

## **Accentro Real Estate AG**

with headquarters in Berlin

**Annual General Meeting on  
Wednesday, 07 June 2023**

### **Executive Board remuneration system according to § 120a AktG for the Executive Board members**

#### **a) Objective of the remuneration system**

The new remuneration system for the Executive Board is based on the company's corporate strategy and is intended to promote the pursuit and realisation of the long-term, sustainable and success-oriented corporate goals developed by the Executive Board within the scope of its management competencies, while avoiding disproportionate risks. The goal is therefore to encourage the entire Executive Board as well as its individual members to pursue sustainable and long-term corporate development by setting appropriate incentives, also to reward individual performance and to promote the identification of each Executive Board member with the company. At the same time, the members of the Executive Board are to be granted competitive remuneration in line with the market so that the company can continue to attract the best candidates for work on the Executive Board.

In addition to its current core business of privatisation, the company plans and is already in the process of further expanding the business areas of residential investor, portfolio holder and service provider. As soon as they become measurable, these goals will be taken into account, especially in the variable, long-term remuneration component, so that the successes of this strategy are directly reflected in the remuneration of the Executive Board members, thus providing incentives for effective implementation; this is not expected to be the case before 2023. As the business model becomes more diversified (moving forward), the Supervisory Board will also always decide on the selection of appropriate performance indicators. These key figures should adequately reflect the performance and efficiency of the company and the group in general, but also of the individual business units, and enable a fair assessment of the company and the group. The remuneration system therefore provides the supervisory board with the necessary flexibility to respond to changes in diversification, organisational changes and changing market conditions.

At regular intervals, the Company implements special corporate projects and individual goals that are essential for the Company's welfare. In order to provide the Executive Board with the necessary incentives in each individual situation and to reward its project and process-related efforts appropriately, the Supervisory Board will also include the achievement of corporate projects and individual goals in the remuneration structure, insofar as this is in the

individual case appears appropriate.

The company wants to be able to grant its shareholders an attractive and sustainable return and thus participate in the success of the Group. Since this return is made up of the dividends distributed and the share price, these components should also be sufficiently taken into account in the variable remuneration of the Executive Board.

At the same time, the company intends to further expand its steadily growing real estate portfolio. In this context, the company, together with its subsidiaries, is pursuing a sustainability strategy for the frequent refurbishments of properties, which includes, among other things, paying more attention to ESG measures, such as occupational health and safety, in asset and property management when implementing and evaluating future projects, and increasing energy efficiency by implementing energy-efficient refurbishment measures (installation of new heating systems and energy-saving windows, etc.). Likewise, the company intends to give preference in the future, through its operating subsidiaries, to companies that predominantly use regional building products or select the building materials to be used with regard to ecological sustainability and environmental compatibility. Furthermore, the company and its subsidiaries attach importance to making not only the property itself but also its immediate surroundings as attractive and liveable as possible for tenants and potential buyers. The implementation of this sustainability strategy is to be made the subject of a variable remuneration component in order to reward the constant pursuit and further development of this strategy.

In the opinion of the Supervisory Board, the remuneration system is designed in such a way that the total remuneration (including fringe benefits) is commensurate with the respective tasks and performance of each member of the Executive Board as well as with the development and situation of the company.

#### **b) Procedure for determining the remuneration system**

The members of the Supervisory Board jointly develop and decide on the Executive Board remuneration system, whereby external advisors can be consulted if necessary - for example in the context of the changes brought about by ARUG II. Due to the size of the supervisory board, there are currently no committees that can be entrusted with the preparation. If there are conflicts of interest within the Supervisory Board, these are immediately reported to the Chairman of the Supervisory Board, who decides whether the Supervisory Board member is subject to a voting ban. In the most extreme case, the Supervisory Board member may be excluded from the adoption of resolutions or must resign from office - in the case of irresolvable permanent conflicts of interest. In this case, a substitute member moves up or a new Supervisory Board member is to be appointed.

in order to ensure the quorum of the Supervisory Board. Conflicts of interest in connection with Executive Board remuneration have not arisen in the past. The remuneration of the Executive Board is regularly reviewed by the full Supervisory Board and adjusted in particular in the event of extraordinary developments.

Pursuant to § 87a para. 2 sentence 2 AktG, the supervisory board is entitled to temporarily deviate from individual components of the remuneration system if this is necessary in the interest of the long-term well-being of the company. The particular exceptional situation and the necessity of a deviation shall be determined by a supervisory board resolution after careful analysis of the exceptional circumstances.

Particular exceptional circumstances justifying a temporary deviation exist, for example, if a long-term viability and profitability of the company would be impaired, such as due to a severe economic or financial crisis, a corporate crisis, the need for the (temporary) appointment of a crisis manager, reorganisation expert or interim board member in the context of a corporate, operational or other corporate reorganisation/restructuring of the company as well as comparable circumstances. The mere enlargement or downsizing of the board, the recruitment of a desired candidate or merely unfavourable market developments (which do not lead to a corporate crisis) do not justify a temporary deviation.

Deviations may be made from the following remuneration components: (i) the short-term variable remuneration components and related expense caps, (ii) the agreement of a long-term remuneration component, (iii) the target and maximum remuneration (expense caps) as such, (iv) the relative ratio of variable remuneration components and fixed salary, and (v) the fringe benefits agreed in detail. Instead of the variable remuneration components provided for in this remuneration system, other variable remuneration components may be agreed in individual cases, provided that this appears appropriate to the Supervisory Board in individual cases in order to ensure the sustainable development of the Company.

In the event of a deviation, the remuneration must continue to be oriented towards the long-term and sustainable development of the company and be in line with the success of the company and the performance of the Executive Board. The supervisory board shall take into account both the proportionality of the remuneration in comparison to other measures taken under these circumstances and the shareholders' interests. The duration of the deviation is determined according to the circumstances of the individual case, but as a rule should not exceed two years. Deviations that go beyond this period, for example due to prolonged corporate crises, require the inclusion of a special justification in the supervisory board resolution. The remuneration report of the

The following year, information on the deviations, their necessity and the specific components from which deviations were made must be provided.

If necessary, the remuneration system as such shall be adjusted. In such cases, but at the latest every four years, the current remuneration system shall again be submitted to the general meeting for approval.

### **c) Remuneration components**

In addition to a fixed remuneration, the remuneration system provides for variable remuneration components based on financial and non-financial key figures selected on the basis of the aforementioned goals and strategies. Within the framework of the fixed remuneration, the members of the Executive Board are granted additional fringe benefits in line with market practice, such as a lump sum for official travel, allowance for health and long-term care insurance and accident insurance. In addition, during the first year of appointment, reasonable allowances may be granted for such costs as arise due to a not insignificant distance travelled between the place of work and the place of residence; these may be allowances due to double housekeeping or commuting costs, for example. If the specific circumstances of the individual case, taking into account the interests of all parties, make it necessary from the point of view of the supervisory board, the supervisory board may also grant the aforementioned allowances beyond the first year of appointment. Such an exceptional case exists, for example, if the recruitment of a crisis manager or restructuring expert is necessary for the good of the company. There is no company pension scheme, but subsidies for a private pension scheme may be granted. Based on the remuneration system, the Supervisory Board determines the target and maximum remuneration (expense caps) for the Executive Board at the beginning of each year. The expense cap for the entire Executive Board - based on two Executive Board members per financial year - amounts to a total of EUR 2.5 million.

on the basis of a The Supervisory Board may adjust the maximum remuneration to the new circumstances or temporarily deviate from the maximum remuneration based on a corresponding resolution of the Annual General Meeting and in the event of a change in the number of Executive Board members.

The Supervisory Board may determine that Executive Board members, after appointment to the Executive Board, must invest a percentage of their respective annual remuneration in shares of the Company within a period to be determined by the Supervisory Board, depending on the period of appointment. The shares acquired within this framework are subject to a holding period until the departure of the respective Executive Board member. This is intended to promote the identification of the Executive Board members with the company. At the same time, the Executive Board members show their confidence in the future of the company.

### **d) Criteria for determining the total remuneration**

In determining the remuneration system, the Supervisory Board took into account not only the situation of the company but also the remuneration of the Management Board of comparable listed companies from the "Residential Industry/Real Estate" sector and the SDAX. Furthermore, the Supervisory Board attaches importance to the fact that the remuneration of the Management Board is in a balanced relationship, in particular to the company's employees at the upper management level of the company as well as to the entire workforce. While the income of the management level is assessed in direct relation to the remuneration of the Executive Board, the development of the annual average earnings, divided into various groups, was considered with regard to the Group-wide workforce and set in relation to the remuneration of the Executive Board. In the case of adjustments or the development of Executive Board remuneration, the Supervisory Board therefore also considers the salary development of the entire workforce, so that the development of salaries at Executive Board level and among the workforce do not diverge in an inappropriate ratio.

In addition, the Supervisory Board takes into account, among other things, the individual experience levels of the Executive Board member as well as his or her Executive Board function when determining the individual Executive Board salaries. This is to ensure that the supervisory board, within the scope of its dutiful discretion, can also, for example, reward outstanding positions, such as that of the chairman of the executive board.

In order to provide both short-term and long-term incentives for good corporate governance, in future not only the maximum amount of total remuneration to be achieved but also a balanced mix of short-term and long-term variable remuneration components (so-called short term incentives (STI) and long term incentives (LTI)) are to be taken into account when assessing appropriateness. The share of the LTI ranges from 25 to 35% and that of the STI from 15 to 25% of the maximum total remuneration, depending on current market practice, the situation of the company and the development of the relevant markets as well as individually for each Executive Board member. The share of fixed remuneration (including fringe benefits) is to be reduced accordingly to around

#### VERGÜTUNGSKOMPONENTEN DES VORSTANDS



amount to 45% of the maximum total remuneration.

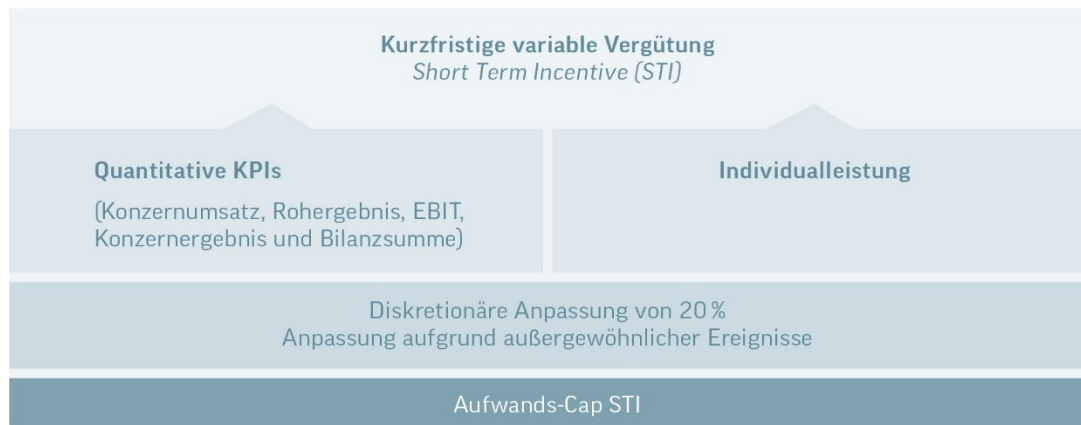
The basis for the short-term remuneration component are the Executive Board targets to be set annually by the Supervisory Board at its discretion, which relate to the individual performance of the respective Executive Board member as well as sustainable and financial key figures according to the criteria mentioned at the beginning.

The Supervisory Board may use the following Executive Board targets and weight them differently according to its due discretion: (i) EBIT, (ii) consolidated net income, (iii) the ratio of the loan amount to the market value of a property ("loan to value - LTV"), (iv) project, process and strategy-related targets, (vi) the achievement of individual targets.

The targets set are aimed at a target achievement of 100%. The effective payout amount depends on the target achievement of all subcomponents mentioned in the target. For the STI, the Supervisory Board always sets a maximum amount (expense cap STI), which cannot be exceeded even if the target is exceeded. By setting short-term targets, the supervisory board provides an additional incentive to achieve the corporate goals set by the executive board within the scope of its management competence as well as individual goals in this context. The individual targets are always set in such a way that their fulfilment can be objectively verified by everyone on the basis of hard financial indicators and - in the case of soft, non-financial indicators - are specified and agreed upon with the members of the executive board in such a way that the criteria by which the supervisory board measures fulfilment are clear and specific and the degree of fulfilment can be comprehensibly justified by the supervisory board.

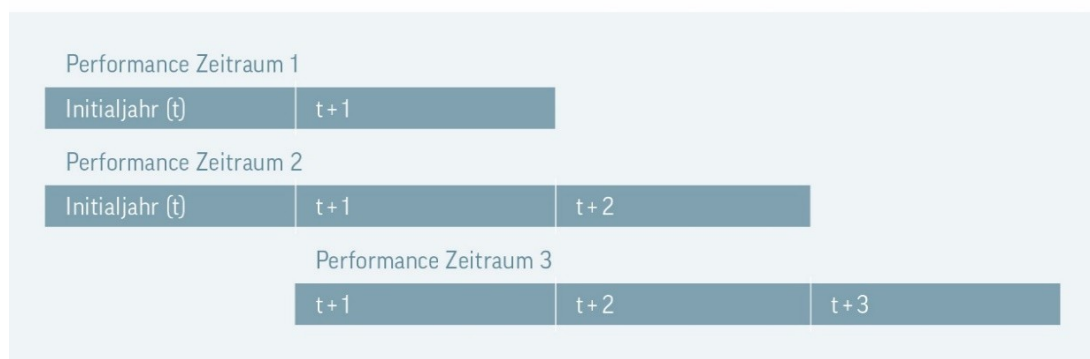
The annual bonus is paid annually in cash. The Supervisory Board may adjust the annual bonus upwards and downwards by up to 20 percentage points at its own discretion, irrespective of the specific target achievement, but not beyond the respective expense cap STI. This is intended to give the Supervisory Board the opportunity to take into account special good or bad performance that is not necessarily reflected in the set key figures and thus contribute to the appropriateness of the. In the opinion of the Supervisory Board, there is no need for an additional possibility to reclaim the STI.

**ERFOLGSABHÄNGIGE VARIABLE KURZFRISTIGE VERGÜTUNG:**  
STI - STRUKTUR



In addition to the STI, each member of the Executive Board is entitled to an LTI oriented to the long-term and sustainable development of the company. The LTI is based on a share-based remuneration component in the form of a virtual stock option programme according to the following provisions: The share-based programme is designed for an assessment period of at least two years, whereby the length of the assessment period is essentially based on the term of appointment of the respective Executive Board member. In order to take sufficient account of a balanced mix between the development of the company at the end of the assessment period and the development within the assessment period and to cushion fluctuations due to external events, the assessment period can be divided into up to three observation periods (performance periods). These performance periods may, but need not, overlap.

**ERFOLGSABHÄNGIGE VARIABLE LANGFRISTIGE VERGÜTUNG:**  
LTI - PERFORMANCE ZEITRÄUME



For the assessment period or each individual performance period, the Supervisory Board shall determine key figures for measuring performance, which shall be based on the criteria set out in letter a).

The performance targets for the LTI shall be based on the objectives set out above and shall be considered for each performance period and converted into virtual shares on the basis of the following calculation. The relevant performance targets for the LTI, which may be used and weighted by the Supervisory Board at its entrepreneurial discretion, are: (i) EBIT, (ii) consolidated net income, (iii) the development of the Company's share price compared to the relevant index, EPRA Germany, (iv) project-, process- and strategy-related targets, (v) the successful completion of specific corporate projects and (vi) the achievement of individual targets.

Both the determination of the underlying target parameters and their proportional relationship to each other are derived from the corporate planning at the beginning of the performance period.

In the opinion of the Supervisory Board, EBIT and, alternatively, net profit are the key figures that best reflect the company's medium to long-term goals. The inclusion of the index comparison is also intended to show how the company is developing in comparison to the rest of the industry. At the same time, external fluctuations over which the Executive Board has no influence can be partially adjusted. Insofar as individual targets are agreed within the framework of the LTI, these can be set separately for each performance period and should be oriented not only to the success of the company but also to its sustainable development. As a rule, individual company projects are to be implemented that are of considerable importance for the welfare of the company.

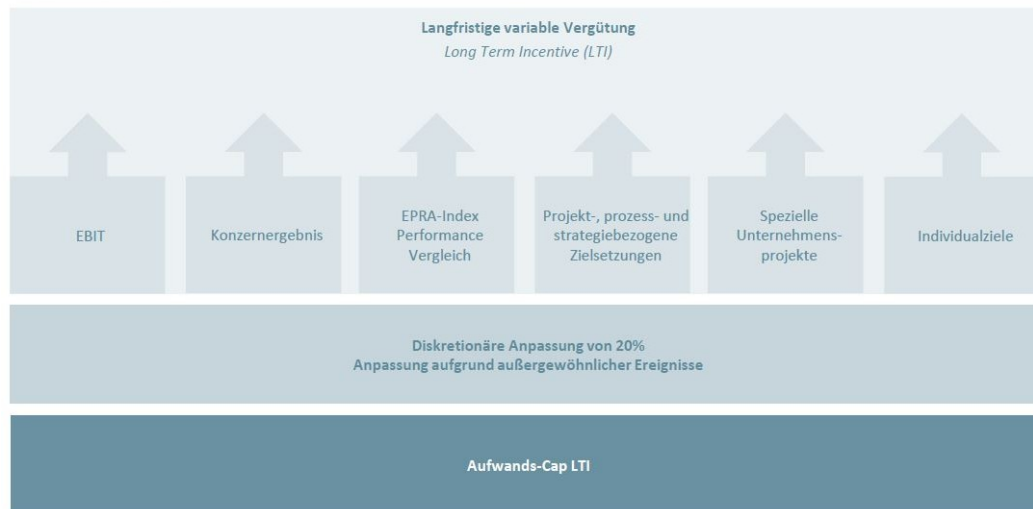
Insofar as the relevant performance targets relate to financial ratios of the company, the achievement of the targets shall be determined on the basis of the audited and approved consolidated financial statements of the company for the relevant performance period. With regard to project, process and strategy-related targets as well as the achievement of individual targets, the Supervisory Board shall establish concrete assessment parameters based on the specific circumstances of the individual case, taking into account the current situation of the Company, which adequately reflect the respective overall circumstances.

At the beginning of the LTI, the supervisory board determines a base value that may be slightly below the current stock market price (average of the last 30 XETRA trading days prior to the beginning of the LTI) (base value). At the same time, the supervisory board determines a cash value to be granted to the executive board in the respective assessment period based on an assumed target achievement of 100% (target cash value).



## Erfolgsabhängige Variable Langfristige Vergütung

### LTI-Struktur



In a first step, the respective target cash value is divided by the base value. The quotient calculated in this way corresponds to the number of virtual share options to be granted to the Executive Board if the target is achieved by 100%. In a second step, the number of virtual share options is adjusted, i.e. reduced or increased, depending on the target achievement for each performance period. Offsetting takes place within a performance period in such a way that the underachievement of one performance target can be offset by an overachievement of another performance target in proportion to its share of the overall target. There is no offsetting across the individual performance periods. In the third step, the earned number of virtual share options is then multiplied by the respective current stock market price (average value of the last three years).

30 Xetra trading days prior to the end of the relevant measurement period.

performance period). The product corresponds to the calculated cash value, which may not exceed the maximum amount of the target compensation (expense cap LTI) determined for the respective assessment period. These steps 2 and 3 are repeated for each performance period. In a

In step 4, the present values of the performance periods, weighted according to their proportion in the assessment period, are then added together. The sum corresponds to the total earned cash value that is paid out after the end of the assessment period.

As a rule, the assessment period shall be four years, divided into three overlapping performance periods, if applicable. If the members of the Executive Board are appointed for a shorter period than four years, the assessment period and the number of performance periods shall be adjusted accordingly. For example, in the case of a new appointment of a member of the Executive Board for three years and a performance-related variable long-term remuneration decided by the Supervisory Board based on the Group's net profit (30%), the index-linked performance of the Executive Board and the performance of the Supervisory Board, the performance period shall be adjusted accordingly.

comparison (30%) and on the achievement of individual targets (40%), the following calculation example (fictitious figures): Two non-overlapping performance periods (performance period I: 1 year and II: 2 years, total assessment period 3 years):

- **Step 1**

Determination of the Underlying: EUR 1.60

Target cash value: EUR 320,000.00 if target is achieved 100% (expense cap LTI EUR 416,000.00)

corresponds to virtual shares: 200,000 shares (calculation:  $320,000 / 1.6 = 200,000$ )

- **Step 2 for Performance Period I:**

Target achievement in performance period I: Group result 90%, index comparison 130% and achievement of individual targets 105% (corresponds to weighted overall target achievement of 108%, (calculation:  $90 \times 30 + 130 \times 30 + 105 \times 40$ )/.  $100 = 108$ )

Corresponds to virtual shares: 216,000 (Calculation:  $108\% \times 200,000 = 216,000$ )

- **Step 3 for Performance Period I**

(Notional) relevant stock exchange price at the end of the assessment period: EUR 1.90

Interim value for later calculation: EUR 410,400.00 (Calculation:  $1.9 \times 216,000 = 410,400.00$ )

- **Step 2 for Performance Period II:**

Target achievement in performance period II: Group result 90%, index comparison 130% and achievement of individual targets 105%.

Corresponds to virtual shares: 216,000

(Notional) relevant stock exchange price at the end of the assessment period: EUR 1.40

- **Step 3 for Performance Period II**

(Notional) relevant stock exchange price at the end of the assessment period: EUR 1.40

Interim value for later calculation: EUR 302,400.00 (Calculation:  $1.4 \times 216,000 = 302,400.00$ )

- **Step 4:**

Addition of the weighted intermediate values: EUR 410,400.00 X 33.33% + EUR 302,400.00 X 66.66% = EUR 322,827.24

Cash payment: EUR 322,827.24

## Erfolgsabhängige Variable Langfristige Vergütung

### LTI-Beispielkalkulation

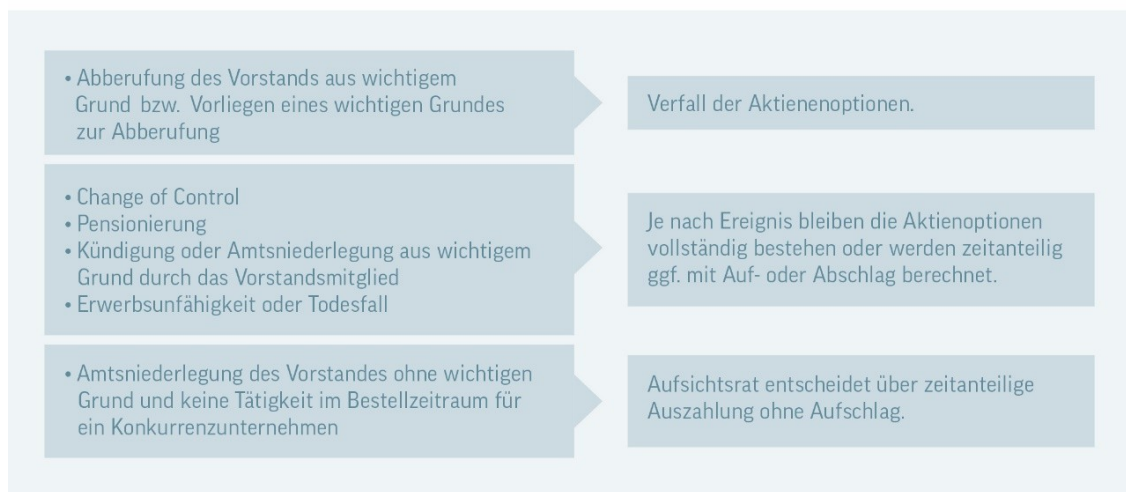
Schritt 1	Performance Zeitraum 1	Performance Zeitraum 2	
<b>Festlegung:</b> <ul style="list-style-type: none"> <li>• Basiswert: 1,60 EUR</li> <li>• Zielbarwert bei 100%-Zielerreichung: 320.000 EUR (entspricht 200.000 Stk.)</li> <li>• Aufwands-Cap LTI: 416.000 EUR</li> </ul>	<b>Schritt 2</b> <b>Zielerreichung:</b> Konzernergebnis 90% und Index-Vergleich 130% und Erreichung Individualziele 105% = 108% gewichtete Gesamtzielerreichung (entspricht Virtuellen Aktien: 216.000 Stk.)	<b>Schritt 2</b> <b>Zielerreichung:</b> Konzernergebnis 90% und Index-Vergleich 130% und Erreichung Individualziele 105% = 108% gewichtete Gesamtzielerreichung (entspricht Virtuellen Aktien: 216.000 Stk.)	<b>Schritt 4</b> Addition der gewichteten Zwischenwerte (410.400 EUR x 33,33%) + (302.400 EUR x 66,66%) = 322.827,24 EUR
	<b>Schritt 3</b> (Fiktiver) relevanter Börsenkurs am Ende des Bemessungszeitraums: 1,90 EUR Zwischenwert für spätere Berechnung: 410.400 EUR (1,9 EUR x 216.000 = 410.400 EUR)	<b>Schritt 3</b> (Fiktiver) relevanter Börsenkurs am Ende des Bemessungszeitraums: 1,40 EUR Zwischenwert für spätere Berechnung: 302.400 EUR (1,4 EUR x 216.000 = 302.400 EUR)	
	<b>Zwischenwert:</b> 410.400 EUR	<b>Zwischenwert:</b> 302.400 EUR	<b>Barauszahlung:</b> 322.827,24 EUR

The Supervisory Board has the right to adjust the LTI for the individual performance periods or at the end of the assessment period in total at its discretion by up to 20% upwards or downwards, but without exceeding the expense cap LTI. In the event of extraordinary events, the discretionary adjustment by the Supervisory Board is not limited in percentage terms. In particular, in the event of the acquisition or sale of companies, parts of companies or participations in companies or in the event of mergers with other companies, if such a measure requires the approval of the supervisory board, the supervisory board may adjust the targets of the respective performance periods or the assessment period in such a way that a special effect resulting from the measure is eliminated. In the opinion of the supervisory board, there is no need for an additional possibility to reclaim the LTI on the basis of these regulations.

As a rule, the entitlement to payment of the cash amount exists at the end of the assessment period if the performance targets are met. In the event

In the event of a change of control, retirement of a member of the Executive Board, termination/resignation of the Executive Board member for good cause, disability or death, the share options do not expire in full, even if these events occur before the end of the assessment period. Depending on the event, the stock options remain in full or are calculated pro rata temporis, if necessary with a premium or discount. This does not apply if, in addition to the aforementioned events, there is also good cause for dismissing the Executive Board member. In the event that a member of the Executive Board resigns from office without good cause and does not become active for a competitor company within the actual appointment period, the Supervisory Board may, at its own discretion and taking into account the circumstances of the individual case, also provide for a pro rata payment without premium.

**ERFOLGSABHÄNGIGE VARIABLE LANGFRISTIGE VERGÜTUNG:  
LTI - VERFALLSBEDINGUNGEN**



**e) Further remuneration components and remuneration-related legal transactions**

Insofar as the members of the Executive Board assume supervisory board mandates with third parties, the Supervisory Board decides whether and to what extent any remuneration for these activities is offset against the Executive Board remuneration. Supervisory board mandates or other mandates of executive board members within the own group are not remunerated separately or, if remuneration is paid, it is generally offset in full against the executive board remuneration.

As a rule, a post-contractual non-competition clause of twelve months is agreed with the Executive Board members, whereby waiver options can be regulated at the same time. For the duration of this non-competition clause, the respective Executive Board member receives compensation amounting to 50% of his average contractual performance. The calculation of the average is generally based on the previous three years. The Executive Board member must

allow any other acquisition to be credited against the compensation.

The relevant regulations on Executive Board remuneration are set out in the Executive Board service contracts. The term of the service contract corresponds to the appointment period of the respective Executive Board member. In the event of a dismissal for cause that does not at the same time justify a termination for cause, both the company and the Executive Board member may terminate the contract subject to a notice period in accordance with section 622 (1) and (2) of the German Civil Code (BGB), whereby the extension of the notice period also applies to the termination by the Executive Board member. In this case, the supervisory board may provide for a severance payment in the amount of the appropriately discounted fixed remuneration and appropriately discounted target amount of the STI for the remaining period of the original term of the executive board service contract. Otherwise, ordinary termination is excluded.

The targets and conditions of the STI are determined separately each year by the supervisory board; they are binding for the period of validity of the STI (one financial year). In the event that the Supervisory Board does not decide on targets in due time even after written request by the Executive Board member, the Executive Board member is entitled to an annual bonus corresponding to 100% target achievement of the previous year's bonus. The LTI is concluded by separate agreement between the Executive Board member and the Supervisory Board based on the criteria set out herein. The conditions outlined above apply in the event of termination of the Executive Board activity before the end of the assessment period.

The Supervisory Board is currently considering introducing a company pension scheme for Executive Board members. Until a corresponding concept is developed and this remuneration system is adjusted, commitments to subsidise a private pension plan can be made within the framework of the Executive Board employment contract. In this respect, there are no particularities to the aforementioned explanations.

In the event of premature termination of the Executive Board employment contract due to a termination by the company that cannot be based on good cause within the meaning of section 626 of the German Civil Code (BGB), the Executive Board members receive a severance payment in the amount of two annual salaries (fixed salary and STI), limited to 100% of the annual fixed salary and 50% of the STI for each of the remaining terms of the Executive Board employment contract. The regulations on the LTI in the event of premature departure remain unaffected.

In the event of a change of control, the members of the executive board and the company shall be entitled to a special right of termination subject to a notice period pursuant to section 622 (1) and (2) BGB. The special right of termination exists for a period of one month after knowledge of the occurrence of the change of control (for the company, the knowledge of the supervisory board is decisive). In this case

the Executive Board members are entitled to a severance payment of up to two years' remuneration (fixed salary and STI) or the sum of the fixed remuneration component and 50% of the STI for the remaining term, if this amount is lower.

In the event of the death of a member of the Executive Board, the fixed remuneration for the month of death and for the three following months, at the longest until the termination of the employment contract, shall continue to be paid to his widow and/or his children who have not yet reached the age of 25 as joint and several debtors.