

# Corporate governance report

## 1. Clear commitment to the Austrian Code of Corporate Governance

The Austrian Code of Corporate Governance (ÖCGK) contains rules and principles relating to transparency and sound corporate management. S IMMO AG has subscribed to the Austrian Code of Corporate Governance since 2007. This code is available on the website of the Austrian Working Group for Corporate Governance. Notwithstanding the exceptions set out and explained below, the Management Board and Supervisory Board of S IMMO AG declare full observance of and compliance with the C Rules of the ÖCGK.

### Exceptions to the C Rules:

The C Rules of the ÖCGK below are not fully complied with by S IMMO AG:

**C Rule 2:** 'Shares are to be construed in accordance with the principle of one share – one vote.'

The 73,608,896 shares (as of 20 January 2020) in S IMMO AG are fundamentally construed in accordance with the principle 'one share – one vote'. All shares carry the same rights. In particular, there are no registered shares with special rights such as nomination of Supervisory Board members or preference shares. The only restriction regarding the voting right associated with all shares exists in the context of the maximum voting right provided for in section 13 (3) of the articles of incorporation. At the Annual General Meeting, the voting rights of each shareholder are accordingly limited to 15% of the issued share capital. For this purpose, shares held by companies that together constitute a group for the purposes of section 15 Austrian Stock Corporation Act

(AktG) are to be aggregated, as are shares held by third parties for the account of the relevant shareholder or the account of a company forming part of a group with that shareholder. Holdings of shares by shareholders exercising their voting rights in concert in virtue of an agreement or as part of coordinated behaviour are also to be aggregated. The maximum voting right was adopted at the 17<sup>th</sup> Annual General Meeting of S IMMO AG on 03 May 2006.

**C Rule 49:** 'The company shall disclose in its annual report the object and remuneration of contracts subject to approval pursuant to L Rule 48. A summary of contracts of the same kind shall be permitted.'

According to section 95 (5) line 12 of the Austrian Stock Corporation Act (AktG), contracts with members of the Supervisory Board that commit said members to perform a service outside their work on the Supervisory Board for the company or a subsidiary in return for a material consideration require the consent of the Supervisory Board. This also applies to contracts with enterprises in which a member of the Supervisory Board has a material interest. The company has concluded loan agreements at normal market conditions with enterprises at which Supervisory Board members performed executive functions in the reporting year. The details and consideration in these agreements are not published for reasons of business policy and competition.

**C Rule 62:** 'The company shall have compliance with the C Rules of the Code evaluated periodically, but at least every three years, by an external institution and a report on the findings of the evaluation is to be published in the corporate governance report.'

The company does not have compliance with the C Rules evaluated by an external institution. Based on the company's circumstances, the Management Board and Supervisory Board do not consider it to be necessary to commission a company to perform such an evaluation.

## 2. Composition of managing bodies

### Management Board

In the last financial year, the Management Board consisted of two members. More detailed information about the individual members of the Management Board and their responsibilities is shown in the overview of management bodies in this report. The members of the Management Board keep each other informed of all important business events and developments at all times and discuss the progress of business. There is an ongoing exchange of information with the managers responsible for the various departments.

Information on  
corporate governance  
[www.simmoag.at/en/cg](http://www.simmoag.at/en/cg)  
[www.corporate-governance.at](http://www.corporate-governance.at)

## Supervisory Board

As of 31 December 2020, the Supervisory Board consisted of four members. Information on the Supervisory Board members, their positions, their principal occupations and other supervisory board appointments can be found in the overview of management bodies.

### Criteria for independence

S IMMO AG's Supervisory Board has established the following criteria for the independence of its members as required under C Rule 53 of the Austrian Code of Corporate Governance:

- A Supervisory Board member should not have been a member of the Management Board or an executive officer of S IMMO AG or one of its subsidiaries in the preceding five years.
- A Supervisory Board member should not maintain, or in the preceding year have maintained, a business relationship of material importance to that Supervisory Board member with S IMMO AG or one of its subsidiaries. This also applies to business relationships with enterprises in which the Supervisory Board member has a material interest. The approval of individual transactions by the Supervisory Board in accordance with L Rule 48 does not automatically mean that a person is not independent.
- A Supervisory Board member should not have served as statutory auditor of S IMMO AG, or have had an interest in, or been an employee of the auditing firm in the preceding three years.
- A Supervisory Board member should not be a member of the management board of another company if a member of the Management Board of S IMMO AG is a member of that company's supervisory board.
- A Supervisory Board member should not be a member of the Supervisory Board for longer than 15 years. This does not apply to Supervisory Board members who are shareholders with an entrepreneurial investment or who represent the interests of such a shareholder.
- A Supervisory Board member should not be a close family member (direct descendant, spouse, life partner, parent, uncle, aunt, sibling, nephew, niece) of a member of the Management Board or of persons in any of the positions described above.

Of the Supervisory Board members in office as of 31 December 2020, all have declared themselves independent within the meaning of C Rule 53 and within the meaning of C Rule 54.

### 3. Details of the activities and procedures of the Management Board and Supervisory Board

The activities of the Management Board and Supervisory Board and the collaboration between the two bodies are based on the applicable laws, the articles of incorporation and the rules and procedures.

The Management Board runs the company – its allocation of tasks is set out in the overview of management bodies. The Management Board also provides the Supervisory Board with information about all material aspects of the progress of business and all strategic considerations. They jointly pursue the aim of managing the company responsibly with a long-term approach oriented towards sustainable value creation and lasting corporate success. The Management Board and Supervisory Board work closely together in the interests of the company. The intensive, ongoing dialogue between the two bodies forms the basis for this.

In its meetings, the Supervisory Board monitors the management of the business as well as the finances, strategy, performance and risk management of the company. Investment projects above a specific volume require approval by the Supervisory Board. Until 12 October 2020, the Supervisory Board consisted of eight members, thereafter of four members. Since 26 January 2021, the Supervisory Board has consisted of six members due to the appointment of two employee representatives.

The Supervisory Board has formed committees from among its members, which are listed below. In the 2020 reporting year, eleven Supervisory Board meetings were held, some of which were held in person and some via video conference call due to COVID-19. Each member of the Supervisory Board participated in more than half of the Supervisory Board meetings in person or by telephone or video conference. In addition, four circular resolutions were adopted in writing by the Supervisory Board.

### The Committees of the Supervisory Board

#### Audit Committee

The functions of the Audit Committee include monitoring the accounting and reporting process and the work of the auditors, monitoring the effectiveness of the Internal Control System and the risk management system, and monitoring the process of auditing the Group's financial statements. Since 15 October 2020, the Audit Committee has consisted of the following members: Mr. Rapf (Chairman) and Mr. Hager. Until 12 October 2020, the Audit Committee consisted of the following members: Mr. Rasinger (Chairman), Mr. Kerber, Mr. Manfred Rapf and Mr. Simhandl. The Audit Committee met twice in the reporting year.

#### Management Board Committee (Remuneration Committee)

The Management Board Committee is responsible for negotiating, concluding and amending the contracts of Management Board members. Since 15 October 2020, the Management Board Committee has consisted of the following members: Ms. Rest (Chairwoman) and Mr. Hager. Until 12 October 2020, the committee consisted of the following members: Mr. Simhandl

(Chairman), Mr. Kerber and Mr. Rasinger. In 2020, the Management Board Committee met twice. In addition, one circular resolution was passed in written form in the Management Board Committee.

#### Working Committee

Until the reconstitution on 15 October 2020, a Working Committee had been established which exercised individual powers of approval of the Supervisory Board up to a certain value limit, e.g. for the purchase and sale of real estate up to a certain

amount. Until 12 October 2020, the Working Committee consisted of the following members: Mr. Simhandl (Chairman), Ms. Besenhofer, Mr. Kerber and Mr. Rapf. In the reporting year, the Working Committee met once. Currently, no Working Committee has been established.

The following table shows the individual attendance of Supervisory Board members at Supervisory Board and committee meetings.

#### Attendance in 2020 (in person and via telephone or video conference)

	Supervisory Board	Audit Committee	Working Committee	Management Board Committee
Karin Rest, EMBA	100%			
Christian Hager	100%	100%		
Manfred Rapf	100%	100%	100%	
Hanna Bomba	100%			
Martin Simhandl	100%	100%	100%	100%
Franz Kerber	91%	100%	100%	100%
Wilhelm Rasinger	100%	100%		100%
Andrea Besenhofer	100%		100%	

#### 4. Diversity concept and measures for the advancement of women

Diversity and equal opportunities are key aspects of S IMMO's corporate philosophy. S IMMO AG has set itself the aim of continuously increasing the proportion of women in management positions and is expressly committed to the advancement of women. The company places great emphasis on the advancement of women when filling senior managerial positions. As of 31 December 2020, 54.3% of the workforce and 42.9% of managers (excluding the Management Board) were female. Moreover, the company offers flexible working time solutions tailored to the needs of its employees. As of 31 December 2020, 30.0% of all employees worked part-time at the company's location in Vienna. When making appointments to the Management Board and Supervisory Board, emphasis is placed on the maximum degree of professional skill and international experience in the interests of the company. In addition, the company makes a conscious effort to ensure a diverse composition with regard to professional qualifications and educational background, regardless of gender. There were no women on the Management Board of S IMMO AG in the reporting year. This fact was considered in the appointment of a successor to Mr. Vejdovszky on the Management Board and in the appointment of the third Management Board member in the first quarter of 2021, and the involved consultant was expressly instructed to consider female

candidates. Despite a diligent approach, it was unfortunately not possible to increase the proportion of women on the company's Management Board. The company is still clearly committed to the goal of appointing women to the Management Board over the medium term. As of 31 December 2020, the proportion of women on the Supervisory Board was 50.0%. Specific measures to appoint women to the Management Board will be considered when a change to the composition of the Board is due. The same applies for future nominations to the Supervisory Board. With the company's best interests in mind, the emphasis when making appointments to the Management Board and the Supervisory Board has been on the maximum degree of professional skill and international experience possible. In addition, the company makes a conscious effort to ensure a diverse composition with regard to professional qualifications and educational background, regardless of gender. There were no women on the Management Board of S IMMO AG in the reporting year. As of 31 December 2020, the proportion of women on the Supervisory Board was 50.0%.



Ernst Vejdovszky



Friedrich Wachernig



Bruno Ettenauer

## Management Board<sup>1</sup>



**Ernst Vejdovszky**  
CEO

Born: 30 October 1953  
Appointed until: 30 June 2021  
First appointed: 01 January 2001

Responsible for finance, corporate communications, investor relations, acquisitions, sales, risk management, audit, asset management in Germany

After studying business IT at the Vienna University of Technology, he started his career in 1982 at Girozentrale in Vienna. He became a founding Management Board Member of Sparkassen Immobilien Anlagen AG, Vienna (later Sparkassen Immobilien AG), in 1986, and has been a member of the Management Board at S IMMO AG, Vienna, since 2001.

Other appointments in domestic companies:  
Member of the Supervisory Board, Erste Immobilien Kapitalanlagegesellschaft m.b.H.



**Friedrich Wachernig, MBA**  
Member of the Management Board

Born: 28 June 1966  
Appointed until: 30 June 2024  
First appointed: 15 November 2007

Responsible for project development, asset management in CEE and Austria, legal, compliance, organisation, IT, HR

After studying business administration at the Vienna University of Economics and Business, he joined Eraproject GmbH, Vienna, in 1993. He held various development and management roles at Strabag AG, Raiffeisen Evolution GmbH and Porr Solutions GmbH in several Eastern European countries, and has been a member of the Management Board at S IMMO AG, Vienna, since 2007.

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<sup>1</sup> Information refers to the period 01 January to 31 December 2020.

## Supervisory Board<sup>1</sup>

Name (year of birth)	Function	Principal occupation	First appointed (end of term)	Supervis- ory Board appointments in listed com- panies	Other Supervisory Board appointments in domestic and foreign companies	Other appointments
<b>Since 15 October 2020</b>						
<b>Karin Rest, EMBA (1972)</b>	Chairwoman of the Supervisory Board; Chairwoman of the Management Board Committee	Managing Director of VAMED-KMB Krankenhausmanagement und Betriebsführungsges.m.b.H. (since 01 June 2020); Self-employed lawyer (until 31 May 2020)	03 May 2018 (appointed until AGM in 2023)	Flughafen Wien AG (since 30 April 2013)	Chairwoman of the Supervisory Board of Wien Holding GmbH (since 03 July 2017); Chairwoman of the Supervisory Board of ARWAG Holding AG (16 May 2019 to 29 September 2020); Wiener Stadtwerke GmbH (since 16 April 2015)	
<b>Christian Hager (1967)</b>	First Deputy Chairman of the Supervisory Board; Member of the Audit Committee; Member of the Management Board Committee	Member of the Management Board at KREMSEER BANK und Sparkassen AG (since 01 September 2008)	23 June 2009 (appointed until AGM in 2024)			
<b>Manfred Rapf (1960)</b>	Second Deputy Chairman of the Supervisory Board; Chairman of the Audit Committee	Self-employed actuary (for more than 30 years)	08 June 2017 (appointed until AGM in 2022)		Chairman of the Supervisory Board at Österreichische Förderungsgesellschaft der Versicherungsmathematik GmbH (12 June 2014 to 16 July 2020)	
<b>Hanna Bomba (1978)</b>		CEO of Huber Shop GmbH (AT and DE – since 20 October 2020); Managing Partner at Be Retail GmbH – Management Consulting (since 02 February 2018); Owner and Coach at BeMySelf Holistic Coaching (since 01 December 2019)	03 May 2018 (appointed until AGM in 2023)		Erste Immobilien Kapitalanlagegesellschaft m. b. H. (since 01 August 2019)	
<b>Until 12 October 2020</b>						
<b>Martin Simhandl (1961)</b>	Chairman of the Supervisory Board; Chairman of the Management Board Committee; Chairman of the Working Committee; Member of the Audit Committee		24 June 2004 (appointed until AGM in 2020)	Ray Sigorta AS	InterRisk Versicherungs-AG; InterRisk Lebensversicherungs-AG; GPI Holding	
<b>Franz Kerber (1953)</b>	First Deputy Chairman of the Supervisory Board; Member of the Working Committee; Member of the Audit Committee; Member of the Management Board Committee		24 June 2004 (appointed until AGM in 2020)		Bankhaus Krentschker & Co AG; MCG Graz e.gen.; Grazer Messe	Member of the Management Board at Höller-Privatstiftung; Chairman of the Schell Collection
<b>Wilhelm Rasinger (†)</b>	Second Deputy Chairman of the Supervisory Board; Chairman of the Audit Committee; Member of the Management Board Committee	Chairman of the Austrian Shareholder Association (IVA)	21 May 2010 (appointed until AGM in 2020)	Erste Group Bank AG; Wienerberger AG	Chairman of the Supervisory Board at Friedrichshof Wohnungsgenossenschaft; Gebrüder Ulmer Holding GmbH	
<b>Andrea Besenhofer (1970)</b>	Member of the Working Committee	Project director at Erste Group Bank AG; Managing sole shareholder of Besenhofer Real Estate GmbH	12 June 2013 (appointed until AGM in 2020)			Member of the Management Board of Besenhofer Privatstiftung

<sup>1</sup> Information refers to the period 01 January to 31 December 2020.