

Corporate Governance Report

Corporate Governance Report expanded to include the Consolidated Corporate Governance Report

Commitment to the Austrian Corporate Governance Code

IMMOFINANZ pursues responsible business activities that are designed to create and maintain sustainable, long-term value. In line with this orientation, the company strives to achieve a high degree of transparency for all stakeholders. The Austrian Corporate Governance Code* provides Austrian stock companies with a framework for corporate management and monitoring. The Executive Board and Supervisory Board of IMMOFINANZ AG are committed to compliance with the code, in the currently applicable version, and to the related transparency and principles of good management. IMMOFINANZ complied with all provisions of the code during the 2019 financial year.

Corporate Bodies and Remuneration

The Executive Board

Oliver Schumy, Chief Executive Officer

- Member of the Executive Board from 1 3 2015 to 18 3 2020**
- Born in 1971

Oliver Schumy was appointed to the Executive Board of IMMOFINANZ on 1 March 2015 and served as Chief Executive Officer beginning on 1 May 2015. In this function he was responsible for project development, transactions, legal affairs and human resources as well as corporate communications and investor relations. Mr. Schumy also served as a managing director of IMBEA IMMOEAST Beteiligungsgesellschaft GmbH (IMBEA), a material IMMOFINANZ subsidiary.

Stefan Schönauer, Member of the Executive Board

- Member of the Executive Board since 11 3 2016
- Appointed up to 30 4 2021
- Born in 1979

Stefan Schönauer has worked with IMMOFINANZ in leading positions since the end of 2008 and was appointed Chief Financial Officer on 11 March 2016. He is responsible for accounting, controlling, consolidation, taxes, financing, cash management, IT, procurement, risk management and internal audit. Mr. Schönauer also serves as a managing director of the material IMMOFINANZ subsidiary IMBEA.

Dietmar Reindl, Member of the Executive Board

- Member of the Executive Board since 1 5 2014
- Appointed up to 30 4 2021
- Born in 1969

Dietmar Reindl has been with IMMOFINANZ in leading functions since 2012 and was appointed to the Executive Board in May 2014. He is responsible for the management of all commercial properties, for marketing and for project development (since mid-December 2019). Mr. Reindl also serves as a managing director of the material IMMOFINANZ subsidiary IMBEA.

* The current version of the code (January 2020) is available on the website of IMMOFINANZ AG (www.immofinanz.com) and on the website of the Austrian Working Group for Corporate Governance (www.corporate-governance.at).

** Oliver Schumy resigned from the Executive Board of IMMOFINANZ AG by mutual agreement on 18 March 2020, i.e. after the end of the reporting year. The early termination of his contract was made by mutual agreement for personal reasons and effective immediately. His responsibilities were taken over as of 19 March 2020 by Stefan Schönauer (legal, investor relations, compliance & corporate legal) and Dietmar Reindl (human resources, public relations and transactions).

The Supervisory Board



Michael Knap, Chairman of the Supervisory Board

- First appointment in 2008
- Term ends in 2020²
- Born in 1944

Experience: Extensive experience in the areas of capital markets, corporate governance, financial analysis and investor representation; many years of management experience in the banking and insurance sector.

Other functions: Vice-president of IVA Interessenverband für Anleger, Vienna



Rudolf Fries, Vice-Chairman of the Supervisory Board up to 4 March 2020¹

- First appointment in 2008
- Term ends in 2020
- Born in 1958

Experience: Extensive experience in the areas of corporate and company law as well as real estate.

Other functions: Chairman of the supervisory board of EAG-Beteiligungs Aktiengesellschaft, Baden
Attorney, partner in Eckert Fries Carter Rechtsanwälte GmbH, Baden



Christian Böhm, Member of the Supervisory Board

- First appointment in 2010
- Term ends in 2020²
- Born in 1958

Experience: Many years of management experience in the financial and insurance sector (pension funds).

Other functions: Chairman of the management board of APK Pensionskasse AG, Vienna
Chairman of the supervisory board of APK Versicherung AG, Vienna
Member of the supervisory board of APK Vorsorgekasse AG, Vienna



Nick J. M. van Ommen, FRICS Member of the Supervisory Board

- First appointment in 2008
- Term ends in 2020²
- Born in 1946

Experience: Many years of management and supervisory board experience in the banking sector and in real estate companies; served as CEO of EPRA from 2000 to 2008.

Functions in listed companies:
Member of the supervisory boards of:
W.P. Carey Inc., USA
Brack Capital Properties N.V., Israel

Other functions: Member of the supervisory boards of:
Allianz Nederland Group N.V., Netherlands
Allianz Benelux SA, Belgium



Bettina Breiteneder, Member of the Supervisory Board since 22 May 2019³

- First appointment in 2019
- Term ends in 2023⁴
- Born in 1970

Experience: Many years of management experience in real estate, CEO, supervisory board functions, finance, accounting, audits, corporate governance, capital markets, human resources and insurance

Other functions:
Member of the supervisory boards of:
Die Erste österreichische Sparkasse Privatstiftung
Generali Versicherung AG (chairwoman of the audit committee)
Member of the directorate of the Wiener Konzerthaus



Sven Bienert, Member of the Supervisory Board since 22 May 2019

- First appointment in 2019
- Term ends in 2023⁴
- Born in 1973

Experience: Extensive expertise in the areas of real estate, CEO, supervisory board functions, finance, accounting, audits, corporate governance and human resources

Other functions:
Member of the supervisory board of ZIMA Holding AG
Member of the advisory board of MPC Real Estate Holding GmbH
Member of the sustainability advisory board of DAW – Deutsche Amphibolin-Werke von Robert Murjahn Stiftung & Co KG



Philipp Obermair, Member of the Supervisory Board

– First appointment in 2014
– Born in 1979

Experience: Currently serves as a risk and research manager and previously as a senior controller at IMMOFINANZ

Delegated by the IMMOFINANZ Works' Council



Maria Onitcanscaia, Member of the Supervisory Board since 26 March 2019

– First appointment in 2019
– Born in 1981

Experience: Currently serves as a group asset manager in the retail business at IMMOFINANZ

Delegated by the IMMOFINANZ Works' Council

Term ends in 2019

Horst Populorum, Member of the Supervisory Board up to 22 May 2019⁵

– First appointment in 2015
– Born in 1973

Experience: Extensive management experience in the food products and retail sectors

Other functions: Held no other supervisory board positions

Wolfgang Schischek, Member of the Supervisory Board up to 22 May 2019⁵

– First appointment in 2015
– Born in 1944

Experience: Many years of management and supervisory board experience in the industrial sector

Other functions: Vice-chairman of the supervisory board of KBA-MÖDLING GmbH, Mödling; Member of the supervisory board of Kostwein Holding GmbH, Klagenfurt

Werner Ertelthaler, Member of the Supervisory Board up to 26 March 2019

– First appointment in 2016
– Born in 1987

Experience: Currently serves as a system expert in the IMMOFINANZ consolidation department

Delegated by the IMMOFINANZ Works' Council

Larissa Kravitz (formerly Lielacher), Member of the Supervisory Board up to 15 July 2019

– First appointment in 2017
– Born in 1985

Experience: Currently serves as a risk manager at IMMOFINANZ

Delegated by the IMMOFINANZ Works' Council

Ankica Reichenbach, Member of the Supervisory Board from August to December 2019

– First appointment in 2019
– Born in 1977

Experience: Currently works in the consolidation area at IMMOFINANZ

Delegated by the IMMOFINANZ Works' Council

Gov-Board

¹ Rudolf Fries, Vice-Chairman of the Supervisory Board, resigned from this corporate body as of 4 March 2020. As reported, Mr. Fries informed the company on 28 February 2020 that he had sold the shares attributable to him. Bettina Breiteneder succeeded Rudolf Fries as Vice-Chairwoman of the Supervisory Board with immediate effect.

² End of term: at the end of the annual general meeting which votes on the release from liability for the 2020 financial year (28th AGM in 2021)

³ Bettina Breiteneder succeeded Rudolf Fries as Vice-Chairwoman of the Supervisory Board effective as of 4 March 2020.

⁴ End of term: at the end of the annual general meeting which votes on the release from liability for the 2023 financial year (31st AGM in 2024)

⁵ End of term: at the end of the annual general meeting which voted on the release from liability for the 2018 financial year (26th AGM in 2019)

The terms of office of the members delegated to the Supervisory Board by the Works' Council are unlimited.

Supervisory Board Committees and attendance

Members of the Supervisory Board Committees

Audit and Valuation Committee	Strategy Committee	Personnel and Nominating Committee
Bettina Breiteneder , Chairwoman (since May 2019)	Michael Knap , Chairman	Michael Knap , Chairman
Michael Knap , Chairman (until May 2019), Vice-Chairman (since May 2019)	Nick J. M. van Ommen , FRICS, Vice-Chairman	Rudolf Fries , Vice-Chairman (until March 2020)
Rudolf Fries , Vice-Chairman (until May 2019), member (from May 2019 until March 2020)	Wolfgang Schischek (until May 2019)	Horst Populorum (until May 2019)
Christian Böhm , financial expert	Christian Böhm	Bettina Breiteneder (since May 2019, since March 2020 Vice-Chairwoman)
Sven Bienert (since May 2019)	Bettina Breiteneder (since May 2019)	Sven Bienert (since March 2020)
Philipp Obermair	Sven Bienert (since May 2019)	
Werner Ertelthalner (until March 2019)	Philipp Obermair	
Maria Onitcanscaia (since March 2019)	Maria Onitcanscaia (since March 2019)	
	Werner Ertelthalner (until March 2019)	
	Larissa Kravitz (until July 2019)	
	Ankica Reichenbach (until Dec. 2019)	

The Supervisory Board monitors the Executive Board and provides support for the management of the company, particularly on decisions of fundamental importance. In addition to its primary function as a monitoring and support body, the Supervisory Board constantly strives to further improve the efficiency of its work through self-evaluation. The Supervisory Board had six members who were elected by the annual general meeting and two members delegated by the Works' Council in 2019. Seven Supervisory Board meetings were held during the 2019 financial year. These meetings were attended by roughly 86% of the elected members, respectively nearly 87% including the meetings of the individual committees.

Member	Member since	Attendance		Audit and Valuation Committee		Personnel and Nominating Committee		Total presence	Total presence in %
		Meetings (Plenum)	in %	Meetings	in %	Meetings	in %		
Meetings/year		7		4		6		17	
Michael Knap, Chairman	2008	7/7	100%	4/4	100%	6/6	100%	17	100%
Rudolf Fries, Vice-Chairman	2008	5/7	71%	3/4	75%	5/6	83%	13	76%
Christian Böhm	2010	7/7	100%	4/4	100%			11	100%
Nick J. M. van Ommen	2008	5/7	71%					5	71%
Wolfgang Schischek	until May 2019	3/3	100%					3	100%
Horst Populorum	until May 2019	3/3	100%			4/4	100%	7	100%
Bettina Breiteneder	since May 2019	2/4	50%	1/2	50%	1/2	50%	4	50%
Sven Bienert	since May 2019	4/4	100%	2/2	100%			6	100%
Average meeting attendance		36/42	86%	14/16	88%	16/18	89%	66/76	87%

¹ Ms. Breiteneder was unable to attend one plenum meeting and one meeting of the Personnel and Nominating Committee (which were held on the same day) due to an accident.

Audit and Valuation Committee

The Audit and Valuation Committee is responsible for monitoring accounting processes and supervising the audit of the separate and consolidated financial statements. This committee also monitors the effectiveness of the company's internal control system, risk management and internal audit as well as property valuation. Bettina Breiteneder took over the chair of this committee immediately following her election to the Supervisory Board on 22 May 2019; she succeeds Michael Knap, who is now vice-chairman. The previous vice-chairman Rudolf Fries remained a member of the Audit and Valuation Committee. Christian Böhm serves as the Audit and Valuation Committee's financial expert based on his professional experience and knowledge of finance and accounting. The committee members, as a whole, are well informed of the real estate sector. The

Audit and Valuation Committee held four meetings in 2019, whereby 88% of the shareholder representatives were in attendance.

Strategy Committee

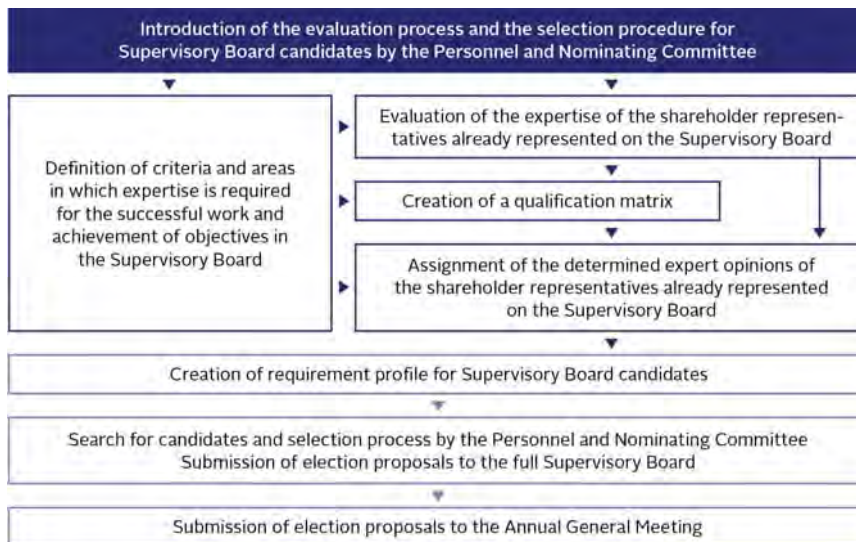
The Strategy Committee is responsible, above all, for the regular evaluation of the company's strategy and orientation as well as consultations with the Executive Board on the definition of this strategy. These responsibilities were fulfilled by the full Supervisory Board in 2019.

Personnel and Nominating Committee

The Personnel and Nominating Committee makes recommendations to the Supervisory Board for nominations to the Executive and Supervisory Boards and is responsible for determining the remuneration and preparing the employment contracts for the Executive Board members. In its capacity as a remuneration committee, the Personnel and Nominating Committee has at least one member with knowledge and experience in the area of remuneration policy. This committee met six times in 2019, whereby 89% of the shareholder representatives attended these meetings.

Appointments to the Supervisory Board

In order to support the optimal succession for its members, the Supervisory Board developed a selection process based on a qualification matrix. The following graph provides an overview of this process:



The Personnel and Nominating Committee dealt extensively with issues involving appointments to the Supervisory Board. Based on IMMOFINANZ's strategic positioning as a leading provider of commercial property solutions in its core markets and the goal to generate further value-creating growth through acquisitions and internal project development, the criteria and areas which require experience for the successful work and goal attainment of the Supervisory Board were evaluated. The expertise of the Supervisory Board members (shareholder representatives) was evaluated and aggregated in a qualification matrix.

Supervisory Board qualification matrix

Expertise in	Michael Knap	Rudolf Fries	Christian Böhm	Nick J. M. van Ommen, FRICS	Bettina Breiteneder, MRICS	Sven Bienert, SV MRICS REV
Real Estate	•	••	•	••	••	••
CEO/Executive Board/ Management	••	•	••	••	••	••
Supervisory Board Agendas	••	••	••	••	••	••
Finance	•	•	•	•	••	••
Compliance/Legal	•	••	•	•	•	•
Accounting/Audits	•	•	••	•	•	••
M&A/Investment Management	•	•	•	•	••	••
Corporate Governance	••	••	•	•	•	•
Capital Market	••	•	•	•	•	•
Human Resources	•	•	•	•	•	••
Insurance	•	•	•	••	•	•
Marketing	•	•	•	•	•	•
Austrian Market	••	••	••	•	••	••
CEE Markets	•	•	••	•	•	•

- = General experience in this area
- = Responsibility and/or working experience in this area

Executive Board remuneration

The contracts with the members of the IMMOFINANZ Executive Board include fixed and variable remuneration components. The performance-based remuneration is linked, in particular, to sustainable, long-term and multi-year criteria and includes both qualitative and quantitative goals – for example, the fulfilment of budget targets, cash flow, annual results, implementation of a digitalisation concept, sale of non-strategic properties, optimisation of property financing, attainment of a specific rating level (target: investment grade) and occupancy rate. The variable component of the Executive Board remuneration is dependent on the target attainment in the respective financial year and is limited to 100% of the fixed remuneration. The target attainment for Executive Board members Reindl and Schönauer in 2019 equals 100% based on a resolution by the Personnel and Nominating Committee on 21 April 2020.

The members of the Executive Board do not receive any remuneration from the subsidiaries for management functions in these companies.

All Executive Board contracts include change of control clauses, which regulate the entitlements of the Executive Board members if their contracts are terminated prematurely due to a change in the control over the company. The entitlements of the individual Executive Board members from their respective contracts are limited to a maximum of two years, depending on the remaining contract term. The Executive Board contracts also include so-called “clawback” clauses, which give IMMOFINANZ the right to claim repayment of the variable remuneration if a member of the Executive Board is guilty of a criminal act or failure to act as confirmed by a binding legal judgment.

IMMOFINANZ has not granted any loans to the members of the Executive Board.

Executive Board remuneration for the 2019 financial year

in EUR	Oliver Schumy	Dietmar Reindl	Stefan Schönauer	Total
Fixed remuneration, gross	824,000	500,000	400,000	1,724,000
Compensation in kind	174	11,694	11,694	23,563
Total fixed remuneration	824,174	511,694	411,694	1,747,563
<i>Fixed remuneration as a % of total remuneration</i>	47.9%	47.9%	48.2%	48.0%
Total variable remuneration	790,476	490,476	390,476	1,671,429
<i>Variable remuneration as a % of total remuneration</i>	46.0%	45.9%	45.7%	45.9%
Contributions to pension fund ¹	80,000	50,000	40,000	170,000
Contributions to employee benefit fund	24,704	15,333	12,273	52,311
Total fund contributions	104,704	65,333	52,273	222,311
Total remuneration	1,719,355	1,067,504	854,444	3,641,302

¹ Defined contribution commitments

Directors' and officers' insurance (D&O insurance) with coverage of EUR 100 million was concluded for the corporate bodies of IMMOFINANZ. The related costs are carried by the company.

Supervisory Board remuneration

The remuneration of the Supervisory Board for the current financial year is approved by the annual general meeting in the following year and paid out after this approval is received. A recommendation will be made to the next annual general meeting calling for remuneration of EUR 270,064.0 for the Supervisory Board for the 2019 financial year.

Each member receives fixed remuneration of EUR 25,125.3, whereby the chairman and vice-chairman of the Supervisory Board receive twice and one and a half times this amount, respectively. An additional payment of EUR 5,000.0 is made for services performed on a committee; the chairman and vice-chairman of a committee receive twice and one and a half times this amount, respectively. Bettina Breiteneder, Sven Bienert, Horst Populorum and Wolfgang Schischek will receive proportional remuneration for the 2019 financial year.

Recommended remuneration for 2019

in EUR	Michael Knap	Rudolf Fries	Christian Böhm	Nick J. M. van Ommen, FRICS	Horst Populorum	Wolfgang Schischek	Bettina Breiteneder	Sven Bienert
Total	78,730	51,167	35,125	32,625	11,799	11,799	27,451	21,368

Shareholdings of the Executive Board and Supervisory Board members as of 31 December 2019

Members of the IMMOFINANZ corporate bodies and closely related persons are required to report their transactions in financial instruments issued by the company. These reports (Directors' Dealings) are published on the IMMOFINANZ website. Following is an overview of the direct and indirect shareholdings of these members as reported to the company:

Member	Number of IMMOFINANZ shares
Oliver Schumy	36,200
Dietmar Reindl	2,515
Stefan Schönauer	5,000
Michael Knap (and related persons)	156
FRIES Family Foundation (through IFF Beteiligungs GmbH) and Rudolf Fries ¹	6,352,179
Christian Böhm	1,000
Nick J. M. van Ommen, FRICS	15,000
Bettina Breiteneder	8,020
Horst Populorum (and related persons) until 22 May 2019	7,148
Wolfgang Schischek until 22 May 2019	22,080
Philipp Obermair	50

¹ The number of shares is based on the holdings of the FRIES Family Foundation (via IFF Beteiligungs GmbH) and Rudolf Fries, for which directors' dealings reports were filed. In contrast to previous reports, this number does not include additional shares held by companies attributable to and members of the Fries family which are not subject to legal reporting requirements. On 28 February 2020, IFF Beteiligungs GmbH and Rudolf Fries announced that they had sold 6,097,680, respectively 254,500 IMMOFINANZ shares. The sale price indicated in the directors' dealings reports was EUR 29.50 per share.

Working procedures of the Executive Board and Supervisory Board

The cooperation between the Executive Board and Supervisory Board of IMMOFINANZ is based on open and constructive discussions. The Executive Board provides the Supervisory Board with regular, timely and comprehensive information on the development of business and related issues and also prepares the documentation for the Supervisory Board's meetings and resolutions. The rules of procedure for the Executive Board define the transactions and measures that require Supervisory Board approval. In addition, the Executive Board provides the Supervisory Board with information on issues of major importance outside the framework of scheduled meetings.

Independence and avoidance of conflicts of interest

The members of the Executive Board are required to take their decisions independent of any personal interests and the interests of controlling shareholders. Moreover, these decisions must be based on well-founded knowledge and comply with all relevant legal regulations. Persons serving on the Executive Board must disclose any personal interests in the company's transactions or other conflicts of interest to the Supervisory Board without delay and also inform their board colleagues. The Executive Board members may only accept appointments to a supervisory board with the consent of the IMMOFINANZ Supervisory Board. Key company employees must also have the approval of the Executive Board and Supervisory Board before they may accept a position on the corporate body of a non-Group company. A legal restraint on competition is also in place.

The members of the Supervisory Board are required to represent the interests of the company and must disclose any conflicts of interest without delay. They may not accept positions on the corporate bodies of any companies that compete with IMMOFINANZ.

Christian Böhm a member of the Supervisory Board, is the chairman of the management board of APK Pensionskasse AG. IMMOFINANZ makes pension fund contributions at ordinary market conditions to this firm for the company pensions of the Executive Board members. The contributions made in 2019 totalled EUR 170,000.0.

Apart from the above business relationship, there are no contracts between the members of the Supervisory Board or companies in which a member of the Supervisory Board holds a significant financial interest, on the one hand, and IMMOFINANZ or one of its subsidiaries, on the other hand.

Criteria for the independence of the Supervisory Board

The Austrian Corporate Governance Code (C-Rule 53) requires the majority of the supervisory board members elected by the annual general meeting to be independent of the company and its management board. A supervisory board member is considered to be independent when he or she has no business or personal relations with the company or its management board that constitute a material conflict of interest and are therefore capable of influencing the member's behaviour.

The following independence criteria were defined by the IMMOFINANZ Supervisory Board and reflect the standards listed in Annex 1 to the Corporate Governance Code. All elected Supervisory Board members are independent based on these criteria. No member represents a shareholder with an investment of more than 10% or the interests of such a shareholder.

- The Supervisory Board member did not serve as a member of the Executive Board or a key employee of IMMOFINANZ or one of its subsidiaries during the past five years.
- The Supervisory Board member does not currently, or did not in the past year, maintain any business relations with IMMOFINANZ or one of its subsidiaries of a scope considered significant for the Supervisory Board member. The same applies to business relationships with companies in which the Supervisory Board member holds a considerable economic interest, but not for exercising functions on IMMOFINANZ's corporate bodies. The approval of individual transactions by the Supervisory Board pursuant to L-Rule 48 does not automatically qualify the member as not independent.
- The Supervisory Board member did not act as an auditor of IMMOFINANZ or own an investment in the auditing company or work for the auditing company during the past three years.
- The Supervisory Board member is not a member of the management board of another company in which a member of the Executive Board of IMMOFINANZ serves on the supervisory board.
- The Supervisory Board member has not served on the Supervisory Board of IMMOFINANZ for more than 15 years. This does not apply to members who are shareholders with a direct investment in IMMOFINANZ or who represent the interests of such a shareholder.
- The Supervisory Board member is not closely related (direct offspring, spouse, life partner, parent, uncle, aunt, sibling, niece, nephew) to a member of the Executive Board or to persons specified in one of the above points.

Gov-Col

Support for women on the Executive Board and Supervisory Board and in key functions

In the interest of the company, appointments to the Executive Board, Supervisory Board and key positions are based solely on professional and personal qualifications.

Women filled 34.0% of the management positions in 2019 (2018: 36.2%) and represented 59.0% of the total workforce (2018: 59.0%). In the IMMOFINANZ Group, women hold key management positions in central corporate functions and on the local country boards.

Men and women have equal opportunities for advancement at IMMOFINANZ, and all employees receive performance-based remuneration for their work.

Diversity concept

IMMOFINANZ does not follow an abstractly defined diversity concept for appointments to the Executive Board or Supervisory Board. The Supervisory Board, which is responsible for appointments to the Executive Board and for issuing recommendations to the annual general meeting for elections to the Supervisory Board, considers the diversity aspects listed in § 243c (2) no. 2a of the Austrian Commercial Code (age, gender, education and professional experience) and the international aspects for supervisory board members which are discussed in L-Rule 52 of the Austrian Corporate Governance Code to be very important. Accordingly, these aspects are acknowledged and reflected in connection with specific appointment decisions or recommendations.

However, the company does not consider it suitable or expedient to tie its decisions on recommendations or appointments to a diversity concept with abstractly defined goals. The Supervisory Board believes the decisive factors for recommended elections to the Supervisory Board and appointments to the Executive Board must involve aspects like expertise, specific requirements, experience, availability etc.

External evaluation

IMMOFINANZ's compliance with the provisions of the Austrian Corporate Governance Code was evaluated by the auditor, Deloitte Audit Wirtschaftsprüfung GmbH, in connection with a review of the Corporate Governance Report. The related auditor's report is available for review on our website (www.immofinanz.com). The evaluation of the Corporate Governance Report for 2019 did not result in any objections.

Vienna, 21 April 2020

The Executive Board



Stefan Schönauer
CFO



Dietmar Reindl
COO