

## Remuneration system for the management board members 2021

*(Agenda item 8: Approval of the remuneration system for the management board members)*

### 1. Principles of the remuneration system for the management board members

alstria office REIT-AG ("alstria") is a German office specialist which manages a portfolio of office properties located in selected German cities over their entire lifecycle. The German office real estate stock has been underinvested in years. This given, most of the existing buildings fail to meet the everchanging needs of a modern corporate tenant. A company that has both, the technical know-how to turn-around the assets and the financial means to execute these turn-arounds, will thrive for the years to come. alstria's corporate strategy is based on the following principles:

#### Operational excellence:

- alstria concentrates its investment on a limited number of markets. These are the most liquid and dynamic markets from a real estate investment perspective as well as from a tenant demand perspective. All of these markets have an above average population growth prospect in common. alstria deploys a local presence in each of the markets in which alstria operates and develops proprietary knowledge on the market dynamic overtime.
- alstria integrates the full value chain of real estate. Over its lifecycle all assets will move from Core, to Core-plus to Value-add. alstria strives to be in a position to manage the assets at any phase of their lifecycle and to capture the specific opportunities that are offered by each phase.
- Internal technical knowledge is a key factor to success. While alstria relies on service providers to operate its portfolio, it needs to keep pace with the necessary technical knowledge in order to make educated decisions and to implement better controls.
- Operational excellence goes hand in hand with a state-of-the-art IT infrastructure that supports alstria's operations, allows for efficiency gains, and a better risk management across the organization.

#### Financial discipline:

- As a listed company, alstria has access to a pool of permanent equity capital, as well as renewable debt capital to support its operations. Maintaining this access to capital is a key prerequisite to the success of alstria.
- Transparency, reliability, and first-class corporate governance are the cornerstones of alstria's capital market approach and corporate behaviour.
- alstria believes that the initial acquisition price of a property has a significant effect on the overall performance of alstria going forward. As such alstria applies strict underwriting criteria to its investments. Properties are underwritten based on unlevered scenarios on a risk-adjusted basis. This approach allows alstria to assess the potential

profitability of a transaction on a long-term sustainable basis, without consideration given to short-term financial market specificities.

- alstria takes a holistic approach on managing its balance sheet risk. Considering the risk alstria takes in its operational business and the risk embedded in the volatility of the real estate commercial market, alstria aims at keeping the average Net Loan to Value (LTV) below 35% across the cycle.
- alstria is a total return business, which strives to outperform the returns of the underlying property markets. The value created by alstria will translate into a steady stream of dividend payments to its shareholders, combined with capital gains linked to the improvement of the value of the assets. alstria will realize the capital gains opportunistically when alstria believes that it can benefit from asset mispricing in the market.

Key points of alstria's strategy	
Operational Excellence	Financial Discipline
<ul style="list-style-type: none"> <li>• Focus on a limited number of markets, with local presence in each market</li> <li>• Management of the assets over their entire lifecycle</li> <li>• Best-in-class efficient organization supported by up-to-date IT infrastructure</li> </ul>	<ul style="list-style-type: none"> <li>• Maintain capital discipline and access to funding through capital markets</li> <li>• Reliability, transparency and first-class corporate governance as cornerstones of the capital market approach</li> <li>• Total return business, striving for both capital and revenue growth</li> </ul>

The management board remuneration system as applicable since January 1, 2021 ("Management Board Remuneration System 2021"), however subject to approval by the annual general meeting in 2021, is designed to be clear and understandable and to support the long-term and sustainable development of alstria. The system is geared towards transparent, performance-related remuneration that is strongly linked to the success of alstria and depends, in particular, on the achievement of long-term targets as well as the development of alstria's share price.

The Management Board Remuneration System 2021 has been designed to properly address the challenges and opportunities of alstria's strategy:

In order to achieve operational excellence and reliability, alstria's operations need to be managed tightly, while keeping the flexibility to react to a changing environment. alstria uses the FFO (Funds from Operations), as an indicator for its cash generating capacity, and therefore as a basis for the dividend it will pay to the shareholders. It guides the market annually on both its expected revenue generation and its projected FFO. As such, the ability of the management board to properly manage the FFO generation capability is key to achieving alstria's strategic goal on the short-term. The Short-Term Incentive (STI) therefore measures part of the

performance based on the achieved FFO per share. Furthermore, the use of Environment, Social, Governance (ESG) related targets in the STI underlines sustainable corporate development.

The nature of alstria's business is long-term by default. It takes between two to three years between the start of a refurbishment and the ability to access its actual results. In that timeframe, a number of changes which are exogenous to the company might influence the performance. The management's Long-Term Incentive (LTI) is designed to measure the shareholder value that is created by alstria considering the above. If alstria is able to achieve its operating targets it is able to use its cash flow to pay a steady dividend and the capital gains it creates should allow for the share price to increase. The LTI therefore focusses on the share price performance (Total Shareholder Return) both relatively to the industry, and to a lesser extend in absolute terms.

Remuneration and employment conditions of alstria's employees have also been considered when structuring management board remuneration. Performance-oriented pay is implemented for executives and employees at alstria. A share-based remuneration component is granted to the employees as well.

Provisions of the German Stock Corporation Act (Aktiengesetz, "AktG") and recommendations for the remuneration system for members of the management board in section G of the German Corporate Governance Code ("GCGC") provide the regulatory framework for the remuneration system.

This Management Board Remuneration System 2021 applies to all members of alstria's management board as of January 1<sup>st</sup>, 2021. In case of new appointments, the service contract will also be based on this system.

## 2. Procedure for determining and implementing the remuneration system

The supervisory board is responsible for determining, implementing and reviewing the remuneration of the management board. The nomination and remuneration committee formed from among the members of the supervisory board discusses and reviews the remuneration system for the management board at regular intervals and whenever necessary and prepares resolutions on any changes. Therefore, any changes or relevant updates for the remuneration system will be prepared by the nomination and remuneration committee. However, the whole supervisory board is responsible for the final decision.

The Management Board Remuneration System 2021 approved by the supervisory board will be submitted to the annual meeting of shareholders for approval for the first time at the annual general meeting in 2021. In the future, the remuneration system will be submitted to the annual general meeting for approval in the event of significant changes, but at least every four years. In the event that the annual general meeting does not approve the Management Board Remuneration System 2021, the implementation as per January 1, 2021 will be cancelled and the existing remuneration system as approved by the annual general meeting in 2017 will remain in force. In such case, a revised remuneration system will be put to the vote at the following annual general meeting.

Total remuneration of the individual management board members is determined by the supervisory board and covers all activities within the alstria Group. Criteria for the appropriateness of the remuneration include the duties of the individual management board member, the personal performance, the economic situation, the success and future prospects of alstria, as well as the customary nature of the remuneration, taking into account the competitive environment and the remuneration structure otherwise applicable in alstria.

To assess the appropriateness of total remuneration of the members of the management board compared to other companies, the supervisory board uses a suitable peer group of relevant competitors in the Real Estate business. In order to reflect national market practice and company size, MDAX companies are also considered. In order to assess the customary nature of remuneration within alstria, the ratio of management board remuneration to the remuneration of senior management reporting directly to the management board and of all employees is taken into account. Thereby, alstria regularly compares the average compensation levels (fixed salary, bonus, participation rights, excluding pension and healthcare) and reviews and publishes the CEO pay ratio, which shows the CEO total compensation in relation to the median total compensation of all employees and managers.

A lack of independence and conflicts of interest of members of the supervisory board and its nomination and remuneration committee may prevent independent advice and supervision when determining the remuneration of the management board. The majority of members of our supervisory board and its nomination and remuneration committee is composed of independent members. Furthermore, the members of the supervisory board and the nomination and remuneration committee are required by law, the GCGC and the internal rules of procedure for the supervisory board to disclose immediately any conflicts of interest they may have. In such cases, the supervisory board takes appropriate measures to take account of the conflict of interest. For example, the members concerned do not participate in discussions and resolutions.

### 3. Overview of the Management Board Remuneration System 2021

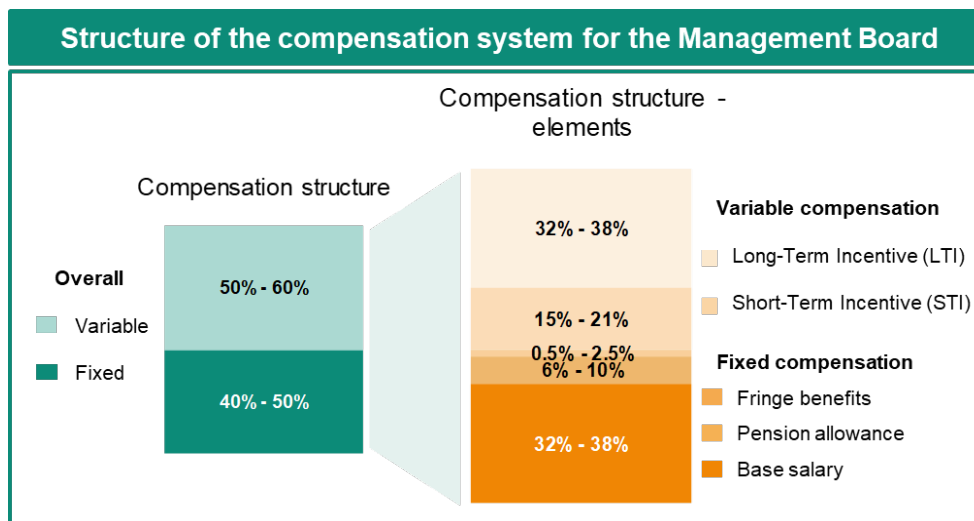
The following table summarizes the remuneration components and further contractual provisions of the remuneration system which are described in more detail below. Significant changes compared with the remuneration system adopted in 2017 are highlighted in bold in the table and explained in more detail under no. 6 below.

Fixed remuneration	Annual base salary	• Annual base salary paid in twelve monthly installments		
	Pension allowance	• Monthly grants of cash for private pension purposes		
	Fringe benefits	• Use of company cars and insurance premiums		
Variable remuneration	Short-Term Incentive Plan	Type of plan	• Target bonus model	
		Performance period	• 1 year	
		Targets	• <b>80%</b> FFO per share (0-150%) [ <i>used to be: 100%</i> ] • <b>20% ESG targets (0-150%)</b> • Individual multiplier ( <b>0.8-1.2</b> ) [ <i>used to be: (0.7-1.3)</i> ]	<b>new</b>
		Payout	• Payout 0% - 150% of target amount in cash	
	Long-Term Incentive Plan	Type of plan	• Stock award plan	
		Performance period	• 4 years	
		Targets	• 25% Absolute TSR price development (0 - 150%) • 75% Relative TSR price development compared to FTSE EPRA/NAREIT Developed Europe (0 - 150%) • <b>No individual multiplier</b> [ <i>used to be: multiplier of (0.7-1.3)</i> ]	<b>new</b>
		Payout	• Payout 0% - 250% of target amount in shares or in cash	
Malus & Clawback	• <b>Reduction of variable remuneration which has not been paid out and reclaim of variable remuneration which has been paid out in cases of compliance violations and/or incorrect consolidated financial statements</b>	<b>new</b>		
Termination in case of change of control	• Management Board members are considered not to be responsible for a withdrawal after a change of control for <b>up to 12 months</b> after a change of control [ <i>used to be: 6 months</i> ]	<b>new</b>		
Share Ownership Guidelines	• Management Board members are obliged to hold shares amounting to three times annual gross base salary			
Maximum remuneration	• <b>Maximum remuneration p.a. for the CEO is EUR 2,600,000 and for the CFO EUR 2,100,000.</b>	<b>new</b>		

#### 3.1. Remuneration structure

The remuneration of the members of the management board comprises fixed and variable remuneration. The fixed remuneration consists of an annual base salary, a pension allowance and fringe benefits. The variable remuneration is composed of short-term and long-term variable remuneration components. Management board remuneration is geared towards the long-term and sustainable development of alstria. Therefore, the portion of the Long-Term Incentive (LTI) outweighs the portion of the Short-Term Incentive (STI).

The remuneration structure of total target remuneration is similar for CEO and CFO. The ranges for the portions of the remuneration components are therefore shown consolidated in the following chart:



### 3.2. Maximum remuneration

Pursuant to section 87a paragraph 1 sentence 2 number 1 AktG, the supervisory board is required to set a maximum remuneration for all remuneration elements, comprising base salary, fringe benefits, pension allowance and short-term variable and long-term variable remuneration.

For the CEO, the maximum remuneration that can be paid in relation to any given year is EUR 2,600,000. For the CFO and potential future ordinary management board members, maximum remuneration that can be paid in relation to any given year is set at EUR 2,100,000. Extraordinary performance is required to actually achieve these maximum amounts.

### 3.3. Fixed remuneration

Fixed remuneration for the management board consists of an annual base salary, a pension allowance and fringe benefits:

#### 3.3.1. Annual base salary

Annual base salary is paid in twelve equal monthly installments at the end of each month. If the service contract begins or ends during a financial year, the annual base salary for that financial year shall be payable on a *pro rata temporis* basis.

#### 3.3.2. Pension allowance

alstria grants the members of the management board a monthly cash amount for pension purposes. This pension allowance is defined as an absolute euro amount for each member of the management board in their respective service contract. For reasons of transparency and risk management, alstria has chosen a private pension plan for the management board members. Thus, there are no unforeseen future liabilities for alstria for pension claims.

### 3.3.3. Fringe Benefits

Members of the management board also receive benefits in kind; these mainly consist of insurance premiums for disability and life insurances and the private use of a company car. As a remuneration component, these ancillary benefits are taxable. Income tax for the company car incurred through private use is borne by the management board member. In principle, all management board members are equally entitled to fringe benefits, while the amount varies depending on their personal situations.

In order to attract the most suitable candidates, the supervisory board may grant newly joining management board members additional fringe benefits such as a housing allowance or relocation costs. In case a newly joining management board member foregoes long-term variable remuneration at the former employer, such amount may be compensated as a one-time payment against the provision of evidence. All fringe benefits including a one-time payment to compensate foregone long-term variable remuneration at a previous employer are included in the maximum compensation and therefore capped.

### 3.4. Variable remuneration

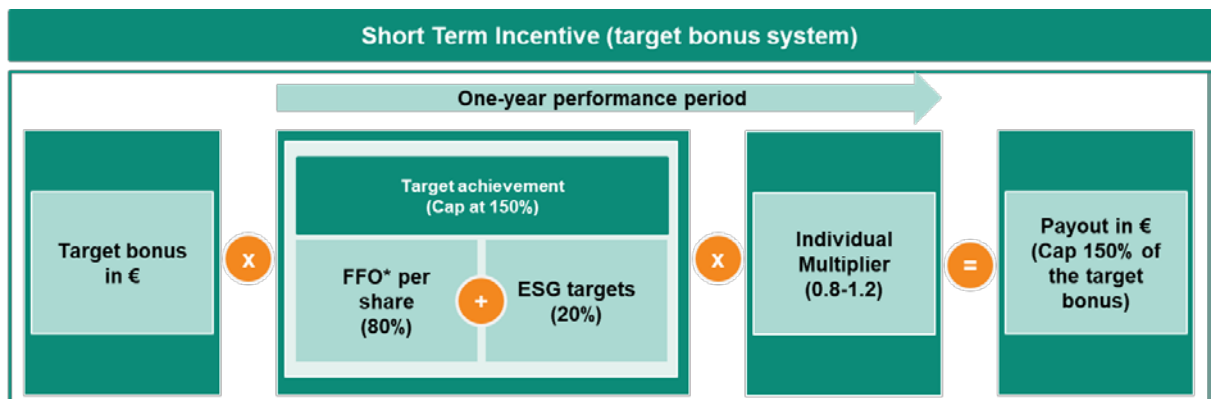
Variable remuneration consists of two components with different performance periods.

#### 3.4.1. Short-Term Incentive (STI)

##### 3.4.1.1. Functionality of the STI

As a short-term performance-based remuneration component, the STI is linked to the development of certain quantitative performance targets. It is designed as a target bonus system. A possible STI payout amount is calculated as the overall target achievement times the individual target amount as indicated in the respective service contract; it is capped at 150% of the individual target amount (cap) and is paid out in cash. Overall target achievement is determined based on the weighted target achievement of the performance targets. The performance targets support alstria's strategy. In addition to the performance targets, an individual multiplier ranging between 0.8 to 1.2 is applied to determine the final payout.

The STI functions as follows:



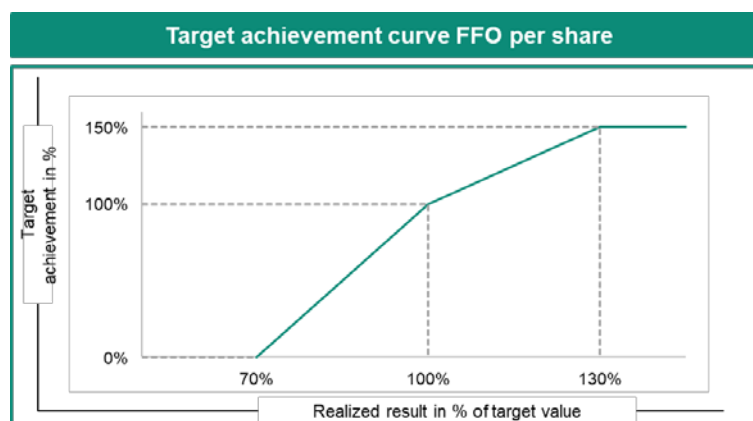
\* Funds From Operations

#### 3.4.1.2. Performance targets of the STI

The first STI performance target is the Funds From Operations (FFO) per share which contributes a weighting of 80% to the overall achievement of the STI. Funds From Operations are a key metric of alstria's strategy since they define the cash flow from operations. FFO per share is a non-GAAP metric which is frequently used for real estate companies in lieu of earnings per share. alstria publishes annually its FFO and FFO per share as well as a detailed reconciliation with its IFRS accounts.

The impact that acquisitions or disposals and changes to alstria's share capital have on the FFO per share for a financial year, will be disregarded by the supervisory board to guarantee a fair and well-balanced incentive.

The payout amount of the STI depends on the degree of target achievement for the FFO per share. The ratio of the FFO per share actually achieved during the financial year is measured against the budgeted FFO per share. Target achievement for the FFO per share target can range between 0% and 150%. For a payout to occur, at least 70% of the performance target value must be achieved (threshold). If the actually achieved FFO per share is equal to the budgeted FFO per share the target achievement will be 100%. A maximum of 130% of the performance target value can be achieved (cap) and results in a target achievement of 150%. Within the range of 0% and 150%, target achievement for FFO per share is calculated by using linear interpolation and commercially rounded to two decimal places.





As second STI performance target, ESG targets with a total weighting of 20% are used. For the ESG criteria, the following catalogue applies:

Criteria	
<b>1</b>	<b>Carbon emissions</b>
<b>2</b>	<b>Resource management</b>
<b>3</b>	<b>Employees</b>
<b>4</b>	<b>Diversity &amp; inclusion</b>
<b>5</b>	<b>Employer brand</b>
<b>6</b>	<b>Supply chain management</b>
<b>7</b>	<b>Community engagement</b>
<b>8</b>	<b>Sustainable portfolio management</b>
<b>9</b>	<b>Ethics</b>
<b>10</b>	<b>Compliance</b>

The supervisory board (after suggestion by the nomination and remuneration committee) decides on criteria of relevance for the respective financial year. The selected criteria are then operationalized by specific targets and their weighting (within the total weighting of the ESG targets of 20%) is determined. Any ESG target defined needs to be reasonably quantifiable and measurable. Target achievement for ESG targets can range in general between 0% and a maximum of 150% whereby the supervisory board defines thresholds, target and maximum levels.

Overall target achievement is determined by calculating the weighted target achievements of the two performance targets (FFO per share and ESG targets).

The preliminary payout value achieved is multiplied with an individual multiplier ranging between 0.8 and 1.2. This enables the supervisory board to take into account the personal performance of the individual management board member in addition to the achievement of financial and ESG performance targets. Criteria for this can include the individual performance of the management board member in the relevant financial year as well as his/her responsibilities within the alstria group. In addition, extraordinary events or developments can be considered at the supervisory board's reasonable discretion within the range of the multiplier. In any case, payouts from the STI cannot exceed 150% of the target amount.

The respective FFO per share and ESG targets as well as the resulting target achievement will be published *ex post* in the remuneration report. In addition, the rationale for the application of the individual multiplier will be explained.

For the year 2021, Carbon emissions, Compliance and Resource Management have been selected as ESG criteria. The respective ESG targets are as follows:

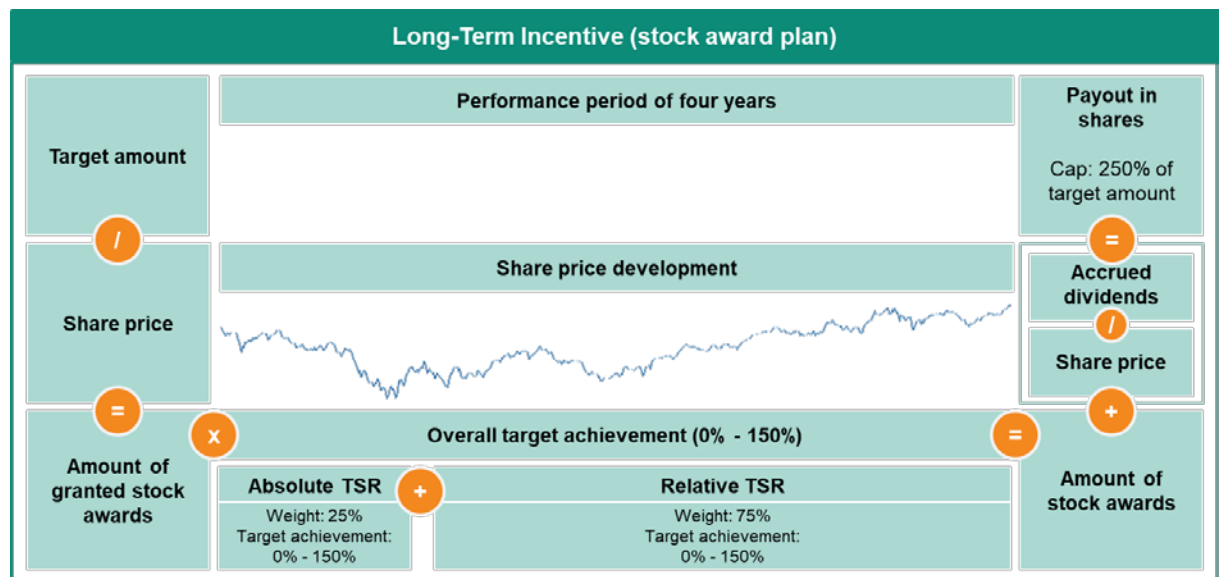
- Carbon emissions (50% weighting):  
alstria remains at least on the path to achieve the science-based targets (assuming a linear decrease of emissions between 2018 and 2030). This target cannot be exceeded and is thus capped at 100% target achievement. If alstria is not on the path, target achievement is zero.
- Resource Management (50% weighting):  
Successful renewal of the ISO 50001 certification for the energy management system. This target cannot be exceeded and is thus capped at 100% target achievement. If alstria does not successfully renew the ISO 50001 certification, payout is zero.
- Compliance is used as a knock-out criterion:  
In case of incidents of corruption or non-compliance, i.e. a fine/penalty or other payment (higher than EUR 5,000) for a major breach of corporate compliance regulations, the target achievement for the entire ESG component is zero.

#### 3.4.2. Long-Term Incentive (LTI)

##### 3.4.2.1. Functionality of the LTI

The Long-Term Incentive Plan provides for virtual stock awards, which are converted into alstria shares after a four-year performance period. Payments can also be made in cash instead of shares. In each financial year, the members of the management board are granted a long-term variable remuneration element (LTI) with a target amount determined in the service contract. The number of stock awards to be granted is based on the target amount divided by the arithmetic mean of the alstria share price during the 60 trading days prior to the grant date. The number of stock awards granted is then adjusted depending on the performance of alstria's share during the performance period both in absolute and relative terms compared to a peer group. Payout of the Long-Term Incentive Plan is capped at 250% of the target amount. Payout is generally made in shares.

The LTI functions as follows:



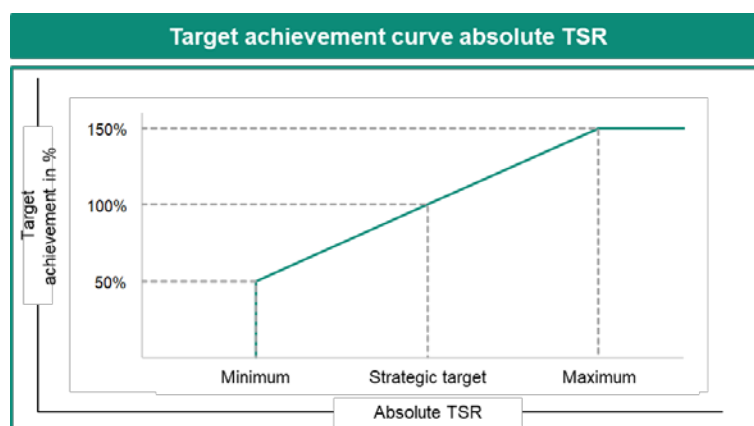
#### 3.4.2.2. Performance targets of the LTI

Performance targets to determine the performance are absolute total shareholder return ("TSR") and relative TSR.

Absolute TSR has a weighting of 25%. Using the absolute TSR as a performance target aligns the interests of the members of the management board with those of the shareholders. The absolute TSR is generally derived from the weighted average cost of capital (WACC). The strategic target for the absolute TSR as well as the target achievement threshold (minimum and maximum) are determined by alstria's supervisory board at the grant date of every tranche.

To calculate the absolute TSR development over the four-year performance period, the arithmetic mean of alstria's share performance (including reinvested dividends) over the last 60 trading days at the end of the four-year performance period is compared the arithmetic mean of alstria's share performance over the 60 Trading Days prior to grant date at the beginning of the performance period, commercially rounded to two decimal places.

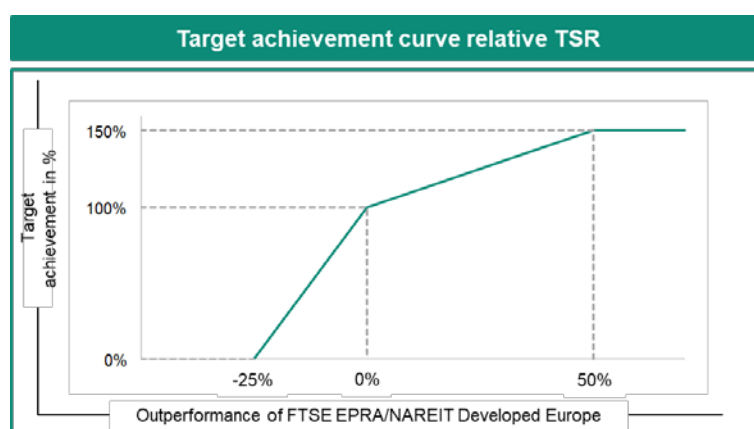
For a payout to occur, the minimum absolute TSR target needs to be achieved resulting in a target achievement of 50%. If the realized absolute TSR is equal to the strategic target, the target achievement will be 100%. At maximum, 150% target achievement can be reached for the absolute TSR target (cap). Within the range of 0% and 150%, target achievement for the absolute TSR is calculated by using linear interpolation and commercially rounded to two decimal places.



Relative TSR has a weighting of 75%. By using relative TSR, an outperformance of relevant competitors is incentivized, and interests of the shareholders are taken into account. Relative TSR measures the return for shareholders consisting of share price development (including reinvested dividends) of alstria compared to a selected peer group over the entire four-year performance period. alstria compares its performance to the performance of relevant competitors, the FTSE EPRA/NAREIT Developed Europe index.

As for the absolute TSR of alstria, 60 trading day averages are used for the TSR of FTSE EPRA/NAREIT Developed Europe index as well. The resulting absolute TSR of the FTSE EPRA/NAREIT Developed Europe index is subtracted from the absolute TSR of alstria to calculate the outperformance.

For 0% outperformance of the index, target achievement is 100%. A threshold defined by the supervisory board, e.g. of -25% outperformance, results in 0% target achievement. The cap is reached by a threshold defined by the supervisory board, e.g. 50% outperformance of the index, giving 150% target achievement. Within the range of 0% and 150%, target achievement for relative TSR is calculated by using linear interpolation and commercially rounded to two decimal places.



Overall target achievement of the LTI is determined by the weighted average target achievement of the absolute and relative TSR performance target. It is then multiplied with the amount of granted stock awards resulting in a final number of stock awards to be transferred to the management board member. In addition, dividends accumulated during the performance period are paid out in shares to the management board member as well.

The remuneration due to the management board is settled in shares and is in no event higher than 250% of the target amount. Payouts above this amount forfeit. Instead of in shares, payouts can be made in cash. In case of a cash payout, the amount results from the number of stock awards multiplied with the arithmetic mean of alstria's share price on the last 60 trading days prior to the end of the performance period.

In the event of a delisting of alstria's shares from the Frankfurt Stock Exchange, the performance period ends with the day of the announcement of the delisting. In case that the number of issued shares is increased or decreased during the performance period by means of a share split resp. consolidation of shares, the number of granted stock awards shall be increased resp. decreased in the same proportion.

The respective absolute TSR targets as well as the resulting target achievement for absolute and relative TSR will be published ex post in the remuneration report.

### 3.5. Malus and Clawback of variable remuneration

All variable remuneration components of the management board members are only paid out after the end of the regular performance period. In the event that a management board member deliberately commits a material breach of

- a material duty of care within the meaning of section 93 AktG or
- a material duty under the service contract,

the supervisory board may at its reasonable discretion (section 315 of the German Civil Code (*Bürgerliches Gesetzbuch*, "BGB")) reduce the unpaid variable remuneration in the performance period of which the breach occurred in part or in full ("Malus") or reclaim parts or all of the gross amount of any variable remuneration already paid out ("Clawback").

Notwithstanding the above, management board members must repay any variable remuneration already paid out if and to the extent that

- it turns out after the payment that the audited and approved consolidated financial statement on which the calculation of the payment amount was based was incorrect and must therefore be publicly restated according to legal requirements and the relevant accounting standards, and
- based on the restated, audited consolidated financial statement and the relevant remuneration system, a lower or no payment amount would have been owed from the variable remuneration.

### 3.6. Share Ownership Guidelines

Members of the management board are required to acquire alstria shares corresponding to three years' annual base salary over a period of five years and to hold these stocks until they leave office. Share Ownership Guidelines aim in particular at aligning the interests of the members of the management board with those of the shareholders and thus at promoting sustainable entrepreneurial action.

## 4. Remuneration-related legal provisions

### 4.1. Terms of management board service contracts

Service contracts are in general concluded for three years. Even if German law provides that reappointments might be made for a maximum of five years, alstria's internal rules provide a general limitation to three years which shall also apply to reappointments. Service contracts end automatically with the end of appointment of the management board member without any notice of termination being required.

### 4.2. Contract termination provisions

In the event of resignation from office by the member of the management board or a withdrawal of the appointment as member of the management board pursuant to section 84 paragraph 3 AktG, the service contract ends after the expiration of the notice period of section 622 BGB. The right of alstria and the management board member to terminate the service contract for good cause ("*wichtiger Grund*") pursuant to section 626 paragraph 1 BGB remains unaffected.

In case of an early termination of the service contract by mutual agreement, the management board member will receive the remuneration for the rest of the term of the service contract, but no more than the value of two years' full remuneration in any case calculated on the basis of the total remuneration for the foregoing full financial year (severance payment). The same shall apply in case of a withdrawal of the appointment according to section 84 paragraph 3 AktG, (but not in case of resignation by the management board member), if the withdrawal of appointment occurred for reasons the management board member is not responsible for.

Any withdrawal of the appointment occurring within a period of up to twelve months following a change of control, shall be considered as a withdrawal the management board member is not responsible for, unless the withdrawal is for good cause ("*wichtiger Grund*" pursuant to section 626 paragraph 1 BGB).

In case within a period of up to twelve months after a change of control the position as member of the management board is materially negatively impacted (e.g. by a material reduction of his responsibilities), the management board member has the right to resign from office and to terminate the service contract with a notice period of three months to the end of a month. In this case, the management board member will receive the severance payment.

A change of control occurs if (i) a third party acquires at least 30% of the voting rights in alstria pursuant to sections 29, 30 German Takeover Law (WpÜG) or (ii) alstria as a dependent entity, concludes a corporate agreement within the meaning of section 291 et seq. AktG or (iii) alstria

is merged with a non-affiliated entity pursuant to section 2 et seq. of the German Reorganization Act (UmwG), unless the enterprise value of the other entity is, at the time the merger decision is made by the transferring company, less than 20% of alstria's enterprise value.

In the event of a contract termination, the STI shall be forfeited in case the contract is terminated by alstria for good cause or the management board member has terminated the service relationship without notice and without good cause (*wichtiger Grund*). In any other cases, the STI shall remain unaffected.

For the LTI, there is no payout respectively transfer of shares before the end of the performance period, except for the case alstria is delisted.

If a board member retires from service with alstria for reasons of reaching the retirement age, invalidity, occupational disability, early retirement, or death the number of granted stock awards shall remain unaffected. The stock awards will still be transferred at the end of the performance period. The same applies in the case of termination due to mutual agreement.

If the service contract with alstria is terminated by alstria for good cause (*wichtiger Grund*) subject to section 626 BGB, all granted stock awards forfeit. The same applies in the event that the management board member has resigned from office without good cause.

#### **4.3. Post-Contractual Non-Compete -Obligation**

Post-Contractual Non-Compete-Obligations are agreed with the management board members. For the duration of six months after the termination of the service contract (for whatever reason), the management board member may not exercise any professional activity for an enterprise which is in direct or indirect competition to alstria. The management board member also undertakes, for the duration of six months, not to set up or to acquire or to directly or indirectly participate in such a company. alstria may waive the Post-Contractual Non-Compete-Obligation at any time, and with the expiration of a period of notice of six months.

For the duration of the Post-Contractual Non-Compete-Obligation, alstria shall pay to the management board member a remuneration amounting to 100% of his last base salary. Payment of this remuneration is due at the end of each month. Remuneration from any professional activity which is not in competition to alstria shall be set off against accordingly. Furthermore, any severance payment to a management board member will be offset against any payments according to the Post-Contractual Non-Compete-Obligation as far as the severance payment is due for the duration of the Post-Contractual Non-Compete-Obligation.

#### 4.4. Remuneration in case of illness, death, or accident

In case of illness, the payments of the base salary shall be continued during the period of disability for up to six months. The STI shall be paid on a *pro rata temporis* basis, however, for no more than six months.

In the case of death during the term of the service contract, the base salary shall be paid for the month of death and the following three months. The STI shall be paid on a *pro rata temporis* basis until the end of the month of death.

#### 4.5. Secondary activities

Management board members of alstria shall only be permitted to take on any other occupation or secondary occupations against payment or without payment after obtaining prior written confirmation of a consenting resolution of the supervisory board. The members of the management board are not entitled to remuneration for the membership in intra-group supervisory boards. For board mandates outside the group the supervisory board decides whether and to what extent this remuneration shall be offset.

### 5. Temporary deviations from the remuneration system

Pursuant to section 87a paragraph 2 sentence 2 AktG, the supervisory board is entitled to temporarily deviate from the remuneration system if this is necessary in the interests of the long-term welfare of alstria. A deviation from the remuneration system requires a corresponding resolution of the supervisory board establishing the exceptional circumstances and the necessity of a deviation. Unfavorable market developments are not considered as exceptional circumstances justifying the need to deviate from the remuneration system. Pursuant to section 162 paragraph 1 sentence 2 number 5 AktG, in the event of a deviation, the affected components of the remuneration system from which the deviation was made must be stated in the remuneration report and the necessity of the deviation must be disclosed.

Even in the event of a deviation, the remuneration must be geared towards the long-term and sustainable development of alstria. A temporary deviation from the remuneration system is possible with regard to the following components:

- Modification of the performance criteria of STI and LTI.
- Adjustment of the ranges of possible target achievement for both variable remuneration components
- Granting of extraordinary fringe benefits to compensate for interim expenses
- Granting of additional remuneration components or replacement of existing remuneration components to ensure the incentive effect of management board remuneration.



## 6. Significant changes compared to previous remuneration system

The Management Board Remuneration System 2021, effective from January 1, 2021 (“Effective Date”) and applicable to current members of the management board, provided that the annual general meeting approves the Management Board Remuneration System 2021, differs from the previous remuneration system in the following aspects:

- Introduction of ESG targets in the STI with a weight of 20%, thus reducing the weight of the FFO per share target to 80%.
- Reducing the range of the individual multiplier for the STI from 0.7-1.3 to now 0.8-1.2 to follow common market practice.
- Abolishment of the individual multiplier for the LTI. This change not only applies for future tranches of the LTI, but to all tranches outstanding on the Effective Date (i.e. LTI 2017/2021, LTI 2018/2022, LTI 2019/2023 and LTI 2020/2024).
- Introduction of Malus and Clawback on variable remuneration.
- Definition of maximum remuneration.
- Clarification of change in control and implementation of double-trigger for termination by management board member: Any withdrawal occurring within a period of up to twelve months following a change of control shall be considered as a withdrawal the member of the management board is not responsible for, unless a good cause for the termination is confirmed by a court. Severance payment is also due in case the position of a member of the management board is materially negatively impacted within the period described above and the member of the management board terminates the Service Contract.
- The term of the current appointment and of the service contracts for the management board members until end of 2022 remains unchanged. The supervisory board aimed at introducing the new remuneration system as of January 2021, i.e. during the current term. To achieve a balance in the negotiations between introducing for example Malus and Clawback and a maximum remuneration, compensation level of base salary, Short-Term Incentive and Long-Term Incentive will be increased by about 10% in total as of the Effective Date dependent on an approval of this Remuneration System for the Management Board Members 2021 by the annual general meeting. The pension allowance will not be increased. The last increase of base salary, Short-Term Incentive and Long-Term Incentive was granted in 2009.