkowitsch**

Member of the Management Board

Year of birth: 1973

First appointed: 31 July 2006

Appointed until 30 September 2019

Responsibilities: planning, construction, IT, and information management

Supervisory Board

Günter Korp

Chairman of the Supervisory Board
 Chairman of the Audit Committee/financial expert
 Chairman of the Personnel Committee
 Deputy Chairman of the Project Committee
 Year of birth: 1945
 First appointed: 16 October 2009
 Current period of office ends in 2021 (36th AGM)



Thomas Aistleitner

Deputy Chairman of the Supervisory Board
 Deputy Chairman of the Audit Committee
 Member of the Project Committee
 Member of the Personnel Committee
 Year of birth: 1953
 First appointed: 11 June 2012
 Current period of office ends in 2021 (36th AGM)



William Henry Marie de Gelsey

Member of the Supervisory Board
 Year of birth: 1921
 First appointed: 31 May 2007
 Current period of office ends in 2021 (36th AGM)
 Chairman of the board of directors of Gedeon Richter Ltd, Hungary



Harald Wengust

Member of the Supervisory Board
 Chairman of the Project Committee
 Member of the Audit Committee
 Deputy Chairman of the Personnel Committee
 Year of birth: 1969
 First appointed: 16 October 2009
 Current period of office ends in 2021 (36th AGM)
 Chairman of the supervisory board of Informica Real Estate AG, Germany



Hubert Staszewski

Member of the Supervisory Board
 Year of birth: 1972
 First appointed: 8 June 2016
 Current period of office ends in 2017 (32nd AGM)
 Member of the supervisory board of iAlbatros Group S.A., Poland (until June 2017)
 Member of the supervisory board of Elektrobudowa S.A., Poland
 Member of the supervisory board of Próchnik S.A., Poland



All members of the Supervisory Board are independent as defined by C-Rule 53 of the Austrian Code of Corporate Governance. The guidelines for independence are based on the guidelines published in Annex 1 to the Code.

1 The Supervisory Board member has not served as a member of the management board or as a management-level staff member of either the Company or a subsidiary, associate, or affiliate of the Company (referred to as “Group companies” in the following) in the past five years.

2 The Supervisory Board member does not maintain and has not maintained in the past year any business relations with the Company or one of its Group companies to an extent of significance for the member of the Supervisory Board. This also applies to relationships between the Company and companies in which the Supervisory Board member has a considerable economic interest. The exercise of functions within the Group or the mere exercise by a Supervisory Board member of duties as a member of the management board or as a managing director do not generally result in the relevant company being considered a company in which the Supervisory Board member has a considerable economic interest. The approval of individual transactions by the Supervisory Board pursuant to L-Rule 48 of the ACCG does not automatically mean the person is qualified as not independent.

3 The Supervisory Board member has not acted as auditor of the Company or owned a share in the auditing company or worked there as an employee in the past three years.

4 The Supervisory Board member is not a member of the management board of another company in which a member of the Management Board of Warimpex Finanz- und Beteiligungs AG is a supervisory board member.

5 The Supervisory Board member is not a close relative (direct offspring, spouse, life partner, parent, uncle, aunt, sibling, niece, nephew) of a member of the Company’s Management Board or of persons who hold one of the positions described in items (1) to (4).

A directors and officers liability insurance policy has been taken out.

For information regarding the remuneration paid to the individual Supervisory Board members and the individual members of the Management Board and the principles of the Company’s remuneration policy, please consult sections 9.3.2.2. and 9.3.2.3. in the notes to the consolidated financial statements.

Information about the procedures of the Management Board and Supervisory Board

The Management Board

The terms of reference for the Management Board govern the composition and procedures of the Board, collaboration between the Management Board and Supervisory Board, how conflicts of interest are to be handled, the reporting and disclosure obligations of the Board, and what decisions require the approval of the Supervisory Board (including the most important business transactions of the Company's material subsidiaries). The Management Board generally meets at least every two weeks to exchange information and decide on motions.

Working principles of the Supervisory Board

The Supervisory Board discusses the position and objectives of the Company and adopts motions to fulfil its duties, in particular the supervision and strategic assistance of the Management Board. In addition to the composition, procedures, working principles, and responsibilities of the Supervisory Board, the terms of reference for this Board also govern how conflicts of interest are to be handled and specify the Supervisory Board committees (Audit Committee, Personnel Committee, and the Project Committee) and their responsibilities and powers. The Supervisory Board held five meetings during the reporting period. Please refer to the Supervisory Board report for information about the focuses of the activities of and the number of meetings of the individual committees during the financial year.

Meetings were also held between the Supervisory Board and Management Board to discuss issues of Company management. All members of the Supervisory Board were physically present at more than half of the meetings of this Board during the reporting period.

Committees

The Supervisory Board appoints an Audit Committee, a Project Committee, and a Personnel Committee from among its members.

A separate strategy committee has not been formed because all such issues are handled by the Supervisory Board as a whole. The members of the committees are appointed for the duration of their tenure on the Supervisory Board. Each committee elects a chairman and a deputy chairman from among its members. Please refer to the information about the boards and officers of the Company for further details.

Diversity concept – measures for promoting women

There are currently no women serving on the Supervisory Board or Management Board of Warimpex; one woman serves as an authorised officer (Prokuristin). There are seven women in other management positions, which represents a share of 29 per cent.

There are currently no concrete measures for the promotion of women in managerial positions in place at the Company.

At this time, the Company does not have a binding diversity concept that stipulates the consideration of criteria such as age, gender, education, and professional background in the appointment of members of the Management Board and Supervisory Board. The Company does not want to limit itself in the selection of board members. Nevertheless, the Management Board and Supervisory Board are very diverse in terms of the age, educational and professional background, and nationality of the members.