

English translation of original German version – for convenience purposes only

REMUNERATION POLICY

for Members of the Management Board and the Supervisory Board

of

Warimpex Finanz- und Beteiligungs Aktiengesellschaft

1. BACKGROUND

With the transposition of Directive (EU) 2017/828 of the European Parliament and of the Council of 17 May 2017 amending Directive 2007/36/EC with regard to the promotion of long-term participation by shareholders ("**Shareholders' Rights Directive**") into the Austrian Stock Corporation Act ("**AktG**"), listed companies are now obliged to establish principles for the remuneration of the members of the Management Board and Supervisory Board (remuneration policy).

For this reason, the Supervisory Board of Warimpex Finanz- und Beteiligungs Aktiengesellschaft ("**Warimpex**" or the "**Company**") has drawn up the following remuneration policy. It is to be applied after submission to the 34th Annual General Meeting of the Company.

The Austrian legislator has provided that there should be only one uniform remuneration policy for every listed company, which should include a section for the remuneration of the members of the management board ("**Management Board Remuneration**") on the one hand and a section for the remuneration of the members of the supervisory board ("**Supervisory Board Remuneration**") on the other hand. For this reason, this uniform remuneration policy will always refer to the sections "Remuneration for the members of the Management Board" (item 2) and "Remuneration for the members of the Supervisory Board" (item 3).

2. REMUNERATION FOR THE MEMBERS OF THE MANAGEMENT BOARD

2.1 Principles of Management Board Remuneration

Warimpex is active in real estate development. This business segment is characterised by being subject to cycles and project-driven. Warimpex's income is derived from letting properties on the one hand, and from the sale of developed properties on the other. For this reason, Warimpex's income does not develop in a stably linear manner, but rather fluctuates in line with transactions to a great extent. Warimpex always strives to find the optimal time for the sale of a property, namely the time at which - in Warimpex's opinion - the most attractive sale proceeds can be achieved.

Management Board Remuneration should be appropriate and attractive by national and international comparison. Management Board Remuneration should be an incentive for the members of the Management Board to continuously strengthen the performance of the Company and its earnings and to achieve a sustainable increase whilst avoiding inappropriate

risk-taking. At the same time, overall remuneration must be competitive and in line with the market so that accordingly qualified persons can be hired and retained in the Company in support of the desired continuity in management. Remuneration will be commensurate with the overall responsibility of the Management Board linked with management tasks whilst also considering the responsibilities of individual members of the Management Board based on their allocation of business and special requirements arising the respective tasks.

Remuneration for the members of the Management Board of Warimpex is to be composed of both fixed (not performance-based) and variable (performance-based) components.

Moreover, the members of the Management Board should also receive additional emoluments which are customary and appropriate by national and international comparison, such as their inclusion in an insurance policy for their Management Board activities (so-called "**D&O insurance**"), the provision of a company car, or inclusion in a company pension scheme.

For the above reasons, the Supervisory Board considers that the remuneration policy supports the business strategy and long-term development of the Company.

2.2 Fixed and variable components of Management Board remuneration

(a) Fixed Management Board remuneration

Each member of the Management Board shall receive a fixed annual remuneration. The Supervisory Board is entitled to specifically set the amount in the respective Management Board contract at its own discretion, taking into account in particular seniority, experience and the length of service and membership of the Management Board.

Management Board contracts shall provide for an annual inflation-related adjustment of the fixed remuneration component whereby the respective value of the Consumer Price Index 2015 (CPI 2015) of the year when the contract was signed, or a comparable index replacing such index, shall be applied as a basis.

(b) Variable Management Board remuneration

Each member of the Management Board shall receive variable remuneration each year, which shall lie within the range of 1.0% to 1.5% of the consolidated and audited net profit for the period in the respective previous business year of the Company (the group profit according to IFRS allocated to the shareholders of the parent company), with the variable remuneration being limited to three times the annual fixed remuneration of the Management Board. The Supervisory Board is entitled to set the specific percentage in the respective management board contract, taking into account in particular seniority, experience and the duration of both service with the company and membership of the management board.

The Supervisory Board will at this point refrain from setting additional, non-financial criteria for the variable remuneration of the Management Board as it is difficult to measure objectively whether non-financial criteria are met. There are no special options for reclaiming variable portions of the Management Board remuneration granted, beyond those provided for by law.

(c) ***Additional components of the Management Board remuneration***

Members of the management board shall receive additional benefits, namely inclusion in a D&O insurance policy, severance pay, inclusion in a company pension scheme, inclusion in an accident and survivors' pension scheme, and the provision of a company car as described in detail in item 2.3 below.

(d) ***Rates of the respective components of the remuneration of the Management Board***

In accordance with § 78a para 2 Stock Corporation Act, the remuneration policy must describe the various remuneration components, stating their respective relative shares or percentages of the total.

As it is not possible to determine in advance whether and to what extent variable remuneration will be paid to the individual members of the Management Board, it is not possible to state absolute percentages which remuneration components would have in relation to each other.

This also applies to the additional components of the Management Board Remuneration (see item 2.3).

In any event, the variable remuneration is limited to three times the annual fixed remuneration of the Management Board.

2.3 Additional components of the Management Board remuneration

Each member of the Management Board is entitled to the following additional benefits:

- ***Company car*** (including private use) of the compact executive type, with adequate equipment; the company car is provided for at least three years or for 150.000 km, whichever is the earlier; in the event that a company car is not used, the Supervisory Board may, at its sole discretion, grant additional benefits, not only in the form of cash compensation but also, for example, in the form of up to 10 additional days of leave per year.
- ***Pension scheme***: For each member of the Management Board, an appropriate amount (based on amounts granted so far) may be paid into a company pension fund or equivalent scheme so that the respective member of the Management Board will receive company pension payments 14 times per year, starting from the retirement age of 65, and such pension will be raised by 2.125% year on year. There will be no entitlement to such pension if the Management Board contract is terminated for good cause or if the member of the Management Board terminates the contract with immediate effect for the reasons stated in § 26 of the Austrian Act on White-Collar Employees (AngG), with the latter provision applying *mutatis mutandis*. In any other case in which the Management Board contract is terminated, the pension entitlement shall be maintained; however, if the Management Board contract is terminated before the Management Board member has reached the age of 65, there will be no entitlement to pension payments but to payment of the surrender value or, if so desired by the Management Board member, to a transfer or direct takeover of pension reinsurance by the Management Board member.

- **D&O insurance:** Each member of the Management Board shall be included in the D&O insurance of Warimpex at the expense of Warimpex.
- **Severance pay:** Each member of the Management Board shall be granted severance pay pursuant to § 23 of the Act on White Collar Employees, with the latter provision applying *mutatis mutandis*. The key date for the assessment and calculation of the severance pay entitlement shall be the date on which the respective member of the Management Board joined the Company.
- **Accident insurance:** An accident insurance policy is to be taken out for each member of the Management Board at the expense of Warimpex. Insured sums per Management Board member insured will be a maximum of EUR 200,000.00 in the event of death and a maximum of EUR 600,000.00 in the event of permanent 100% disability.
- **Surviving dependents' pension insurance:** A surviving dependents' pension insurance policy may be taken out for each member of the Management Board at the expense of Warimpex with a maximum payout of EUR 500,000.00, which policy shall be endorsed for the benefit of the beneficiaries and/or heirs stated by the Management Board member.

2.4 Conditions of remuneration and employment of Warimpex employees

The annual basic salary of the members of the Management Board shall be reasonably proportionate to the remuneration and employment conditions of the employees of the Company (bearing in mind the annual average gross salary, including non-wage labour costs, of the employees working with Warimpex in Austria, calculated on the basis of full-time employment).

2.5 Share-based remuneration

The Members of the Management Board do not receive any share-based remuneration at present. However, the Supervisory Board is entitled to introduce share-based remuneration for members of the Management Board in the future. In this case, the Supervisory Board will also determine the structure and conditions for such share-based remuneration, including the required period of share retention, which should be a minimum of three years.

2.6 Terms and notice periods of management contracts and main features of supplementary pension schemes and early retirement schemes

The Management Board contracts shall each have a term of up to five (5) years, and the respective management board contract shall stipulate that removal from office as a member of the Management Board or resignation shall lead to automatic termination of the Management Board contract. In any event, the term of a Management Board contract shall be based on the term of the Management Board mandate. If a Management Board member is re-appointed, the contract term shall be extended accordingly.

In the event that a Management Board member is removed from office for good cause pursuant to § 75 para 4 of the Stock Corporation Act, the Company will be entitled to terminate the Management Board contract prematurely if, at the same time, there is a reason

attributable to the Management Board member's fault which would entitle the Company to dismissal without notice if § 27 of the Act on White-Collar Employees were applied *mutatis mutandis*. In such case, no further variable remuneration shall be due to the Management Board member for the year in which the Management Board contract was terminated.

Each Management Board contract shall be terminable by the respective Management Board member and by Warimpex after a period of two (2) years, subject to a notice period of six months and as of the termination date on the last day of each quarter. No ordinary termination shall be possible before two (2) years have elapsed since the start of the contract. In the event of termination of a Management Board contract, the Management Board member shall receive all remuneration due up to the date of his/her actual departure.

2.7 Review and implementation of remuneration policy

The Supervisory Board of Warimpex is responsible for reviewing compliance with and implementation of the remuneration policy and may assign this task to the Staff Committee of the Supervisory Board. In this case, the Staff Committee will report to the Supervisory Board on its review activities.

The review of compliance with and implementation of the remuneration policy shall always take place when a new Management Board contract is to be signed or an existing Management Board contract is to be renewed, be it subject to the same or different conditions. Furthermore, review shall also be carried out if essential parts of the remuneration of the Management Board are changed. Pursuant to § 78b para 1 Stock Corporation Act, the remuneration policy shall be submitted to the Annual General Meeting of the Company for **voting** every fourth business year. Hence, the Supervisory Board will, in any event, review the remuneration policy every fourth business year to assess if a revision seems indicated.

If a conflict of interest arises for a member of the Supervisory Board (the Staff Committee) in respect of the remuneration of the Management Board, this member shall report such conflict of interest on his/her own initiative and abstain from voting in this case.

2.8 Departure from remuneration policy

The Supervisory Board of Warimpex is entitled to depart from this remuneration policy if this is necessary in exceptional circumstances. Such departure shall be permitted for additional components of the remuneration of the Management Board if these - for example through the conclusion of new agreements (company car, insurance, etc) - exceed the limits set forth in this remuneration policy. In this case, a new, amended remuneration policy must be presented at the next ordinary Annual General Meeting. At the same time, the Supervisory Board must determine that there are exceptional circumstances in which the departure from the remuneration policy is necessary and required for the long-term development of the company or for ensuring its viability.

Furthermore, a departure from the remuneration policy - both with regard to fixed remuneration, variable remuneration and the additional components of remuneration – shall also be permitted in cases including, without being limited to, unforeseen vacancies on the Management Board, for example due to the death or serious illness of a member of the Management Board, and the substitute required cannot be hired under the conditions contained in this remuneration policy.

Each departure from this remuneration policy, including an explanation of the exceptional circumstances and the period of such departure shall be presented in the following remuneration report.

3. REMUNERATION FOR THE MEMBERS OF THE SUPERVISORY BOARD

3.1 Background, principles

According to § 98a of the Stock Corporation Act, a remuneration policy must also be drawn up with regard to remuneration for the members of the Supervisory Board and the statutory provisions governing remuneration for the members of the Management Board must be applied *mutatis mutandis*.

The remuneration policy is to ensure that remuneration for Supervisory Board members is appropriate in relation to members' tasks and responsibilities as well as the economic position of the Company. In this context, the remuneration policy also considers the size of the enterprise, its international orientation and the business model of Warimpex as well as the tasks and qualifications of Supervisory Board members. The remuneration policy is designed in such a way that it enables the Company to attract appropriately qualified persons for positions on the supervisory board of a listed company doing business internationally. Hence, remuneration must be competitive and in line with the market, and commensurate with remuneration customary in comparable enterprises. Moreover, it should enable a supervisory board composition which is balanced in terms of expertise and personalities. The remuneration policy supports a balanced and qualified composition of the Supervisory Board and is appropriate compensation for the tasks and responsibilities linked with the mandate. Thus, the remuneration policy fosters the implementation of the Company's business strategy and its long-term positive development.

3.2 Remuneration policy for the Supervisory Board

(a) *Fixed and variable components of the remuneration of members of the Supervisory Board*

Each member of the Supervisory Board shall receive a fixed annual remuneration. The total amount to be paid to the entirety of the members of the Supervisory Board shall be proposed by the Supervisory Board and the Management Board to the Annual General Meeting and the distribution of this amount among the individual members of the Supervisory Board shall be the responsibility of the Chairman of the Supervisory Board.

The members of the Supervisory Board do not receive any variable remuneration but an attendance fee for each meeting of the Supervisory Board which they attend. The same shall apply to attendance of meetings of Supervisory Board committees and for attendance of the Annual General Meeting by the chairman and deputy chairman of the Supervisory Board. The attendance fee is to be graded, depending on function, tasks and responsibilities (chair, deputy chair). The attendance fee amounts to EUR 3,000.00 per meeting attended for each member of the Supervisory Board, and 50% of this amount for attendance of committee meetings. The deputy chairman will receive double, the chairman three times the respective attendance fee. For attending the Annual General Meeting, the chairman and the deputy chairman of the Supervisory will receive the same attendance fee as would be due to them for a meeting for a Supervisory Board.

If employee representatives are delegated to the Supervisory Board pursuant to § 78a para 2 of the Austrian Labour Constitution Act (ArbVG), they will serve on the Supervisory Board as volunteers and will not receive an attendance fee.

(b) *Additional components of the remuneration*

The members of the Supervisory Board shall not receive any additional benefits other than inclusion in the D&O insurance taken out by the Company.

(c) *Rates of the respective components of the remuneration*

In accordance with § 78a para 2 Stock Corporation Act, the remuneration policy must describe the various remuneration components, stating their respective relative shares or percentages of the total.

As the members of the Supervisory Board only receive fixed remuneration and attendance fees linked to the attendance of meetings, there is no need to state relative rates of various remuneration components.

(d) *Conditions of remuneration and employment of Warimpex employees*

In determining the remuneration policy for Supervisory Board members, the remuneration and employment conditions of Warimpex employees were not taken into account.

(e) *Share-based remuneration*

At present, members of the Supervisory Board do not receive any share-based compensation. Share-based remuneration for Supervisory Board members may in the future be introduced subject to a specific motion for the related resolution to the Annual General Meeting of the Company. In such case, the structure and conditions for such share-based remuneration, including the required period of share retention, which should be a minimum of three years

(f) *Terms and notice periods of contracts and main features of supplementary pension schemes and early retirement schemes*

The terms of the respective Supervisory Board mandates are determined by the related resolutions of the Annual General Meeting. In the absence of separate contracts with the members of the Supervisory Board, there are also no notice periods or terms of office.

There are no supplementary pension schemes or early retirement programmes for members of the Supervisory Board.

(g) *Review and implementation of remuneration policy*

Reference is made to the comments on the remuneration policy for the Management Board.
