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Compensation Policy for Members of the Management Board of S IMMO AG

With its resolution of 23 March 2020, the Supervisory Board of S IMMO AG, at the recommendation of the Supervisory Board's Management Board Committee, established the following principles for remunerating the members of the Management Board (Compensation Policy) pursuant to section 78a of the Aktiengesetz (AktG – Austrian Stock Corporation Act). This Compensation Policy shall be submitted to the 31st Annual General Meeting of S IMMO AG.

1. PRINCIPLES OF MANAGEMENT BOARD COMPENSATION

S IMMO AG is committed to performance-based compensation of the members of its Management Board that is in line with the market and intended to enable the company to attract qualified managers and secure their loyalty. The Compensation Policy must ensure that total remuneration of the members of the Management Board is appropriate for the company's performance as well as the market standard, that it creates long-term incentives to act in the interest of sustainable business development and that it promotes our business strategy and the long-term growth of the company.

The Compensation Policy shall establish transparent and appropriate performance incentives that encourage sustainable, value-creating, and growth-oriented business development by harmonising the interests of the company, its shareholders and the members of the Management Board. The performance incentives must be designed so that they prevent the company from taking unreasonable risks.

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2. ESTABLISHING, REVIEWING AND IMPLEMENTING THE COMPENSATION POLICY

This Compensation Policy is prepared by the Supervisory Board's Management Board Committee and submitted to the entire Supervisory Board for approval. The Compensation Policy is established on the basis of a comparison with other listed companies while taking into account the company's business strategy and degree of complexity.

Variable compensation is based on quantitative and qualitative (individual) targets that are in the long-term interest of the company and its shareholders. New target values for variable compensation, including their weightings and the individual goals, are set annually by the Management Board Committee at the start of each financial year, with the targets being set according to the budgetary and medium-term planning as well as the corporate strategy.

The Management Board Committee regularly evaluates the Compensation Policy to ensure it is in line with business strategy and stakeholder interests. The company is also committed to complying with the results of voting at the Annual General Meeting regarding the presented Compensation Policy and desires shareholder approval to be as high as possible.

A revised Compensation Policy must be submitted to the Annual General Meeting in four years at the latest.

3. SYSTEM OF MANAGEMENT BOARD COMPENSATION

Management Board remuneration consists of a fixed component and a variable component.

The fixed component is composed of a base salary plus additional payments that are not performance-based, such as retirement plans, benefits in kind and fringe benefits (see section 4).

The variable component is composed of an annual bonus with a multi-year compensation component (see section 5). The annual bonus is based on financial as well as non-financial performance criteria.

If a Management Board member meets at least 100% of the targets, he or she shall be entitled to an annual bonus of 100% of the annual base salary. In the event the targets are exceeded and to acknowledge the company's annual results, the Supervisory Board can also grant a discretionary bonus of as much as 50% of the annual base salary to honour the contributions of the respective Management Board member. When doing so, it may give appropriate consideration to the overall circumstances during the past financial year, such as clearly exceeding the targets or outperforming one's peers. The Supervisory Board can make the granting of a discretionary bonus dependent upon

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acquisition of company shares (through the stock exchange) with an appropriate minimum holding period by Management Board members.

Furthermore, special bonuses can be granted under the conditions named in section 5.5.

Twenty-five percent (25%) of the annual bonus will not be paid until the end of the next financial year and only on the condition that the Management Board member is entitled to a bonus for the current financial year.

4. COMPONENTS OF FIXED REMUNERATION

Management Board members are paid the following fixed remuneration components.

4.1. Base salary

The base salary for each member of the Management Board is determined by the Supervisory Board's Management Board Committee. When setting the base salary, the Management Board Committee pays attention to particular aspects such as whether it is appropriate compared to the rest of the market, the qualifications and experience of the Management Board member and his or her position on the Management Board.

The base salary should be appropriate and in line with the market, ensuring basic compensation for the Management Board members and enabling the company to attract top managers and secure their loyalty.

The base salary is deemed adequate payment for any and all work performed by members of the Management Board outside normal business hours.

4.2. Retirement plans

The company provides members of the Management Board with an annual contribution to an intercompany pension fund in the amount of 10% of their annual base salaries. The company also makes contributions in the amount required by law to the corporate pension fund pursuant to the Betriebliches Mitarbeiter- und Selbständigenvorsorgegesetz (BMSVG – Austrian Corporate Employee and Self-Employed Pension Act).

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4.3. Benefits in kind and fringe benefits

4.3.1. D&O insurance

Management Board members are covered by a directors and officers (D&O) liability insurance policy taken out by the company. The sum insured is to be determined commensurate with the risk, and the premiums are paid by the company.

It is common practice to include members of the Management Board in a D&O insurance policy. Doing so provides the company with a suitable liability fund.

4.3.2. Company car

Members of the Management Board are entitled to the use of an upper mid-size company car, which they can also use privately. Management Board members are expected to pay the fuel expenses for private use outside Austria while traveling on holiday as well as the additional proportionate taxable amount applicable as compensation for private use of the company car.

4.3.3. Holiday leave

Members of the Management Board are entitled to 30 working days of holiday leave per calendar year. The Urlaubsgesetz (UrlaubsG – Austrian Paid Annual Leave Act) applies to Management Board members analogous. Compensation for any remaining holiday leave entitlement (holiday leave compensation) upon contract termination may be provided in an amount not to exceed twice the annual vacation entitlement and a whole number of accrued but unused days of leave for the year in which the contract was terminated.

5. COMPONENTS OF VARIABLE REMUNERATION

5.1. Performance criteria

The annual bonus as a variable component of remuneration is determined using financial (quantitative) and non-financial (qualitative) performance criteria. The financial performance criteria apply to all members of the Management Board for the entire term of the Compensation Policy. The qualitative performance criteria may contain individual targets for each member of the Management Board.

A total of 70% of the annual bonus shall be calculated using the individual financial performance criteria, and a total of 30% is calculated using the individual qualitative performance criteria.

The individual performance criteria, including their weightings as a percentage of the total annual bonus, are outlined below.

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5.1.1. Financial performance criteria (70%)

The financial performance criteria make up a total of 70% of the annual bonus. The following groups of performance criteria are applied with the key figures specified.

Cash flow and profitability

Funds from Operations 1: “Funds from Operations 1” is a measure of profitability typically used in the real estate sector. This key figure is calculated using the consolidated net income for the period and factoring out sales-related cashflow impacting taxes and all non-cash income taxes, property valuation and all depreciation and amortisation, sales results, non-cash derivative valuation effects and other non-recurring effects. To ensure results pertaining to the period, non-cash deferred interest and similar effects are included in a manner similar to their presentation in an IFRS financial statement.

The figure indicates the sustained earning power of the company and helps ensure its competitiveness.

Dividend yield on equity: The dividend yield is calculated by dividing the dividend by equity as reported on the consolidated financial statement.

This figure underscores the company’s commitment to a stable and sustainable dividend policy, creating an appropriate balance between growth and profit distribution in line with our strategy, thus ensuring conformity between the interests of the Management Board and those of the shareholders.

Key figures on asset value

Book value per share: the **per-share book value** is calculated by dividing equity as reported on the consolidated financial statement by the number of shares issued as of the balance sheet date.

The development of this figure indicates the growth in the value of the company’s net assets and is meant to ensure long-term, sustainable business development and capital appreciation.

Equity ratio: The equity ratio is calculated by dividing the company’s equity by its total assets as reported in the consolidated financial statement.

Maintaining an appropriate equity ratio is intended to promote the financial stability and independence of the company and prevent it from taking unreasonable risks.

Vacancy rate adjusted for technical vacancies:

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The vacancy rate is a key indicator of the quality and sustained earnings power of the company's portfolio and the quality of its operations.

The Management Board Committee reserves the right to omit individual performance criteria from this list, replace them with alternatives or supplement with additional criteria such as the EBITDA margin or cost of funding to enable focus on goals that are important to the company. The guideline is always conformity between the interests of the Management Board and the shareholders.

5.1.2. Qualitative performance criteria (30%)

Every year, the Management Board Committee is required to stipulate at least two qualitative performance criteria from the following categories for each member of the Management Board:

- (a) **Project-related goals**, such as project progress, construction completion and successful leasing in particular
- (b) **Strategic goals**, such as acquisitions or disinvestments, increases in potential (new leases, investments in buildings that enhance their value, opening of building land reserves).
- (c) **Non-financial targets**, especially those pertaining to the Nachhaltigkeits- und Diversitätsverbesserungsgesetz (NaDiVeG – Austrian Sustainability and Diversity Act).

The purpose of the qualitative performance criteria is to create incentives for achieving objectives that are relevant to a sustained growth of the company and its employees as well as other stakeholders. The Supervisory Board sets these targets in line with the company's long-term strategic planning.

5.2. Target setting

The Management Board Committee specifies the targets underlying the individual performance criteria and their weightings as well as the qualitative performance criteria at the beginning of each financial year. A range must be established for achievement of each target. That range is used to determine the extent to which Management Board members fail to achieve or exceed each target.

When setting the targets, the Management Board Committee takes into account the company's current planning and strategic objectives as well as the market environment. The Committee takes care to ensure the goals it sets are ambitious.

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5.3. Determining the degree of target achievement and payment of the variable component of remuneration

After the end of the financial year, the Supervisory Board's Management Board Committee officially shall determine the degree of target achievement for the individual performance criteria. The Management Board Committee is required to use its professional judgement to evaluate the specific fulfilment of the performance criteria. When assessing discretionary components of the Compensation Policy, it may also consider external factors that supported or interfered with achievement of targets.

During the financial year, members of the Management Board receive advances on their annual bonus up to a maximum of 75% of the annual bonus earned the previous year. Once the degree of achievement has been determined, the Management Board member is to be paid an amount in excess of the advances. If the advances exceed the annual bonus, the Management Board member is required to pay back the difference to the company within 14 days.

Twenty-five percent (25%) of the annual bonus is not payable until the end of the next financial year and only on the condition that the Management Board member is entitled to a bonus for the current financial year. This delayed payment of the bonus serves to strengthen the sustainability of the remuneration by introducing a multi-year compensation component.

5.4. Reclaiming variable components of remuneration

Consistent with the Corporate Governance Code reclaiming (clawback) of variable components of remuneration shall be possible if the compensation was paid on the basis of patently false information.

5.5. Special bonuses

The Management Board Committee reserves the right to grant, for special accomplishments, special bonuses above and beyond the previously discussed variable remuneration components, particularly as part of projects essential to future value enhancement if the special accomplishments produced corresponding benefits. The potential special bonuses are intended to motivate the members of the Management Board to continuously create above-average value.

5.6. Long Term Incentive Plan (LTIP)

The company has not currently adopted or established an LTIP for members of the Management Board or other employees.

The Supervisory Board and the Supervisory Board's Management Board Committee reserve the right to devise an LTIP. In that case, the Supervisory Board would draft a new version of the Compensation Policy and present it to the Annual General Meeting for approval. In particular, the LTIP would be tied

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to the long-term development of equity per share (adjusted for external measures) in order to incentivise long-term value enhancement.

6. TERMS AND TERMINATION OF CONTRACTS WITH MEMBERS OF THE MANAGEMENT BOARD

6.1. Contract terms

The Supervisory Board decides on an appropriate contract term, taking into consideration the company's planning and the individual requirements and circumstances of each member of the Management Board to be appointed. The maximum term of each contract is five years.

The Supervisory Board is entitled to grant each member of the Management Board a special right of termination that preserves in whole or in part the Management Board member's claims in the event the company undergoes a change of control. Each Management Board member's claims arising from the special right of termination may not exceed the maximum limit specified in section 6.2.

6.2. Periods of notice for termination and payments upon termination of employment

In the event that a member of the Management Board is removed from office early, the employment contract underlying his or her appointment to the Management Board can be terminated by the company with immediate effect if the Management Board member has committed culpable acts within the meaning of section 27 of the Angestelltengesetz (AngG – Austrian Employees Act).

If the Management Board member's employment ends early without fault, then his or her claims to compensation upon early removal from office shall be limited to no more than two annual total salary payments or the claims owed for a shorter residual period.

7. CONDITIONS OF EMPLOYMENT AND REMUNERATION FOR WORKERS

When preparing the Compensation Policy, the company takes into account both the absolute amounts and the relative development of employee compensation in proportion to the remuneration paid to members of the Management Board. As a guide, a Management Board member's monthly base salary should not exceed 15 times the average monthly salary of an employee of the company.

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8. TEMPORARY DEVIATION FROM THE COMPENSATION POLICY

Temporary deviation from this Compensation Policy shall be allowed only under extraordinary circumstances. The condition for such deviation is a threat to the long-term development of the company or to its ensured profitability.

The Supervisory Board, at the recommendation of its Management Board Committee, is required to determine whether such a threat to the company exists. Deviation from the Compensation Policy is permitted with respect to the setting of the amount of fixed remuneration and the performance criteria for variable remuneration. An amended Compensation Policy shall be presented to the Annual General Meeting convened following the decision to deviate from the Compensation Policy. The amended policy must explain and describe the deviations as well as the extraordinary circumstances necessitating them.

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COMPENSATION POLICY FOR MEMBERS OF THE SUPERVISORY BOARD OF S IMMO AG

With its resolution of 23 March 2020, the Supervisory Board established the following principles for remunerating the members of the company's Supervisory Board (Compensation Policy) pursuant to section 98a in conjunction with section 78a AktG. This Compensation Policy shall be presented during the 31st Annual General Meeting of S IMMO AG.

1. PRINCIPLES OF COMPENSATION PAID TO MEMBERS OF THE SUPERVISORY BOARD

S IMMO AG is committed to compensation of the members of its Supervisory Board that is in line with the market and current practices on the Austrian capital market. The compensation consists of an annual expense allowance, with the chairperson and his or her deputy to receive higher allowances commensurate with their leadership positions and the extra time and effort associated therewith. Furthermore, the members of the Supervisory Board are to receive a meeting fee for attending meetings of the Supervisory Board or one of its committees and preparation for such meetings. In particular, the meeting fee serves as compensation for the extra time and effort exerted as a member of committees with a heavy workload.

In line with market practice, the company shall forgo paying a variable remuneration tied to performance criteria. This is intended to prevent conflicts of interest between the Supervisory Board's control function and the financial interests of its members. In particular, doing so also avoids conflicts of interest in preparing the Compensation Policy for members of the Management Board.

Thereby the Supervisory Board compensation structure ensures remuneration in an appropriate relationship to the duties and accomplishments of the individual members of the Supervisory Board, the company's situation and the typical compensation provided to supervisory board members at similar companies. The Supervisory Board's compensation therefore establishes long-term incentives to act in the interest of sustainable business development, which the Supervisory Board is required to ensure as a body of corporate governance.

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2. ESTABLISHING, REVIEWING AND IMPLEMENTING THE COMPENSATION POLICY

This Compensation Policy is prepared by the Management Board Committee and submitted to the entire Supervisory Board for approval. The Supervisory Board's compensation is officially set by the company's Annual General Meeting for each financial year.

The Management Board Committee annually evaluates the Supervisory Board's Compensation Policy to ensure it is in line with the business strategy and stakeholder interests. The company desires shareholder approval to be as high as possible, both for the Compensation Policy and during the vote on the Supervisory Board's compensation.

A revised Compensation Policy shall be submitted to the Annual General Meeting in four years at the latest.

3. COMPONENTS OF REMUNERATION

Every member of the Supervisory Board shall receive an annual expense allowance. The amount expense allowance should be in line with the market. The chairperson and his or her deputy are to be paid a higher, staggered expense allowance reflecting the extra effort required by their duties.

The members of the Supervisory Board shall receive an appropriate meeting fee in line with the market for attending meetings of the Supervisory Board or one of its committees, even if attendance is by phone or teleconference.

The amounts of the expense allowance and the meeting fee and the type of payment shall be set by way of a resolution of the Annual General Meeting.

Furthermore, the members shall be reimbursed for their cash expenses that are necessary and related to their duties.

Supervisory Board members are covered by the directors and officers (D&O) liability insurance policy taken out by the company. The sum insured is to be determined commensurate with the risk, and the premiums are paid by the company.

4. CONDITIONS OF EMPLOYMENT AND REMUNERATION FOR WORKERS

When preparing the Compensation Policy, the Supervisory Board takes into account both the absolute amounts and the relative development of employee compensation. The Management Board reports to the Supervisory Board on this and the other conditions of employment for its workforce. The Supervisory Board reviews the company's Compensation Policy on the basis of those reports.

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5. TERMS OF OFFICE FOR THE SUPERVISORY BOARD

The Annual General Meeting determines the terms of office for Members of the Supervisory Board as well as the conditions for early dismissal of any member in accordance with statutory regulations.

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