

**Remuneration Policy 2020 pursuant to
Section 78a of the Stock Corporation
Act**

for

**the Executive Board of IMMOFINANZ
AG**

Table of contents

I. Basis for the Remuneration Policy of the Executive Board	3
A. General conditions	3
B. Responsibilities and dealing with conflicts of interest	3
II. Remuneration Policy for the Executive Board	4
A. Principles and objectives	4
B. Components of Executive Board remuneration	5
1. Base remuneration	7
2. Additional benefits	7
3. One-year variable remuneration - STI	8
4. Multi-year variable remuneration - LTI	9
5. Special bonus	12
6. Investment in IMMOFINANZ shares (Share ownership guidelines, SOG)	13
7. Malus and clawback clauses	13
8. Terms of Executive Board contracts and termination of contracts	13
C. Deviations from the Executive Board Remuneration Policy	14

I. Basis for the Remuneration Policy of the Executive Board

A. General conditions

For IMMOFINANZ AG as a listed company, the Supervisory Board has developed the principles for the remuneration of the Executive Board members in the Remuneration Policy 2020. The Remuneration Policy fulfills the disclosure requirements resulting from the amendments to the Stock Corporation Act within the framework of the Stock Corporation Law Amendment Act, and also follows the recommendations of Austrian Corporate Governance Code. Internal requirements of IMMOFINANZ AG that result from the articles of association and rules of procedure are also taken into account in the Remuneration Policy.

The Remuneration Policy will be put to a vote for the first time at the Annual General Meeting held in the 2020 financial year, and thereafter at least every fourth financial year as well as upon any significant change. The Remuneration Policy and the result of the vote of the Annual General Meeting on the policy are published on the IMMOFINANZ AG website.

A comprehensive overview of the remuneration granted to the members of the Executive Board during the last financial year under the respective Remuneration Policy is provided annually in the form of a remuneration report. The first remuneration report will be submitted to the Annual General Meeting for approval in the 2021 financial year.

B. Responsibilities and dealing with conflicts of interest

The competence to develop the Remuneration Policy for the Executive Board has been delegated by the Supervisory Board of IMMOFINANZ AG to the Personnel and Nominating Committee. The Personnel and Nominating Committee decides on the Remuneration Policy. The Supervisory Board submits the Remuneration Policy to the Annual General Meeting. The Personnel and Nominating Committee is responsible for the ongoing monitoring of compliance with the Remuneration Policy and for its evaluation. The Remuneration Policy takes into account the requirements of our shareholders as well as the strategic alignment of the company, in particular to facilitate the sustainable economic success of IMMOFINANZ AG. The annual remuneration report is prepared jointly by the Supervisory Board and the Executive Board.

The members of the Supervisory Board as well as the members of the Executive Board are obliged to act in the interests of the company and must disclose any conflicts of interest without delay. Members of the Supervisory Board also do not exercise executive functions in companies that compete with IMMOFINANZ.

II. Remuneration Policy for the Executive Board

A. Principles and objectives

The core strategy of IMMOFINANZ AG includes the professional and sustainable rental and management of the existing property portfolio as well as the active development of the portfolio through investment, acquisition and project development. The aim is to achieve value-creating growth and to generate a sustainable cash flow. The Remuneration Policy for the Executive Board helps facilitate this business strategy and the long-term development of IMMOFINANZ AG. For this reason, the key performance indicators for measuring the above-mentioned objectives are reflected in the Remuneration Policy of the Executive Board.

Executive Board remuneration includes fixed and variable remuneration components. The variable remuneration components are divided into a one-year, short-term incentive (STI) and a multi-year long-term incentive (LTI). The variable remuneration components ensure performance-related, sustainable remuneration that is aligned with the corporate strategy. Therefore, relevant financial as well as non-financial performance targets, which are derived from the corporate strategy of IMMOFINANZ AG, are taken into account. Depending on the extent to which the individual targets are achieved, the actual payment amount may differ from the target amount. The target amount is linked to 100% target achievement. An ambitious target setting ensures that the “pay for performance” approach is pursued. The definition of concrete targets and target achievement curves also leads to a reduction in discretionary remuneration elements. When setting performance incentives for Executive Board remuneration, the same guiding principles apply as for other employees of IMMOFINANZ AG.

Appropriate market comparisons are made to ensure the market orientation of the Executive Board remuneration. In this process, a comparison within the real estate industry as well as with Austria’s largest companies is used to ensure that remuneration is market adequate and competitive. At the same time, care is taken to meet the requirements of investors with regard to the Executive Board Remuneration Policy. This is achieved in particular by designing remuneration and performance targets so that they further align the interests of the Executive Board with that of shareholders. In addition, this Remuneration Policy further enhances the desired transparency by disclosing the procedures for establishing, reviewing, and implementing the Remuneration Policy.

The following overview table presents the objectives of this Remuneration Policy in greater detail and describes the instruments used to achieve these objectives. In addition to the requirements of stock corporation law and the recommendations of the Austrian Corporate Governance Code, the expectations of IMMOFINANZ AG investors have also been taken into account for the Remuneration Policy.

Objectives of the Remuneration Policy	Instruments
Foster the company's long-term interests and sustainable development ("pay for performance")	<ul style="list-style-type: none"> • Use of strategy-relevant financial and non-financial performance targets • Ambitious target setting • Multi-year assessment basis
No free discretionary decisions	<ul style="list-style-type: none"> • Assessment of Executive Board performance on the basis of previously defined criteria and objectives
Alignment of interests between the Executive Board and shareholders	<ul style="list-style-type: none"> • Use of the relative total shareholder return (TSR) in comparison to an industry-specific index that reflects the portfolio of IMMOFINANZ AG • Introduction of share ownership guidelines (SOG) for the purchase and holding of IMMOFINANZ AG shares by Executive Board members
Transparency	<ul style="list-style-type: none"> • Specification of the parameters and conditions for achieving the financial and non-financial objectives • Disclosure in the remuneration report of targets and actual target achievement of financial and non-financial performance targets • Transparent process for establishing, reviewing and implementing the Remuneration Policy as well as any deviations therefrom

Employment conditions for the other employees have been taken into account in drawing up the Remuneration Policy as follows:

- Employee representatives on the Supervisory Board were informed about the Remuneration Policy.
- In designing the performance incentives for Executive Board remuneration, the general principles also apply to the other employees of IMMOFINANZ AG.
- There is a continuous strive to achieve market-driven and thus competitive remuneration that includes a balanced mix of fixed and variable components for the other employees as well.

B. Components of Executive Board remuneration

The central features of the components of Executive Board remuneration and the percentages of the target remuneration are shown in the following overview:

Fixed remuneration (about 64% of target remuneration)

Base salary Aligned with the scope of activities and responsibilities of the respective Executive Board member

Payment date In fourteen equal installments

Additional benefits

- Defined-contribution pension fund (APK Pensionskasse AG)
- Accident insurance
- D&O insurance
- Legal protection insurance
- Additional fringe benefits (e.g. company car)

One-year variable remuneration – short-term incentive (STI) (around 18% of target remuneration)

Cap Maximum payment amount capped at 130% of the contractually defined target amount

Target achievement corridor Possible achievement of the performance targets ranges from 0% (minimum value) to 130% (maximum value)

Performance targets Financial targets (equally weighted):

- Results of asset management (40%)
- Funds from operations I (before tax) (40%)

Individual and stakeholder targets (20%)

- Individual performance
- Stakeholder concerns (including ESG targets)
- Major projects

Payment date Monthly advance payment of 1/12 of the target amount until 75% of the target amount is reached. The final determination will be completed with the next possible salary payment after approval of the financial statements for the financial year

Multi-year variable compensation – long-term incentive (LTI) (around 18% of target remuneration)

Plan type: Performance cash plan

Performance period Four years

Cap Maximum payment amount capped at 250% of the contractually defined target amount

Target achievement corridor Possible achievement of the performance targets ranges from 0% (minimum value) to 250% (maximum value)

Performance targets

1. Relative total shareholder return (50%)
1. Difference between the discount of share price to EPRA Net Asset Value (NAV) per share compared to the comparison group in percentage points (50%)

Payment date In the first financial year following the end of the relevant performance period with the next possible salary payment after approval of the annual financial statements

Special bonus (maximum 250% of target remuneration)

Occasion-related decision of the Supervisory Board	Extraordinary performance, e.g., in connection with M&A transactions and implementation of major projects with significant volumes of strategic importance
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Miscellaneous

Share ownership guidelines	Investment in IMMOFINANZ AG shares amounting to 30% of gross base salary
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Malus and clawback clauses	Option to withhold and reclaim variable remuneration contractually implemented
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1. Base salary

The base salary is paid in fourteen equal installments on the usual salary dates at the end of each month. If the contract begins or ends in the current financial year, the base salary for this financial year is paid pro rata temporis.

The amount of the remuneration is determined in an appropriate relationship to the Executive Board members' scope of activities and responsibilities and to the situation of the company. In addition, consideration is given to the customary level of remuneration compared with other listed real estate companies in German-speaking countries, in order to ensure appropriate and competitive remuneration.

2. Additional benefits

Additional benefits include, firstly, the company's annual payments to the APK Pensionskasse AG for each Executive Board member, each amounting to 10% of the base salary. Pension entitlements of Executive Board members are based on contributions. The pensionable age is based on the statutory provisions.

Secondly, the premiums for the following insurance benefits are borne by the company:

- Insurance against accidents and aircraft accidents
- Directors' and officers' liability insurance (D&O insurance)
- Legal protection insurance

Additional fringe benefits include payments to the employee pension fund and the assumption of costs for the provided company car or the granting of a car allowance for the Executive Board member.

Any taxes incurred on taxable fringe benefits are to be borne by the Executive Board members. The type and scope of fringe benefits are regularly reviewed by the Supervisory Board's Personnel and Nominating Committee.

3. One-year variable remuneration - STI

In particular, the STI incentivizes the sustainable growth strategy of IMMOFINANZ AG as well as increased profitability as measured by two central financial targets. In addition, individual and stakeholder targets are taken into account in order to include environmental, social, and governance (ESG targets) in compensation. Achievement of targets is determined at the end of the respective financial year on the basis of criteria and target achievement curves defined in advance by the Personnel and Nominating Committee. The STI payment amount, which is capped at 130% of the target amount, is calculated by multiplying the annual target amount by the respective weighted target achievement of the performance targets. The annual target amount is generally fixed for the duration of the contract. The individual and stakeholder targets are also additively linked with each other and their target achievement is also capped at 130% of the target value.

How the STI functions



3.1 Performance targets and performance measurement

The STI is based on two key financial performance indicators of IMMOFINANZ AG, which are of high strategic relevance as core management indicators:

Results of asset management and
Funds from operations (FFO I) before tax

Both performance targets are included with a weighting of 40% each in the calculation of the STI payment amount.

Results of asset management include rental income, other revenues, operating expenses and income as well as expenses directly attributable to property assets. This indicator measures the earning power of the existing investment business of IMMOFINANZ AG and is essential for the long-term and sustainable development of the company's business activities. The focus on this performance target for the STI therefore promotes long-term growth in line with the company's business strategy by focusing on a performance indicator for the core business of IMMOFINANZ AG. This performance target also supports the focus of the IMMOFINANZ strategy on value-added growth through sustainable portfolio management, project development and acquisitions. The objective of strengthening the portfolio of assets is also incentivized.

Funds from operations I (before tax) (FFO I) is an important profitability indicator in the real estate industry. The indicator FFO I is also an important measure for shareholders of the liquid funds generated from the existing investment business, which are available for distributions to shareholders. Stable cash flow and an increase in the ability to distribute dividends are long-term goals being pursued by IMMOFINANZ AG. FFO I as a performance target for the STI is therefore aimed at promoting this long-term growth. The objective of strengthening sustainable cash flow is

likewise being pursued. Together with an increase in results from asset management, the FFO I performance target helps to improve the credit rating level of IMMOFINANZ AG and increase earnings power.

The possible target achievement of the two financial results is between 0% and 130% in each case. A target agreement is reached each year with the Personnel and Nominating Committee. To measure target achievement, the value actually achieved according to the relevant approved consolidated financial statements of IMMOFINANZ AG is compared with the agreed target for the respective financial year. The target achievement curves define the targeted value for the respective financial year as a target value for which the target achievement is 100%. The target value can be exceeded up to a maximum value of 130%. A further increase in the actual value in excess of this maximum value of 130% above the targeted value therefore does not result in a further increase in target achievement. If the actual value falls below the budget target by 30%, target achievement is 0% (minimum value).

In addition to the two financial performance targets, the STI also includes an **individual component**. This is included in the calculation of the STI payment amount with a weighting of 20%. It takes into account the individual performance of each Executive Board member (also with respect to development and transaction results) and major projects of IMMOFINANZ AG (e.g., implementation of a digitalization concept or diversification of the financing structure) as well as stakeholder concerns and ESG targets (e.g., milestones in sustainable construction projects, carbon reduction, or customer satisfaction). When assessing individual and stakeholder targets, a list of relevant criteria offers guidance for the Personnel and Nominating Committee, which specifies these criteria in detail at the beginning of each financial year. Achievement of individual and stakeholder targets is also capped at 130% of the target value.

The agreed financial, individual, and stakeholder targets as well as the resulting target achievement are described in the remuneration report ex-post.

3.2 Payment date

A monthly advance payment of 1/12 of the target amount is made until 75% of the target amount has been reached. The final amount of the STI is determined by the Personnel and Nominating Committee after the annual financial statement has been approved and the achievement of targets has been determined. The payment amount is offset against the amounts already paid and is paid with the next possible salary payment. The final amount of the STI is capped at 130% of the target amount.

4. Multi-year variable remuneration - LTI

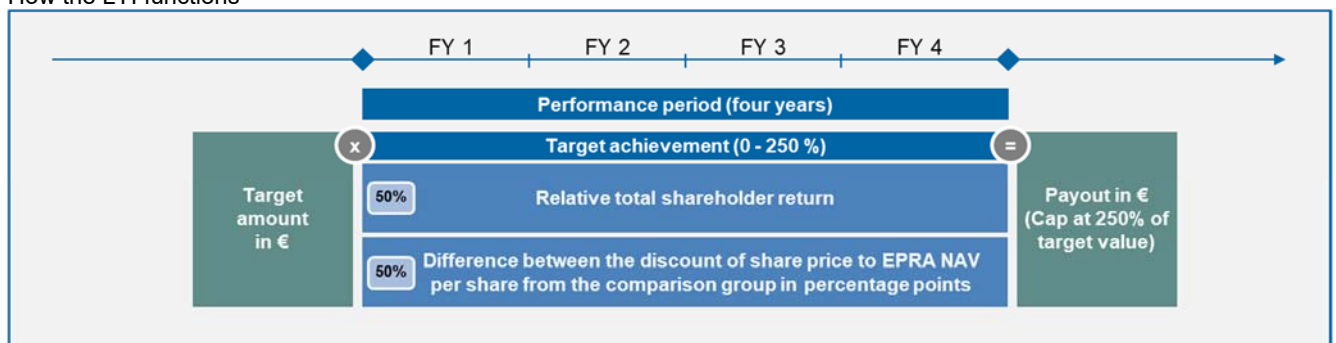
The LTI program is structured in the form of a performance cash plan with a performance period of four years. The Executive Board member receives a conditional commitment for a remuneration amount (target amount) at the end of the performance period. The final payment amount depends on achievement of predefined performance targets and is settled after completion of the four-year performance period. The performance targets include external and capital market-oriented performance targets, each based on a predefined target achievement curve.

The LTI program is designed as a rolling system which, by granting new LTI tranches each year with a term of four years, creates a continuous incentive effect. The focus is thus directed even

more strongly to the sustainability of the results, as the results of individual financial years are included in the calculation of several LTI tranches. In addition, a binding effect is created beyond the date of departure from the company, since the results following departure of the respective Executive Board member are also included in the calculation of the payment amount.

The respective target amount for the LTI tranches is specified in the contracts of the Executive Board members. The final payment amount is influenced over the term of the performance period by achievement of financial targets (0% to 250%). This target achievement is multiplied by the respective target amount and results in the final payment amount of the LTI tranche. The maximum payment amount is capped at 250% of the target amount.

How the LTI functions



4.1 Performance targets and performance measurement

The final payment amount is influenced by two performance targets. A target that reflects the relationship between the fair value of IMMOFINANZ AG equity and market valuation and an external, capital market-oriented target:

- **Relative total shareholder return** (relative TSR)
- **Difference between the discount of share price to EPRA net asset value (NAV) per share to the comparison group in percentage points**

Both performance targets are included in the calculation of the final target achievement with a weighting of 50% each.

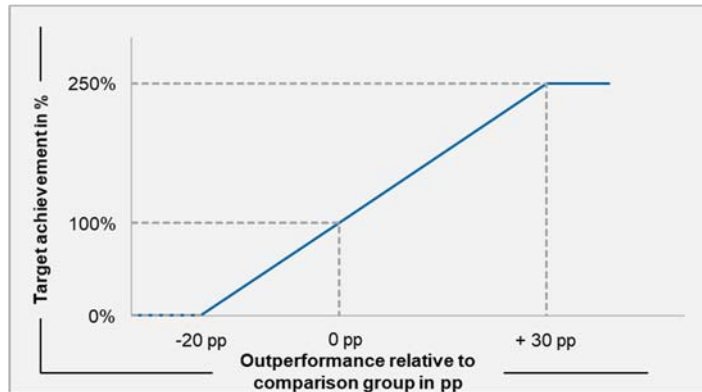
Total shareholder return (TSR) describes the share performance over a period under review, including the dividends per share paid and notionally reinvested during this period. Positive development of the share price reflects the increase in value of the company. The distributions made to shareholders in the form of dividends demonstrate the success of the dividend policy pursued over the long term. Accordingly, this performance target promotes long-term business development and strategy implementation.

The relative TSR compares the absolute value described above with the TSR of other companies. Due to its property portfolio, IMMOFINANZ AG compares itself with the **FTSE EPRA Nareit Developed Europe ex UK Index**.

The outperformance method is used to determine the relative TSR. For this, the difference between the TSR of IMMOFINANZ AG and the benchmark index is calculated in percentage points (pp).

The possible achievement of the external performance target of relative TSR is between 0% and 250%. The target achievement curve specifies outperformance of 0 percentage points as the target value at which target achievement is 100%. If IMMOFINANZ AG outperforms the index by -20 percentage points or less, the target achievement is 0% (minimum value). If it outperforms by 30 percentage points or more, the target achievement is 250% (maximum value). Accordingly, a further increase in outperformance does not result in a further increase in target achievement. The points of the target achievement curve that lie between the aforementioned points are interpolated linearly.

Relative TSR target achievement curve



The **discount of share price to the EPRA NAV per share** is calculated by comparing the share price at the end of the performance period with the EPRA NAV per share. The performance indicator discount of share price to the EPRA NAV per share is designed to align the value of the IMMOFINANZ AG share as closely as possible with its EPRA NAV per share and improve its relative position compared to relevant competitors. By using the EPRA NAV component, the fair value of equity is presented on a long-term basis and investors are given an overview of the company's sustainable asset position. The discount of share price to EPRA NAV per share of IMMOFINANZ AG is compared with the average discount of share price to the EPRA NAV per share of the companies in the FTSE EPRA Nareit Developed Europe ex UK Index. For this, the difference between the two values is determined.

The possible achievement of the performance target "difference between the discount of share price to EPRA NAV per share compared to the comparison group" lies between 0% and 250%. An explicit target achievement curve is assigned to this performance target. This target achievement curve is aimed at improving the difference between the discount of share price to EPRA NAV per share described above after the four-year performance period. To measure achievement of objectives, the difference actually achieved at the end of the performance period is compared with the strategic target for the respective performance period.

Each year, before granting a tranche, the Personnel and Nominating Committee sets the strategic target for the respective performance period as the target value, with 100% target achievement. At the same time, upper and lower limits are determined.

If the actual difference between the discount of share price to EPRA NAV per share compared to the comparison group exceeds the strategic target by more than the lower limit, the target achievement is 0% (minimum value). If the actual difference between the discount of share price to EPRA NAV per share compared to the comparison group falls short of the strategic target by

more than the upper limit, the target achievement is 250% (maximum value). The points of the target achievement curve that lie between the aforementioned points are interpolated linearly. This produces the following target achievement curve for the performance target:

Target achievement curve of the difference between the discount of share price to EPRA NAV per share to the comparison group



On January 1, 2020, EPRA changed its guidelines on NAV. In the future, other EPRA NAV measures – EPRA Net Reinstatement Value (NRV), EPRA Net Tangible Assets (NTV) and EPRA Net Disposal Value (NDV) – must be shown. For this reason, a change to one of the above-mentioned measures instead of the previous EPRA NAV is planned for the future, which is a long-term measure of net assets and is determined in accordance with the Best Practices Recommendations of EPRA.

4.2 Payment date

The final amount of the LTI will be determined after approval of the financial statements for the last year of the performance period and after the Personnel and Nominating Committee has determined the target achievement. The payment amount will be paid out with the next possible salary payment and is limited to 250% of the target amount. Until the first disbursement from the 2020 tranche in 2024, a partial payment on account will be made in the years 2020 to 2023 to offset the reduction in the target amount of the previous STI when the LTI is introduced in 2020. The final settlement of the 2020 LTI tranche will take place in 2024 with the next possible salary payment after approval of the financial statements for the 2023 financial year. Any advanced payments exceeding the final settlement must be repaid by the Executive Board member.

5. Special bonus

Exceptional performance in a financial year that is not fully reflected in the short-term incentive may, at the discretion of the Supervisory Board, result in the granting of a special bonus. Exceptional performance may be, for example, an M&A transaction or implementation of a major project with significant volume and strategic importance that was not included in the planning. The special bonus is limited to a maximum of 250% of the target remuneration amount. If a special bonus is granted in a financial year by the Personnel and Nominating Committee, the recitals are explained in detail in the remuneration report for the financial year.

6. Investment in IMMOFINANZ shares (Share ownership guidelines, SOG)

To achieve a share orientation, in addition to variable remuneration, in the interests of our shareholders, the Executive Board members have announced their intention to acquire shares in IMMOFINANZ AG to the value of 30% of gross base salary (SOG target) within four years and to hold these shares for the duration of their appointment to the Executive Board. Shares already held by an Executive Board member are counted towards the SOG target. With the introduction of the SOG, part of the assets of Executive Board members are linked to the long-term performance of the company.

7. Malus and clawback clauses

The contracts of the Executive Board members contain malus and clawback clauses for variable remuneration. These clauses govern how payments are to be handled in verifiable cases of intentional gross violations of material internal principles of conduct or material contractual obligations or the violation of material duties of care as defined by Section 84 of the Stock Corporation Act, as well as in the case of incorrect consolidated financial statements that have led to incorrect payment of the variable remuneration components. The malus clause allows the final payment amount to be partially reduced or set to zero if such a violation occurs during a performance period. The clawback clause allows the partial or complete reclaim of variable remuneration already paid out within three years of the violation being committed or after the incorrect consolidated financial statements were prepared. The Supervisory Board decides on the application of malus and clawback provisions. When the Supervisory Board makes a discretionary decision, the severity of the violation, its consequences for the company (in particular financial damage and sustained serious damage to the company's reputation with economic consequences) and the degree of culpability on the part of the Executive Board member must be taken into account.

8. Terms of Executive Board contracts and termination of contracts

Executive Board contracts are generally concluded for a period of three to five years. The terms of the current Executive Board contracts correspond to the periods of appointment.

Upon termination of the employment contract, each Executive Board member is entitled to the bonus for the previous financial year and the pro rata bonus for the current financial year. The target achievement of the bonus for the current financial year is based on the arithmetic mean of the last full three financial years prior to termination.

If the Executive Board mandate of the Executive Board member ends for a reason that does not entitle the company to premature termination of the employment contract due to the fault of the Executive Board member in accordance with general principles and those set out in the Salaried Employees Act, the Executive Board member is entitled to payment of the remuneration still due for the remaining term of the contract, but for a maximum of two full years, consisting of base salary and variable remuneration. In addition, there are the premiums to be paid by the company to the pension fund for the remaining term of the contract.

If a change of control as defined by the following provisions occurs at the company during the term of the contract, the Executive Board member is entitled to resign from his position as a member of the Executive Board of the company within six months of the occurrence of the change of control,

provided that the change of control occurs not less than twelve full months before the expiry of the Executive Board appointment. A change of control is deemed to have occurred if a bidder or entities acting in concert with the bidder are required to make a mandatory offer under the provisions of the Takeover Act, as amended, in accordance with Section 28 of the company's articles of association (15% threshold for the existence of a controlling interest) as assessed by the Takeover Commission, or if a bidder makes a voluntary offer and, after completion of the voluntary offer, holds an interest that exceeds the threshold for a mandatory offer in accordance with Section 28 of the company's articles of association (15% threshold for the existence of a controlling interest).

The claims in the event of premature termination of the contract, for example in the event of a change of control or the withdrawal of essential competencies, are limited to the remaining term of the contract, but to a maximum payment of two years' remuneration consisting of base salary and variable remuneration (including fringe benefits but excluding company cars).

For the performance cash plan, rules have been agreed for the treatment of outstanding tranches in the event that an Executive Board member leaves the company. In the event of termination of the contract for reasons for which the Executive Board member is not responsible, such as for example, a resignation at the instigation of the Supervisory Board, termination of the contract by mutual consent, reaching retirement age, or the end of the contract term, it is stipulated that the determination of the achievement of objectives and payment be made regularly after the end of the four-year term. If an Executive Board member resigns from their position on the Executive Board or their contract is terminated at the instigation of the Executive Board member without good cause or if the Executive Board member is prematurely dismissed at the instigation of the Supervisory Board for good cause, all tranches of the performance cash plan that have not yet completed their respective four-year term shall be forfeited in full.

C. Deviations from the Executive Board Remuneration Policy

Pursuant to Section 78a(8) of the Stock Corporation Act, temporary deviations from the Remuneration Policy may be made under exceptional circumstances. Exceptional circumstances are situations in which deviation from the Remuneration Policy is necessary for the long-term development of the company or for ensuring its viability.

The Personnel and Nominating Committee is responsible for reviewing and assessing whether such an exceptional circumstance exists that requires a temporary deviation from the Remuneration Policy. The Personnel and Nominating Committee must report to the Supervisory Board on the decision to temporarily deviate from the Remuneration Policy due to exceptional circumstances.

Deviations are possible for the following remuneration components: STI and LTI performance targets, relative portions of variable compensation and temporary expenses for extraordinary fringe benefits. In addition, the Personnel and Nominating Committee is entitled to grant special payments to newly joining Executive Board members to compensate for salary losses from a previous employment relationship or to offset the costs incurred by a change of location.