



**Aroundtown SA**  
*Société anonyme*  
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R.C.S. Luxembourg: B217868

(the “**Company**”)

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**REMUNERATION POLICY**

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Dated 22 May 2026

## TABLE OF CONTENTS

Section	Page
1. GENERAL PRINCIPLES OF REMUNERATION .....	4
2. SCOPE .....	5
3. REMUNERATION COMMITTEE .....	5
4. PRINCIPLES OF REMUNERATION FOR EXECUTIVE INDIVIDUALS.....	6
5. PRINCIPLES OF REMUNERATION FOR INDEPENDENT AND NON-EXECUTIVE DIRECTORS .....	17
6. INFORMATION ON AGREEMENTS WITH EXECUTIVE INDIVIDUALS.....	19
7. AMENDMENTS TO THE REMUNERATION POLICY AND VOTE .....	20
8. RELATIONSHIP TO PAY AND EMPLOYMENT CONDITIONS WITHIN THE GROUP	21

## WHEREAS:

- (A) In accordance with the provisions of the Luxembourg law of 24 May 2011 on the exercise of certain rights of shareholders in general meetings of listed companies, as amended (the “**2011 Law**”), the Company established a remuneration policy governing the remuneration to be paid by the Company to its directors<sup>1</sup>.
- (B) By defining the principles for such remuneration as set out in this Remuneration Policy in line with the Company’s business strategy, long-term interests and values, the Company intends to ensure that it maintains and applies a sound and prudent remuneration process which does not impair compliance with the Company’s objectives or sustainability.
- (C) This Remuneration Policy has been set up and recommended by the Remuneration Committee of the Board of Directors and was approved by the Board of Directors.
- (D) The Board of Directors hereby submits this Remuneration Policy to the advisory vote of the Company’s shareholders in connection with the Company’s annual general meeting to be held on 24 June 2026. This Policy supersedes and replaces in its entirety the Remuneration Policy dated 30 May 2022.
- (E) The policy has been revised to further clarify its content, to ensure Executive Individuals continue to be incentivized to work towards achieving short-term and long-term goals of the Company to create sustainable value for all as well as ensuring that the Company continues to attract and retain key talent. The main changes introduced by this revised policy include, in particular: (i) the LTIP financial/non-financial weighting has been revised from 70/30 to 80/20, and the LTIP financial targets have been revised and restructured from three targets (FFO I at 28%, NTA at 28%, RTSR at 14%) to four targets (FFO I at 15%, NTA at 15%, Adjusted EBITDA at 30%, RTSR at 20%); (ii) the STIP financial targets have been rebalanced to an equal split of 35% each, and the non-financial STIP target relating to green building certification has been replaced by social and governance objectives; (iii) the change-of-control provision now references applicable takeover law and introduces defined trigger windows, with accrued STIP/LTIP deemed vested upon the change-of-control date; (iv) the possibility of a Long-Term Employment Severance Payment has been introduced, fully in the discretion of the board of directors, accruing from three years of continuous service up to a maximum of two times annual remuneration; (v) new death and disability benefit provisions have been added; and (vi) an overall severance cap of two times annual remuneration has been introduced, with the change-of-control severance and the LTE Severance Payment being mutually exclusive. In preparing this revised policy, the Board of Directors has taken into account the advisory vote of the shareholders at the annual general meeting held on 29 June 2022 and the views expressed in connection with the remuneration reports published since that date.

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<sup>1</sup> Directors are defined under article 1 (6) no 3 of the 2011 Law as “any member of an administrative, management, or supervisory body of a company as well as the chief executive officer and, if such a function exists within a company, the deputy chief executive officer”.

## 1. GENERAL PRINCIPLES OF REMUNERATION

- 1.1. The remuneration to be paid by the Company in accordance with this Remuneration Policy aims at:
- (a) motivating directors towards the achievement of long-term goals and short-term milestones which promote long-term goals in order to promote the Company's business strategy, long-term value creation and sustainability;
  - (b) providing adequate compensation in consideration of the responsibilities, competency, commitment, workload, time spent and, in the case of Executive Individuals, performance of each individual;
  - (c) ensuring a close link between the interests of the Executive Individuals and the interests of the Company's stakeholders.
- 1.2. The Company believes that this Remuneration Policy contributes to the Company's business strategy, long-term value creation and sustainability (together the "**Company's Objectives**") by
- (a) giving Executive Individuals an incentive to work towards achieving short-term and long-term goals of the Company to create sustainable value for all its stakeholders;
  - (b) ensuring that the Company continues to attract and retain key talent;
  - (c) enabling the Independent Directors to perform their duties independently from undue personal commercial interests; and
  - (d) promoting a fair remuneration policy within the Company and its group.
- 1.3. The Company is aware of its responsibility towards its customers and employees. The Remuneration Policy therefore includes for the Executive Individuals non-financial criteria, in particular customers' and employees' satisfaction and other targets, regarding the Company's ESG performance.
- 1.4. The Executive Individuals shall be compensated based on their performance measured against ambitious and achievable milestones for variable remuneration components (Pay-for-Performance). The criteria applied to determine an adequate remuneration for the Executive Individuals shall comprise of its personal achievements, the economic situation, the success achieved and the economic perspectives of the business, as well the common standards for remuneration as compared with peers. Overall, the Remuneration Policy aims to support a sustainable business development.
- 1.5. The financial and non-financial performance-related variable remuneration consists of:
- (a) Variable short-term remuneration (Short-Term Incentive Plan, "**STIP**") and;
  - (b) Variable long-term remuneration (Long Term Incentive Plan, "**LTIP**").
- 1.6. The financial and non-financial targets for variable remuneration elements are

aligned with the targets of the Company and its shareholders for sustainable, long-term positive return performance of the Company's shares. The STIP and LTIP-remuneration comprises financial targets of the Company. By including non-financial ESG-criteria Executive Individuals shall be motivated to pursue such goals jointly and on a sustainable basis.

- 1.7. The Company negotiates the remuneration agreements with the Executive Individuals based on an annual target remuneration set with a view to an achievement of 100% of all variable components' targets. The sum of the envisaged fixed base compensation, the allowance, the STIP-remuneration and the LTIP-remuneration represents 100% of the target remuneration. The remuneration covers all services for group subsidiaries. Executive Individuals must provide their full working capacity to the Company for the terms of their service agreements. The Company may approve other working activities by Executive Individuals if such activities do not restrict or conflict the Executive Individuals commitment for the Company. The Remuneration Committee will review and recommend to the Board of Directors the remuneration agreements.

## 2. SCOPE

- 2.1. This Remuneration Policy applies to:
  - (a) the members of the Board of Directors of the Company; and
  - (b) the executive management of the Company consisting of the Management Body members, as applicable.
- 2.2. The Remuneration Policy may further serve as a voluntary guideline for the compensation awarded by the Company or its group entities to employees in senior positions.
- 2.3. The following individuals shall be considered to exercise an executive role (the "**Executive Individuals**"):
  - (a) the executive members of the Board of Directors of the Company (the "**Executive Directors**");
  - (b) the executive management of the Company consisting of the Management Body members.
- 2.4. The following individuals shall be considered to exercise an independent or non-executive role (the "**Independent and Non-Executive Directors**"):
  - (a) the independent members of the Board of Directors of the Company (the "**Independent Directors**"); and
  - (b) the non-executive members (the "**Non-Executive Directors**") of the Board of Directors of the Company, if any.

## 3. REMUNERATION COMMITTEE

- 3.1.** The Board of Directors has established a Remuneration Committee and determines the rules of procedures applicable to the Remuneration Committee.
- 3.2.** The Remuneration Committee is responsible for:
- (a) assisting the Board of Directors in drawing up the Company's remuneration policy;
  - (b) reviewing the Company's remuneration policy from time to time, including but not limited to reviewing its appropriateness considering pay opportunities, the balance between fixed and variable components and risk mitigation;
  - (c) recommending updates and any changes to the Company's remuneration policy to the Board of Directors in order to adapt to market developments, the development of the Company, to attract and retain key talent from time to time;
  - (d) supervising the implementation of the Company's remuneration policy, including but not limited to reviewing and recommending remuneration agreements concluded with directors; and
  - (e) advising the Board of Directors regarding the remuneration to be paid to directors; and
  - (f) reviewing and approving the annual remuneration report for submission to the Board of Directors and thereafter to the annual general meeting of the Company.
- 3.3.** Only Independent Directors may sit on the Remuneration Committee.
- 3.4.** The Remuneration Committee will meet as often as required to complete its purpose. As a general rule, the Remuneration Committee will review the remuneration policy on an annual basis and recommend changes to it at its sole discretion.

## **4. PRINCIPLES OF REMUNERATION FOR EXECUTIVE INDIVIDUALS**

### **4.1. Overview**

The remuneration of Executive Individuals consists of a combination of fixed and variable elements with the focus on performance linked incentives and shareholder alignment and are based, among others, on competence, experience, seniority and responsibility.

- (a) The fixed elements of remuneration are the annual fixed base compensation and any customary allowances subject to the limits set out in this policy.
- (b) The variable elements of remuneration (STIP and LTIP) are linked to financial and non-financial performance of the Company and its group and the performance of the Company's share price.

The Remuneration Committee is of the opinion that an improvement in the operational results of the Company will result in an increase of the Company's share price and therefore a considerable part of the remuneration is determined in shares and therefore

linked to the share price performance. This aims to bind the Executive Individuals even closer to the performance of the Company. Such performance-based criteria motivate Executive Individuals to deliver sustainable long-term success as well as the achievement of short-term milestones.

The Company discloses the fixed and variable remuneration granted to Executive Individuals on an annual basis in its remuneration report. The remuneration report provides detailed information on the different components of fixed and variable remuneration granted to the Executive Individuals along with other benefits. The remuneration report further provides information on the applicable deferral and vesting periods of any equity-based remuneration which the Executive Individuals are entitled to. The remuneration reports of the Company are available on the Company's website.

The percentages mentioned below are approximate ranges. The Company reserves the right to apply ratios that differ from these ranges by up to 5 percentage points.

<b>FIXED REMUNERATION:</b>	
<b>Fixed base compensation on an annual basis</b>	<b>30-50 % of the total remuneration</b> paid on a monthly basis in twelve instalments or in any other way agreed with the Executive Individual.
<b>Allowances</b>	Allowances include, but are not limited to, (i) company car or equivalent car allowance including fuel, maintenance and insurance costs; (ii) supplemental private health or dental insurance premiums; in addition to any statutory employer contributions (iii) life insurance premiums and accident insurance; (iv) supplemental pension contributions or contributions to supplementary retirement savings arrangements beyond statutory requirements; (v) accommodation or housing allowance where required by the nature or location of the role; (vi) costs of continuing education, professional development and relevant memberships; (vii) education expenses of dependent children and (viii) any other benefits that are customary from time to time. Such allowances shall not exceed 10% of the target remuneration <sup>2</sup> .
<b>VARIABLE REMUNERATION:</b>	

<sup>2</sup> Allowances may for reporting purposes also include mandatory or statutory employers' costs such as social security coverage.

<p><b>STIP: Short term incentive programme</b></p>	<p><b>5-20 % of the total remuneration</b></p> <p>Performance Period: one year</p> <p>Performance criteria:</p> <ul style="list-style-type: none"> <li>• 70% financial targets</li> <li>• 30% non-financial targets</li> </ul> <p>Maximum (STIP Cap): 130% of the STIP Target Amount</p> <p>Payment: in cash or shares following the expiry of the performance period; one month after the publication of the relevant Consolidated Annual Financial Statements.</p>
<p><b>LTIP: Long term incentive programme</b></p>	<p><b>30-60% of the total remuneration.</b></p> <p>Performance Period: between 3-4 years</p> <p>Performance criteria:</p> <ul style="list-style-type: none"> <li>• 80% financial targets</li> <li>• 20% non-financial targets</li> </ul> <p>Maximum (LTIP Cap): 200% of the LTIP-Award Remuneration</p> <p>Payment: in cash or shares following the expiry of the performance period and the publication of the relevant Consolidated Annual Financial Statements.</p>

This remuneration structure ensures the Executive Individuals' alignment with the Company's objective for a long-term and sustainable development. The ratio between the LTIP and the STIP procures the achievement of long-term goals as well as annual goals.

#### **4.2. Fixed Remuneration**

The Company grants an annual fixed base compensation (annual base compensation). The annual base compensation is to be paid to the Executive Individuals in twelve equal monthly instalments or any other way as agreed with the Executive Individuals.

Policy for Executive Individuals

FIXED ELEMENTS OF REMUNERATION

<u>Purpose</u>	<u>Operation</u>	<u>Opportunity</u>	<u>Performance Measure</u>
<p><b>Fixed base compensation</b> is the key element of the fixed remuneration.</p> <p>Support recruitment and retention of Executive Individuals with the necessary experience and expertise to execute the Company's strategy.</p>	<p>May be subject to an annual review and is based on the following criteria:</p> <ul style="list-style-type: none"> <li>- the work experience, academic degree(s), education and professional title(s);</li> <li>- the competencies, skills and personal growth of the Executive Individual;</li> <li>- the number of functions allocated to the Executive Individual, excluding the holding of a chairman position where no additional compensation is paid, notably in case the Executive Individual is member of sub-committees or responsible for specific tasks</li> </ul>	<p>May be subject to an annual review and change dependent on increasing role, responsibilities, seniority, experience value and/or complexity of the Company.</p>	<p>Executive Individuals performances are not considered for the review.</p>

	<p>additional to his/her role;</p> <ul style="list-style-type: none"> <li>- the usual time spent, and workload associated with his/her function; and</li> <li>- the amount of variable remuneration the Executive Individual is entitled to.</li> </ul>		
<p><b>Allowances</b> are targeted to support the performance of the Executive Individuals.</p>	<p>See section 4.1 for the full definition of "Allowances".</p>	<p>Such allowances shall not exceed 10% of the target remuneration.</p>	<p>None</p>

#### 4.3. Variable Remuneration: Short-Term Incentive Programme (STIP)

The short-term incentive remuneration is paid for the achievement of annual targets set for the relevant financial year up to a maximum amount of 130% of the agreed STIP Target Amount. The performance period used for the STIP remuneration is one (1) year and is equal to the financial year. For terms of services, which do not comprise a full financial year, the remuneration is granted on a pro rata basis or, if reasonable with respect to the effects on performance and incentive, a reasonable intra year target value will be set.

The target values of the STIP shall consider the corporate budget for the respective financial year. For the achievement of all targets, each target achievement by 100% shall form the sums of the target value (the "**STIP Target Amount**").

The financial performance targets are weighted with a factor of 70% of the STIP Target Amount and the non-financial performance targets with a factor of 30% of the STIP Target Amount, assuming 100% achievement in each target. Each target shall be set in accordance with the Company's guideline that the Company expects to achieve in

the respective financial year (the “**Guidance**”). Therefore, a target shall be fully achieved once the Company meets the Guidance.

In general, an achievement of 100% shall represent a target performance which must be considered a satisfactory development of the relevant target. After the performance period and in course of the review of the relevant Consolidated Annual Financial Statement, the Company and the Remuneration Committee will review and assess the performance with respect to the relevant targets. For its review, the Remuneration Committee will use the financial information available at the Company; in particular, the relevant group accounts, as well as financial information publicly available (e.g. relevant stock indices). In addition, it will evaluate the performance of Executive Individuals with respect to non-financial goals. It will calculate the degrees of target performance and make the necessary operations to arrive at the final remuneration amounts.

The Company uses the following group’s business-related financial targets for determining the STIP-remuneration, each being relevant for the implementation of the group’s guideline in the relevant financial year and weighted as follows:

1. **Financial performance targets** of the STIP: (in total 70% of the STIP Target Amount)
  - **Target No. 1:** The first target of the STIP shall reflect 35% of the STIP Target Amount and shall be achieved once the Company’s Guidance of the result of FFO I per share is met.
  - **Target No. 2:** The second target of the STIP shall reflect 35% of the STIP Target Amount and shall be achieved once the Guidance of the result of the Adjusted EBITDA per share is met.
2. **Non-financial performance targets** of the STIP: (in total 30% of the STIP Target Amount)
  - **Target No. 3:** The third target shall reflect 15% of the STIP Target Amount and shall be achieved through maintaining progress towards the Company’s emission reduction target. Performance shall be assessed based on alignment with the decarbonization pathway, allowing for year-to-year fluctuations, ensuring the overall direction remains consistent with achieving the group’s target.
  - **Target No. 4:** The fourth target shall reflect 15% of the STIP Target Amount and shall be achieved through consistent progress towards the Social and Governance objectives, specifically contributing 200 cumulative hours dedicated to social activities and achieving at least 75% staff completion of learning modules on governance, artificial intelligence, and IT security per calendar year. Performance shall be assessed based on measurable progress against these targets, ensuring alignment with the overall Social and Governance strategy.

The Remuneration Committee and the Company will examine the day-to-day management of the Company as well as the general activity of the Executive

Individual, among others, concerning improved or maintained excellent performance in the corporate ESG rating and meeting the goals with respect to environment, social and governance (ESG) and specific performance achieved by the Executive Individual. The achievement of the non-financial performance targets shall be assessed by the Board of Directors annually for every financial year and shall be measured at the Remuneration Committee's and Board of Directors' discretion.

Upon recommendation of the Remuneration Committee, the Board of Directors shall be authorized to increase by up to 30 % at its discretion (i) the calculated entitlement to the variable STIP remuneration or (ii) the STIP Target Amount.

The Executive Individuals receive the variable short-term remuneration one month after the publication of the relevant Consolidated Annual Financial Statement of the Company.

<b>Financial performance targets (in total 70%*):</b>		<b>STIP</b> (max 130 %*)
FFO I per share	35%*	
Adjusted EBITDA per share	35%*	
<b>Non- Financial performance targets (in total 30%*):</b>		
Emission reduction	15%*	
S+G objectives (social hours / governance learning modules)	15%*	
*of the STIP Target Amount		

#### 4.4. Variable Remuneration: Long-Term Incentive Programme (LTIP)

The Executive Individuals are entitled to an LTIP based on the Company's long-term development. The LTIP is measured based on both, financial and non-financial performance targets.

The LTIP of Executive Individuals awarded by the Company shall be calculated in the form of shares.

The target values of the financial performance targets awarded to each Executive Individual individually shall be recommended by the Remuneration Committee and set by the Board of Directors considering the corporate budget for the respective period and term.

For the achievement of all targets, each 100% target achievement forms the sum of the award value (the “**LTIP Award Value**”). The financial targets of the LTIP are weighted using a factor of 80% and the non-financial targets of the LTIP are weighted using a factor of 20%. The long-term incentive remuneration is granted for an achievement of the relevant targets over a performance period of three (3) to four (4) years.

1. **Financial targets:** (in total 80%\* of the LTIP Award Value)

- **Target No. 1:** Development in FFO I per share per year in comparison to last year

The first target of the LTIP shall reflect 15%\* of the LTIP Award Value (the “Award Value No. 1”) and shall be achieved once the **development of the FFO I per share** improves in comparison to the last year

- (i) by less than 0%; with 0% of the Award Value No. 1;
- (ii) in the range of 0% to 3% with 50% of the Award Value No. 1;
- (iii) in the range of 3% to 8%; with 100% of the Award Value No. 1; or
- (iv) by more than 8%; with 200% of the Award Value No. 1.

- **Target No. 2:** Increase in NTA per share (adjusted for dividend distributions) per year in comparison to last year

The second target of the LTIP shall reflect 15%\* of the LTIP Award Value (the “Award Value No. 2”) and shall be achieved once the **EPRA NTA per share** improves in comparison to the last year

- (i) by less than 0%; with 0% of the Award Value No. 2;
- (ii) in the range of 0% to 2%; with 50% of the Award Value No. 2;
- (iii) in the range of 2% to 4%; with 100% of the Award Value No. 2; or
- (iv) by more than 4 %; with 150% of the Award Value No. 2.

- **Target No. 3: Development in Adjusted EBITDA per share per year in comparison to last year**

The third target of the LTIP shall reflect 30%\* of the LTIP Award Value (the “Award Value No. 3”) and shall be achieved once the development of the Adjusted EBITDA per share improves in comparison to the last year;

- (i) by less than 1%; with 0% of the Award Value No. 3;
- (ii) in the range of 1% to 2%; with 50% of the Award Value No. 3;
- (iii) in the range 2% to 5%; with 100% of the Award Value No. 3; or

(iv) by more than 5 %; with 150% of the Award Value No. 3.

- **Target No. 4:** Relative total shareholder return (RTSR), (adjusted for dividend distributions) per year in comparison to last year

The fourth target of the LTIP shall reflect 20%\* of the LTIP Award Value (the “**Award Value No. 4**”) and shall be measured on the basis of the development of the Company's share price in the relevant financial year. For this purpose, the share price for each year shall be calculated as the arithmetic mean of the daily closing prices of the Company's shares over the last 20 trading days of the year. Target achievement shall be determined as follows:

- (i) less than -15 %; with 0% of the Award Value No. 4;
- (ii) in the range of -15% to 0%; with 50% of the Award Value No. 4;
- (iii) in the range of 0% to 15%; with 100% of the Award Value No. 4; or
- (iv) in the range of 15 % to 30%; with 200% of the Award Value No. 4; or
- (v) by more than 30 %; with 300% of the Award Value No. 4.

## 2. **Non-financial performance targets of the LTIP:** (in total 20%\* LTIP Award Value)

The Board of Directors and the Remuneration Committee will examine the day-to-day management of the company as well as the general activity of the Executive Individuals, among others, concerning the corporate ESG rating, and meeting the goals in respect to environment, social and governance (ESG).

- **Target No. 5:** Corporate ESG Rating

The fifth target of the LTIP shall reflect 20%\* of the LTIP Award and shall be achieved once the Company maintains or improves its corporate ESG Rating in comparison to the last year. In cases of significant methodology rating updates, an internal review by the Company's remuneration committee will be conducted to determine appropriate objectives.

If the Company receives awards or distinctions based on exceptional performance, such as being included in the S&P Global Sustainability Yearbook, receiving Sustainalytics' Top Rated awards, or being in the top 10% of its sector, an additional 50% shall be added to the LTIP Award Value, which shall apply as an uplift beyond the base target.

The achievement of the non-financial performance targets shall be agreed with the Board of Directors annually and shall be measured at the Board of Directors' discretion.

Upon recommendation of the Remuneration Committee, the Board of Directors shall be authorized to increase by up to 30% at its discretion (i) the calculated entitlement to the variable LTIP remuneration or (ii) the LTIP Award Value.

The final total performance level for the LTIP is the sum of the aggregate performance

level of the financial targets and non-financial targets. The maximum LTIP-remuneration is equal to 200% (cap) of the LTIP-target remuneration.

Payment in shares following the expiry of the performance period and three months after the publication of the relevant Consolidated Annual Financial Statements. The Company shall have the option to convert the payment from a payment in shares to payment in cash.

The performance related variable shall be calculated per financial year according to the parameters published in the relevant Consolidated Annual Financial Statements.

<b>Financial performance targets (in total 80%*):</b>		<b>LTIP</b> (max 200 %*)
FFO I per share	15%*	
EPRA NTA per share	15%*	
Adjusted EBITDA per share	30%*	
Relative total shareholder return (RTSR)	20%*	
<b>Non- Financial performance targets (in total 20%*):</b>		
Corporate ESG Rating	20%*	
*of the LTIP Award Value		

The direct operational performance criteria are under the influence of the Executive Individuals.

The selection of the direct operational performance goals and/or criteria shall be reviewed by the Remuneration Committee on an ongoing basis. They may also include project-related targets, diversity and sustainability objectives, targets regarding staff turnover, portfolio performance-related targets and more. In order to emphasize the sustainability efforts of the Company in reaching long term goals, most of the direct operational goals shall be determined based on the average of several years.

The Board of Directors may conclude in consultation with the Remuneration Committee that the targets of performance concerning the share price or direct operational

performance have not been met and may refrain from granting any variable remuneration.

#### **4.5. Change-of-Control**

The Company may grant a termination right to an Executive Individual in case of a change-of-control event, to be defined in accordance with applicable takeover law, if the position of such Executive Individual is substantially affected by a change-of-control over the company or such substantial effect is to be expected. If the Company terminates the relevant agreement/contract with an Executive Individual within 12 months following a change of control event other than for a material breach or the Executive Individual terminates his/her agreement/contract within 3 months following a change of control event, the Executive Individual shall be entitled to the highest between the (1) severance payment of 70% of the financial target of the LTIP which shall be accelerated or (2) up to two times the annual remuneration, but not more than the remuneration due for the remainder of the term of the service agreement can be agreed. Any variable remuneration components (STIP/LTIP) which have accrued in favour of the Executive Individual shall be deemed vested by the change of control date. Long-Term Employment Severance

In order to attract and retain Executive Individuals and to support long-term engagement with the Company, the Company may grant a long-term employment severance payment (the "LTE Severance Payment") to Executive Individuals upon any termination of employment or engagement other than termination by the Company for material breach.

The LTE Severance Payment accrues from a minimum of three (3) years of continuous service within the Aroundtown group, with the starting amount and the rate of increase per additional completed full year of service to be determined by the Board of Directors at its discretion, up to a maximum of two (2) times total annual remuneration (determined as at the date of termination), requiring a minimum of eight (8) years of continuous service.

The LTE Severance Payment and the Change of Control Severance under section 4.5 are mutually exclusive.

#### **4.6. Death and Disability Benefits**

If an Executive Individual dies during the term of their service or employment agreement, all remuneration including STIP and LTIP accrued is settled up to the date of death and paid to the surviving spouse, registered civil partner or, in the absence of either, to the estate of the Executive Individual. Variable remuneration components are exceptionally paid out early in the amount of the pro rata target amount. In addition, a spouse or registered partner, as well as children who have not yet reached the age of 25, are entitled as joint creditors to the undiminished continued payment of fixed remuneration (base and allowance) for a further period of six (6) months as a death benefit (the "Death Benefit"), but at the longest until the hypothetical end of the service agreement. If an LTE Severance Payment has been granted to an Executive Individual as at the

date of death pursuant to section 4.6., this shall also be paid to the spouse or registered partner, as well as children who have not yet reached the age of 25, as joint creditors.

The Death Benefit referred to in this paragraph are independent of and not subject to the caps set out in sections 4.5 and 4.6.

In the event of permanent incapacity to work, the service agreement terminates and all remuneration is settled up to the date of termination, with variable remuneration components equally paid out early in the amount of the pro rata target amount.

#### **4.7. Adjustment due to special events**

If, due to special events, the performance parameters of the STIP or LTIP do no longer provide adequate incentives and/or can no longer adequately reflect the performance of the Executive Individuals, an adjustment can be made to ensure that the targets are maintained in the best possible way and that the performance of the Executive Individuals continues to be adequately remunerated. Such special events may include, for example, the delisting of the Company or its conversion into a dependent company, a fundamental change in business strategy, a merger or liquidation of the Company. The financial parameters for variable remuneration may then be corrected or replaced if they cease to apply during a performance period or are fundamentally changed during a performance period. Such correction or replacement shall be made with the aim of achieving results that are as close as possible to the original result.

#### **4.8. Exceptions**

Upon recommendation of the Remuneration Committee, the Board of Directors may differ from the principles set out in this section 4 if:

- (a) it concludes that the remuneration principles are no longer in line with the market practice of relevant competitors of the Company; or
- (b) it has justified grounds to assume that compliance with these remuneration principles would deteriorate the Company's ability to attract or retain key talent and thus impact its long-term sustainability and success; or
- (c) The Remuneration Committee retains discretion in exceptional circumstances to change performance measures and targets for each element and the weightings attached to performance measures partway through a performance year if there is a significant and material event which causes the Committee to believe the original measures, weightings and targets are no longer appropriate. Exceptional circumstances as hereinafter explained in section 7.3 occur.
- (d) One-Time bonuses can apply for Executive Individuals under exceptional circumstances and are capped at 2x of the fixed base compensation.

### **5. PRINCIPLES OF REMUNERATION FOR INDEPENDENT AND NON-EXECUTIVE DIRECTORS**

The remuneration of Independent and Non-Executive Directors shall be fixed entirely and

also not dependent on variable targets. As a general rule, Independent and Non-Executive Directors shall not receive any variable remuneration.

<u>Policy for Independent and Non-Executive Directors</u>			
FIXED ELEMENTS OF REMUNERATION			
<u>Purpose</u>	<u>Operation</u>	<u>Opportunity</u>	<u>Performance Measure</u>
Gaining <u>Independent and Non-Executive Directors</u> with the necessary experience and expertise to comprehensively guide and advise on the Company's strategy.	The <u>Independent and Non-Executive Directors</u> receive a fixed compensation, with additional fixed fees for a membership of any committee of the Company. Following conditions apply: <ul style="list-style-type: none"> <li>- the work experience, academic degree (s), education and professional title(s);</li> <li>- the competencies and skills of the Independent or Non- Executive Director;</li> <li>- the number of functions allocated to the Independent or Non- Executive Director, notably in case the Independent or Non- Executive Director is a member or chairman of sub- committees or responsible for specific tasks additional to his/her role an extra fee will be granted in addition to the base fee;</li> </ul>	May be subject to an annual review and change dependent on increasing role, experience value and/or complexity of the Company.	None

	<ul style="list-style-type: none"> <li>- the usual time spent and workload associated with his/her function; and</li> <li>- the benchmarks with respect to the fixed remuneration paid for the services among relevant competitors.</li> </ul>		
<p><b>Allowances</b></p> <p>a re targeted to support the performance of the Independent and Non-Executive Directors.</p>	<p>The main elements include travel expenses.</p>	<p>Due to the changing nature of third-party providers costs, the Company's policy does not consider a maximum.</p>	<p>None</p>
<p>There are no pension contributions other than set by law, in line with the wider workforce.</p>			

## 6. INFORMATION ON AGREEMENTS WITH EXECUTIVE INDIVIDUALS

### 6.1. Duration

Employment contracts and service agreements with Executive Individuals may be unlimited or limited in time

Contracts or arrangements with a limited term shall oblige the relevant Executive Individual to provide his/her services to the Company for at least the length of the term of his/her appointment.

### 6.2. Termination / Exit

As a general rule, unlimited contracts or arrangements shall allow the Company to terminate without reason within a notice period of not more than twelve months, unless longer notice periods are mandatory under applicable law.

The Company shall be entitled to immediately terminate any contracts or arrangements with directors in specific severe circumstances in accordance with applicable law.

The Company may grant a termination right to an Executive Individual in case of a change-of-control event.

### 6.3. Severance payments

The Company may agree to severance payments with Executive Individuals.

In general all shares vested under the LTIP will be delivered at the end of the program. In case the Company releases the Executive Individual before the vesting period expires, the vesting shares until the time of exit will be paid out pro rata. In all other

circumstances, however excluding a change-of control-event, the Company may, to the extent permitted by applicable law, apply a reduction to the vested amount. As a general principle, the amount vested shall be reduced to 1/3 in order to motivate the Executive Individual to complete the full vesting period.

Any severance payment (whether Change of Control Severance or LTE Severance Payment as set out in sections 4.5 and 4.6 respectively) shall be capped at two (2) times the annual remuneration (inclusive of 100% of the STIP target and 100% of the annual LTIP target entitlement). The Change of Control Severance and the LTE Severance Payment are mutually exclusive.

#### **6.4. New agreements**

This Remuneration Policy shall also apply to new directors.

#### **6.5. Transition Period**

Since the Executive Individuals and directors have binding contracts which may differ from this Remuneration Policy, such Policy will be fully implemented once the existing agreements end or earlier if an agreement with the relevant Executive Individual is reached. The Company estimates that the transition period until the majority of this policy will take place is about 2 years.

### **7. AMENDMENTS TO THE REMUNERATION POLICY AND VOTE**

**7.1.** Any changes, amendments or updates to the Remuneration Policy shall be reviewed and recommended by the Remuneration Committee.

The Remuneration Committee shall provide an opinion whether it considers any such changes or amendments to be material and thus recommends submitting the amended remuneration policy to the vote of the annual general meeting of the Company's shareholders.

**7.2.** The Company shall submit the remuneration policy to the vote of the annual general meeting of the Company's shareholders every four years or at every material change.

**7.3.** The Company reserves the right to adjust the remuneration granted to Directors in exceptional circumstances, including but not limited to:

- (a) a major instability or collapse of the European financial or real estate markets has occurred or threatens to occur; or
- (b) the Company or any of its group entities are threatened by insolvency, bankruptcy or any other proceedings affecting the rights of creditors generally; or
- (c) the adjustment is necessary to serve the long-term interests of the Company as a whole or to assure its viability.

**7.4.** Any derogation from this Remuneration Policy shall require that:

- (a) the Remuneration Committee of the Board of Directors is consulted and recommends such derogation on the basis of the long-term interests of the Company as a whole or to assure its viability; and
  - (b) the Board of Directors approves the derogation.
- 7.5.** In case the exceptional circumstances triggering the derogation from this Remuneration Policy do not cease within one hundred eighty (180) calendar days, the Company shall revise its remuneration policy in consultation with the Remuneration Committee.

## **8. RELATIONSHIP TO PAY AND EMPLOYMENT CONDITIONS WITHIN THE GROUP**

- 8.1.** When establishing this Remuneration Policy, the Remuneration Committee and the Board of Directors considered whether the employment conditions of employees of the Company and its group are in appropriate proportion in relation to the remuneration of directors.
- 8.2.** Directors are mostly compensated following a similar framework as other employees, but the quantum differs due to responsibilities attached to the role. The Remuneration Committee considers that an appropriate balance between employees and directors is achieved, considering the responsibilities and duties of the members of the directors compared to other employees. The principles for incentives for employees in the Company and for the directors are reasonably aligned.
- 8.3.** The Remuneration Committee and the Board of Directors considers from time to time if the remuneration developments concerning directors are in line with the rest of the organization.