

REMUNERATION REPORT 2020

17/05/2021

CORESTATE Capital Holding S.A.

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1. INTRODUCTION

The remuneration report for 2020 (the **Remuneration Report**) of CORESTATE Capital Holding S.A. (the **Company**) has been prepared in accordance with the requirements of Directive EU 2017/828 of 17 May 2017, as implemented under Luxembourg law by the law of 1 August 2019 (the **Law**).

The remuneration awarded to the Management Board and the Supervisory Board for the year 2020 is in line with the principles provided for under the Company's remuneration policy as submitted to the Annual General Shareholders' Meeting on 5 June 2020 (the **Remuneration Policy**).

The aim of the Remuneration Policy is to ensure that the remuneration practices of the Company are compliant with the Law and are consistent with the business strategies, objectives, values, long-term interests and sustainability of the Company.

The Remuneration Policy is available on the Company's website (<https://corestate-capital.com/wp-content/uploads/2019/05/Remuneration-Policy.pdf>). The Remuneration Policy applies to the directors of the Company. Pursuant to the Law, "directors" means any member of the administrative, management and supervisory bodies of the Company, including the chief executive officer (the **Directors**). The relevant bodies of the Company are the Management Board and the Supervisory Board.

With this Remuneration Report, the Company aims at providing a comprehensive overview of the remuneration of Directors in accordance with article 7ter of the Law for the year 2020.

2. OVERVIEW OF MAIN FEATURES 2020

The Company's strategy for the year 2020 was focused on responding to the changes in the markets and in clients' demands predominantly driven by Covid-19 crisis.

In 2020, CORESTATE Capital Group's aggregated revenues amounted to EUR 191,4m and were therefore within the forecast range. EBITDA stood at EUR 16,6m and adjusted net profit at EUR -47,5m. Due to the Covid-19 crisis, both performance indicators fell significantly short of group's own expectations on account of significant negative, but mainly non cash-relevant valuation effects and one-off expenses.

The share price went down in 2020 by more than 60%.

In 2020, the composition of the Supervisory Board changed, first on 5 June 2020 and then on 29 November 2020, following a major change in the shareholding of the Company.

Hence, Mr Friedrich Munsberg, Prof. Dr Hermann Wagner, and Dr Friedrich Oelrich, were appointed by way of co-optation as new members of the Supervisory Board in November 2020. The mandate is limited in time until 2021 and needs to be formally confirmed at the next (ordinary or extraordinary) general meeting of the shareholders of the Company. The new Supervisory Board provides a highly-complementary combination of seasoned professionals with deep knowledge and institutional standing within the real estate and finance sectors.

In 2020, the composition of the Management Board also changed, and its structure was extended. This resulted in the appointment of Mr René Parmantier as Chairman of the Management Board and Chief Executive Officer, Mr Nils Hübener as Chief Investment Officer (following Mr Landschreiber's resignation) and Mr Daniel Löhken as Chief Legal and HR Officer. Mr Lars Schnidrig changed from being the Company's Chief Executive Officer to becoming its Chief Financial Officer.

In terms of compensation and targets, we aim at achieving higher standards of transparency. The Remuneration Policy was therefore submitted to the advisory vote of the Annual General Shareholders' Meeting (**AGM**) on 5 June 2020. Further to a negative vote, the Remuneration Policy has been reviewed to enhance transparency in relation to the remuneration of the members of the Company's Management and Supervisory Board.

Overall, the remuneration system is performance and success-oriented, with the criteria of long-term orientation, appropriateness and sustainability being of decisive importance.

3. MANAGEMENT BOARD

3.1 Changes in the composition of the Management Board in 2020

In 2020, the composition of the Company's Management Board changed as follows:

- Mr Lars Schnidrig ceased to be the Chairman of the Company's Management Board and the Chief Executive Officer of the CORESTATE Group as of 30 November 2020. Since that date, he has continued to be a member of the Management Board and was appointed as the Chief Financial Officer of the CORESTATE Group.
- Mr Klaus Schmitt was to serve the Company as Chairman of the Management Board and Chief Executive Officer of the CORESTATE Group as of 1 January 2021 further to a service agreement signed on 6 October 2020. However, the Company and Mr Schmitt agreed on 31 December 2020 to terminate the service agreement prior to Mr Schmitt's entry into service.
- Mr René Parmantier has been the Chairman of the Company's Management Board and the Chief Executive Officer of the CORESTATE Group since 1 December 2020.
- Mr Thomas Landschreiber resigned from his position as member of the Company's Management Board and as Chief Investment Officer of the CORESTATE Group with effect as of 31 March 2020.
- Mr Nils Hübener has been a member of the Company's Management Board of the Company since 1 April 2020, acting as Chief Investment Officer (CIO) of the CORESTATE Group.
- Mr Daniel Löhken has been a member of the Management Board of the Company since 1 November 2020, acting as Chief Legal & HR Officer (CLHRO) of the CORESTATE Group.

3.2 Total remuneration of the Management Board

The remuneration system of the Management Board takes into account the financial performance and success of the Company as well as the personal performance of the Management Board member in order to ensure sustainable success of the Company.

The remuneration of the Management Board for the entire financial year 2020 consists of a fixed remuneration component, a variable remuneration component with a short-term incentive function (Short-Term Incentive, STI) and a variable remuneration component with a medium to long-term incentive function (Long-Term Incentive, LTI).

Remuneration of Management Board members for the financial year 2020 (in EUR)									
Name of Director, position	1 Fixed Remuneration			2 Variable Remuneration		3 Extraordinary items	4 Pension expense	5 Total Remuneration	6 Proportion of fixed and variable remuneration
	Annual Base Salary entitlement	Base Salary paid in 2020	Fringe Benefits ¹	One-year variable	Multi-year variable				
Lars Schnidrig <i>CEO/CFO</i>	800.000	800.000	86.239	1.226.248,65 ²	379.747	3.204.362,67	/	5.696.597,32	15,56% /84,44%
Klaus Schmitt	/	/	453,33 ³	/	/	3.570.000 ⁴	/	3.570.453,33	./.
René Parmantier <i>CEO</i>	900.000	72.539 ⁵	7.707	50.000	66.666,66	/	/	196.912,66	40,75% /59,25%
Thomas Landschreiber <i>CIO</i>	442.000	110.995 ⁶	13.534	975.867 ⁷	1.531.793	212.856	/	2.845.045	4,38% /95,62%
Nils Hübener <i>CIO</i>	400.000	300.003,03 ⁸	23.864	112.500	116.720,25	300.000	/	853.087,28	37,96% /62,03%
Daniel Löhken <i>CLHRO</i>	400.000	66.669 ⁹	8.482	45.833,33	50.000	/	/	170.984,33	43,95% /56,05%

It shall be noted that the members of the Management Board are covered by a Directors & Officers insurance, a group accident insurance as well as a criminal law insurance, at the expense of the Company and/or CORESTATE Capital Group.

None of the Management Board members received remuneration from other undertakings of the CORESTATE Capital group for the financial year 2020 except Mr Thomas Landschreiber who received remuneration from the Management Co-Investment Fund of the Company and the affiliated companies (MCIF) as detailed below.

The MCIF was a co-investment vehicle established in 2011 in Switzerland and 2016 in Germany to acquire, hold, manage and dispose investments (Alignment Investments) such as private equity investments, joint venture structures, club deals, or any other investment structure managed and/or administered by the Company and/or its subsidiaries. In 2020, Mr Landschreiber received a one-time payment of EUR 1.531.793 in the course of the settlement and termination of this co-investment vehicle.

3.3 Share-based remuneration of Management Board members

The variable remuneration of members of the Management Board is composed of short-term and long-term incentives, either in the form of shares, share options or cash settlement dependent on the development of the Company's share price.

(a) Short-term variable remuneration component (Short-Term Incentive, STI)

The Short-Term Incentive (STI) is an annual, *pro rata temporis* payment, the amount of which is determined by the degree of achievement of the following three STI targets:

- **Earning targets** in accordance with the business plan for the entire CORESTATE Group prepared annually by the Company's Management Board and approved by the Group's Supervisory Board.

¹ Inclusive of health insurance, disability insurance, travel costs etc.

² Variable remuneration composed of (i) settlement of the bonus for the financial year 2020 of EUR 166.666,66, (ii) claims from another option agreement of EUR 120.000, (iii) bonus payment for the year 2019 of EUR 410.000 and (iv) EUR 529.581,99 for LTI payout in 2020.

³ Travel costs.

⁴ Severance payment paid in accordance with Mr Schmitt's termination agreement.

⁵ Base salary paid *pro rata temporis* for the period running from 2 December 2020 to 31 December 2020.

⁶ Base salary paid *pro rata temporis* for the period running from 1 January 2020 to 31 March 2020.

⁷ One-year variable composed of target bonus amounting to EUR 366.155,86 and shares amounting to EUR 609.711,95.

⁸ Base salary paid *pro rata temporis* for the period running from 1 April 2020 to 31 December 2020.

⁹ Base salary paid *pro rata temporis* for the period running from 1 November 2020 to 31 December 2020.

- **Share price:** Development of the Company's share price or a share-price-related performance indicator in accordance with the individual regulations agreed to between the member of the Management Board and the Supervisory Board.
- **The personal performance** of the individual member of the Management Board.

The business plan applies for the bonus criterion earning targets. The STI for this criterion does not apply if the target achievement is 50% or less. From 50% target achievement, the bonus develops linearly and is limited to a maximum amount of 100%.

For the bonus criterion share price, the degree of target achievement is determined by comparing the key figures agreed to between the member of the Management Board and the Supervisory Board and the actual key figures achieved in the respective financial year. The STI for this criterion does not apply if target achievement is 50% or less. From 50% target achievement, the bonus is calculated on a straight-line basis and is capped at 100%.

The Supervisory Board decides on the degree of achievement of the Management Board member's personal performance, as a third STI target, at its reasonable discretion. If the degree of target achievement is exceeded due to exceptional performance by the Management Board members René Parmantier, Nils Hübener and Daniel Löhken, the maximum amount of 100% may also be exceeded. In the case of Management Board member Lars Schnidrig, there is an upper limit of 100% of target achievement.

Each of the targets is weighted at one third.

The STI to be determined and, if necessary, adjusted for financial year 2020 is EUR 50.000 for René Parmantier, EUR 225.000 for Nils Hübener, and EUR 45.833,33 for Daniel Löhken.

For Lars Schnidrig, the maximum STI amounted to EUR 500.000 for the financial year 2020. In December 2020, Mr Schnidrig received payment of EUR 166.666,66 for the financial year 2020. It must be noted that in April 2020, Mr Schnidrig also received payment of EUR 410.000 for the financial year 2019.

If an STI is to be paid, it is to be determined individually for each Management Board member one week after adoption of the audited consolidated financial statements in the respective following fiscal year and paid out to the Management Board member.

(b) Long-Term variable remuneration component (**Long-Term Incentive, LTI**)

The LTI remuneration component can be structured in two ways, depending on the arrangement agreed to between the Management Board member and the Company in their respective manager service agreements:

- (A) The Long-Term Incentive as an entitlement to shares in the Company to which the Management Board member is entitled under certain conditions (so-called LTI criteria).
- (B) The Long-Term Incentive as an entitlement to LTI options, the allocation of which is not dependent on predefined prerequisites.

The Management Board members René Parmantier and Daniel Löhken fall under model A.

If the LTI component is granted as an entitlement to shares in the Company to which the Management Board member is entitled under certain conditions (so-called LTI criteria), then an annual *pro rata temporis* allocation of the shares is made, provided that the following three LTI criteria have been achieved:

- **Earning targets** (in accordance with the business plan for the entire CORESTATE Capital group prepared annually by the Company's Management Board and approved by the Supervisory Board of the group)

- **Development of the Company's share price**, also compared to certain peers of the company
- **Implementation of ESG measures** by the Management Board (in particular with regard to diversity and ensuring sustainable corporate development)

All LTI criteria are weighted at one third each.

Shares are only allocated if the respective LTI criterion has a degree of achievement of 50% or more. In such cases, the pro rata equivalent value of the LTI shares is calculated on a straight-line basis according to the degree of target achievement, with a maximum limit of 100% target achievement.

The tranche of LTI shares is to be transferred to the Management Board member's securities account immediately after the Supervisory Board has determined the equivalent value for the respective financial year. The calculation of the actual number of shares to be transferred varies depending on the individual contractual arrangement of the Management Board member. The number of shares can be calculated by either dividing the calculated equivalent value of the shares by the volume-weighted 10-day average of the Company's share price on the Xetra trading platform before the last trading day of the financial year for which the LTI shares are granted or by dividing the calculated equivalent value of the shares by the closing price of the Company's share on the day before transfer to the Management Board member's securities account.

From the date of transfer, each annual tranche of LTI shares is subject to a contractual holding period of four years.

The annual LTI value determined and, if necessary, adjusted after the end of the respective performance period is limited to EUR 800.000 for René Parmantier and EUR 325.000 for Daniel Löhken.

Management Board member Daniel Löhken is a participant in a share programme that was granted to him in 2019 for a total term of five years. This participation was also confirmed in the context of his appointment to the Management Board as further detailed below.

The Management Board members Lars Schnidrig and Nils Hübener fall under model B.

If the LTI component is granted, as in the case of Lars Schnidrig and Nils Hübener, as an entitlement to LTI options whose allocation is not dependent on predefined conditions, then the Management Board member initially receives LTI options in the amount of an individual contractually structured settlement, which the Management Board member may choose to exercise either in shares in the Company (LTI shares) or in a cash settlement dependent on the development of the share price (cash settlement).

The number of LTI options is determined by the quotient of the amount agreed in the individual contract and (i) the closing price of the Company's share on a day defined in the individual contract or (ii) the average closing price of the last five stock exchange days before the service contract takes effect, including this day, whereby the lower of the two values is decisive.

The Management Board member may then exercise the LTI options in a certain number of tranches, which is regulated in the individual contract.

For example, Nils Hübener may exercise the LTI options in three tranches, one third each after 12, 24 and 36 months (performance period) have elapsed since the employment contract came into effect and in each case either in the form of LTI shares or cash settlements. Lars Schnidrig, on the other hand, may exercise the LTI options in four tranches, one quarter each after the expiry of 1 April 2019 and subsequently after the expiry of 12, 24 and 36 months.

If the Management Board member chooses the LTI shares option, the calculated number is to be transferred to the Management Board member's securities account after the end of the respective performance period.

The shares are subject to a holding period of twelve months from this point on, but no longer than until the end of the service contract.

If the Management Board member chooses the cash settlement option, the Management Board member receives an amount in euros immediately after the end of the respective performance period that corresponds to the product of the Company's share price based on the average closing price of the last five trading days before the end of the respective performance period and the calculated number of LTI options.

The amount defined for Nils Hübener for the three-year performance period is limited to a maximum of EUR 900.000 and the amount defined for Lars Schnidrig for the four-year performance period is limited to a maximum of EUR 2.400.000.

Shares <u>options</u> awarded or due to the Management Board members in the financial year 2020													
Name of Director, position	Main conditions of share <u>options</u> plans							Information regarding financial year 2020					
	Specification of plan	Performance period	Award date	Vesting Date	End of holding period	Exercise period	Strike price of the share	Opening balance		During the year		Closing balance	
								Number of share options awarded at the beginning of the year	Number of share options awarded	Number of share options vested	Number of share options subject to a performance condition	Number of share options awarded and unvested	Number of share options subject to a holding period
Lars Schnidrig <i>CEO/CFO</i>	600.000 p.a.	2019/2020	31/03/2020	Cash settlement	31/12/2020		31,10 EUR	0	0	19.292,6	19.292,6	0	19.292,6
René Parmantier <i>CEO</i>	800.000 p.a.	2020/2021	31/03/2021	31/03/2025	4 years	2021	14,33 EUR	0	0	0	0	0	0
Nils Hübener <i>CIO</i>	300.000 p.a.	2020/2021	31/03/2021	31/03/2022	12 months ¹⁰	2021	26,87 EUR	0	0	0	0	0	0
Daniel Löhken <i>CLHRO</i>	325.000 p.a.	2020/2021	31/03/2021	31/03/2025	4 years	2021	Day before transfer to the Management Board	0	0	0	0	0	0

Upon termination of Mr Lars Schnidrig's contract as Chief Executive Officer (CEO), all claims under his individual contractual LTI agreement were settled by a one-off payment in the amount of EUR 379.747. In terms of variable remuneration, in the financial year 2020, no shares were awarded or due to the Management Board members, except to Mr Thomas Landschreiber as further detailed in the chart below.

Shares awarded or due to the Management Board members in the financial year 2020 (in EUR)												
Name of Director, position	Main conditions of <u>share</u> award plans					Information regarding financial year 2020						
						Opening balance		During the year		Closing balance		
	Specificati on of plan	Performance period	Award date	Vesting Date	End of holding period	Share awarded at the beginning of the year	Cash equivalent of share awarded at the beginning of the year	Share awarded	Share vested	Shares subject to a perfor mance conditi on	Shares awarde d and unveste d at the year end	Shares subject to a holding period
Thomas Landschreiber CIO	500.000 p.a.	2019	01/02/2020	N.N.	N.N.	16.501,65	609.711,95	N.N.	N.N.	N.N.	N.N.	N.N.

¹⁰ 12 months, but no longer that until the end of the service agreement.

The Company also has a share program entitled “CORESTATE Share Program”. This program is designed for members of the senior management and key persons within the CORESTATE group. Neither the members of the Management Board nor the members of the Supervisory Board are *per se* entitled to this program.

However, Mr Daniel Löhken participated in this program before becoming a member of the Management Board and therefore keeps his claims under this program but no shares were awarded or due to him for the financial year 2020.

4. SUPERVISORY BOARD

4.1 Changes in the composition of the Supervisory Board in 2020

At the beginning of 2020, the Company’s Supervisory Board was composed as follows:

- Mr Micha Blattmann acting as Chairman of the Supervisory Board and Chairman of the Nomination Committee and member of the Audit Committee;
- Mr Dr Urs Felder acting as member the Supervisory Board, member of the Nomination Committee and member of the Audit Committee;
- Mr Jonathan Lurie acting as member the Supervisory Board; and;
- Mr Ulrich Plett acting as member of the Supervisory Board, Chairman of the Audit Committee and member of the Nomination Committee.

The Annual General Meeting of CORESTATE held on **5 June 2020** elected a new Supervisory Board as follows:

- Mr Dr Georg Allendorf acting as Chairman of the Supervisory Board and the Nomination Committee and member of the Audit Committee;
- Mrs Gabriele Apfelbacher acting as member the Supervisory Board and Chairman of the Corporate Governance Committee;
- Mr Timothy Blackwell acting as Deputy Chairman of the Supervisory Board, member of the Audit Committee and member of the Corporate Governance Committee and member of the Nomination Committee;
- Mr Marc Drießen acting as member of the Supervisory Board, member of the Corporate Governance Committee and member of the Nomination Committee; and
- Mr Olaf Klinger acting as member of the Supervisory Board and Chairman of the Audit Committee.

Following a major change in the shareholding of the Company in November 2020, all members of the Supervisory Board resigned with immediate effect. As of **29 November 2020**, the Supervisory Board has been composed as follows:

- Mr Friedrich Munsberg acting as Chairman of the Supervisory Board and the Nomination and Remuneration Committee, member of the Audit Committee and Corporate Governance Committee;
- Mr Prof. Dr Hermann Wagner acting as Deputy Chairman of the Supervisory Board, Chairman of the Audit Committee and member of the Corporate Governance Committee and Nomination and Remuneration Committee; and
- Mr Dr Friedrich Oelrich acting as a member of the Supervisory Board, Audit Committee, Nomination and Remuneration Committee and as Chairman of the Corporate Governance Committee.

4.2 Remuneration of Supervisory Board members

In line with the Remuneration Policy, the members of the Supervisory Board do not receive performance-related remuneration.

The remuneration package of the Supervisory Board members is therefore only composed of fixed remuneration, divided in a base salary and attendance fees.

For the financial year 2020, and according to the provisions of Article 18.5 of the Articles of Association, the fixed remuneration is composed of:

- Annual fee for the Chairman of the Supervisory Board: EUR 150.000
- Annual fee for the Deputy Chairman of the Supervisory Board: EUR 100.000
- Annual for the members of the Supervisory Board: EUR 75.000
- Annual fee for the Chairman of the Audit Committee: EUR 15.000
- Attendance fee per Supervisory Board, Audit Committee, Corporate Governance Committee and Nomination and Remuneration Committee: EUR 750
- Annual fee for the Chairman of the Nomination and Remuneration Committee: EUR 15.000
- Annual fee for the Chairman of the Corporate Governance Committee: EUR 10.000
- Annual fee for the member of the Audit Committee: EUR 5.000
- Annual fee for the member of the Nomination and Remuneration Committee: EUR 5.000
- Annual fee for the member of the Corporate Governance Committee: EUR 5.000

Remuneration of Supervisory Board members for the financial year 2020 (in EUR)									
Name of Director	1 Fixed Remuneration			2 Variable Remuneration		3 Extraordinary items	4 Pension expense	5 Total Remuneration	6 Proportion of fixed and variable remuneration
	Base Salary	Attendance Fees	Fringe Benefits	One-year variable	Multi-year variable				
Micha Blattmann	66.489,07 ¹¹	17.250	7753,27 ¹²	N/A	N/A	N/A	N/A	91.492,34	N/A
Urs Felder	34.319,94 ¹³	11.250	63,40 ¹⁴					45.628,56	
Jonathan Lurie	32.172,13 ¹⁵	10.500	/					42.672,13	
Ulrich Plett	38.606,56 ¹⁶	14.250	112,20					52.968,76	
Georg Allendorf	83.142,08 ¹⁷	29.250	1.892,58					114.284,66	
Gabriele Apfelbacher	41.571,04 ¹⁸	27.000	/					68.571,04	
Timothy Blackwell	56.243,17 ¹⁹	29.250	3.939,83					89.433	
Marc Drießen	41.571,04 ²⁰	29.250	/					70.821,04	
Olaf Klinger	44.016,39 ²¹	25.500	/					69.516,39	

¹¹ Base Salary composed of annual fee for Chairman of the Supervisory Board and Audit Committee remuneration paid on a *pro rata temporis* for the period running from 1 January 2020 to 5 June 2020 (157 days).

¹² Travel expenses.

¹³ Base Salary composed of annual fee for member of the Supervisory Board and Audit Committee remuneration paid on a *pro rata temporis* for the period running from 1 January 2020 to 5 June 2020 (157 days).

¹⁴ Expressed in CHF, amounts to EUR 58,62.

¹⁵ Base Salary composed of annual fee for member of the Supervisory Board paid on a *pro rata temporis* for the period running from 1 January 2020 to 5 June 2020 (157 days).

¹⁶ Base Salary composed of annual fee for member of the Supervisory Board and Chairman of the Audit Committee remuneration paid on a *pro rata temporis* for the period running from 1 January 2020 to 5 June 2020 (157 days).

¹⁷ Base Salary composed of annual fee for Chairman of the Supervisory Board and member of the Audit Committee paid on a *pro rata temporis* for the period running from 05 June 2020 to 30 November 2020 (179 days).

¹⁸ Base Salary composed of annual fee for member of the Supervisory Board and Chairman of the Corporate Governance Committee paid on a *pro rata temporis* for the period running from 05 June 2020 to 30 November 2020 (179 days).

¹⁹ Base Salary composed of annual fee for Deputy Chairman of the Supervisory Board, member of the Audit Committee and Member of the Corporate Governance Committee paid on a *pro rata temporis* for the period running from 05 June 2020 to 30 November 2020 (179 days).

²⁰ Base Salary composed of annual fee for member of the Supervisory Board and member of Corporate Governance Committee paid on a *pro rata temporis* for the period running from 05 June 2020 to 30 November 2020 (179 days).

²¹ Base Salary composed of annual fee for member of the Supervisory Board and Chairman of the Audit Committee paid on a *pro rata temporis* for the period running from 05 June 2020 to 28 November 2020 (176 days).

Friedrich Munsberg	15.300,55 ²²	4.500	/	N/A	N/A	N/A	N/A	19.800,55	N/A
Hermann Wagner	10.928,96 ²³	4.500	/					15.428,96	
Friedrich Oelrich	8.306,01 ²⁴	4.500	/					12.806,01	

It shall be noted that the members of the Supervisory Board are also covered by a Directors & Officers insurance as well as a criminal law insurance, at the expense of the Company and/or CORESTATE Group.

5. INFORMATION ON HOW THE REMUNERATION COMPLIES WITH THE REMUNERATION POLICY AND HOW PERFORMANCE CRITERIA WERE APPLIED

The remuneration granted to the members of the Management Board and of the Supervisory Board are in line with the Remuneration Policy. It is also aligned with market practice and consistent with the business strategy, objectives, values and interests of all stakeholders.

First, the fixed remuneration is determined based on the value of the position, the individual's qualifications and skills and remains in accordance with market conditions.

Second, the variable remuneration is based on individual and Company performance and is only awarded and paid out provided that the financial situation of the Company is sound.

The total amount of the variable remuneration is always reviewed with regard to the following criteria prior to payment:

- adequacy to the economic situation and liquidity of the Company;
- achievement of the financial objectives defined in the budget;
- achievement of the set personal goals;
- adherence to compliance requirements.

The amount of variable remuneration is determined by the achievement of the Company's targets as well as the performance and achievement of the Management Board members' targets within the fiscal year.

In 2020, the Management Board and Supervisory Board members' remuneration is aligned with the achievements of the Company also taking into account the challenges the Company faced.

Regarding the variable remuneration paid in 2020 for the performances achieved in 2019, the Supervisory Board carefully appraised each performance criteria of the Management Board members and unanimously approved the amounts received.

Performance Targets have been set by the Supervisory Board in the yearly annual appraisal and performance setting process.

²² Base Salary composed of annual fee for Chairman of the Supervisory Board, Chairman of the Remuneration & Nomination Committee, member of the Audit Committee and Corporate Governance Committee paid on a *pro rata temporis* for the period running from 29 November 2020 to 30 December 2020 (32 days).

²³ Base Salary composed of annual fee for Deputy Chairman of the Supervisory Board, Chairman of the Audit Committee, member of the Corporate Governance Committee and the Remuneration & Nomination Committee paid on a *pro rata temporis* for the period running from 29 November 2020 to 30 December 2020 (32 days).

²⁴ Base Salary composed of annual fee for member of the Supervisory Board, Audit Committee, the Remuneration & Nomination Committee and Chairman of the Corporate Governance Committee paid on a *pro rata temporis* for the period running from 29 November 2020 to 30 December 2020 (32 days).

Performance of Management Board members in the financial year 2020					
Name of Director, position	1 Descriptions of the performance criteria and type of applicable remuneration	2 Relative weighting of the performance criteria	3 Information of Performance Targets		4 a) Measured performance and b) actual award outcome
			a) Minimum target / threshold performance and b) corresponding award	a) Maximum/target performance and b) corresponding award	
Lars Schnidrig <i>CEO/CFO</i>	Earning targets 150.000,00: adjusted Net Profit Target	33,33%	138.762.000,00	138.762.000,00	130.300.000,00
					141.000,00 EUR
	Share price-related targets 150.000,00: Target Market Cap 8x Adjusted Net Profit	33,33%	1.110.096.000,00	1.110.096.000,00	800.790.637,50
					108.000,00 EUR
	Individual targets 150.000,00	33,33%	Qualitative targets	Qualitative targets	101%
Total					151.500,00 EUR 400.500,00 EUR²⁵
Thomas Landschreiber <i>CIO</i>	Sales target 111.666,67	33,33%	294.254.000,00	294.254.000,00	303.427.000,00
					115.016,67 EUR
	Share price related targets 111.666,67	33,33%	30,3	30,3	37,5
					138.466,67 EUR
	EBITDA target 111.666,67	33,33%	173.258.000,00	173.258.000,00	175.027.000,00
Total					112.783,33 EUR 366.266,67 EUR²⁶

6. DEROGATIONS AND DEVIATIONS FROM THE REMUNERATION POLICY AND FROM THE PROCEDURE FOR ITS IMPLEMENTATION

For the financial year 2020, there were no derogations from or exceptions to the Remuneration Policy.

7. RIGHT TO RECLAIM VARIABLE REMUNERATION

For the financial year 2020, no variable remuneration was reclaimed.

²⁵ Annual bonus amount actually received by Mr Schnidrig is 410.000 EUR. Upward deviation results from the calculation method used by the Supervisory Board i.e. using the percentage of fulfilment for each performance criterion rather than the absolute figure per performance criterion.

²⁶ Annual bonus amount actually received by Mr Landschreiber is 366.155,86 EUR. Downward deviation results from the calculation method used by the Supervisory Board i.e. using the percentage of fulfilment for each performance criterion rather than the absolute figure per performance criterion.

8. COMPARATIVE INFORMATION ON THE CHANGE OF REMUNERATION AND COMPANY PERFORMANCE

Comparative table on the change of remuneration and Company performance over the last five most recent financial years					
Annual change	2016 vs 2015	2017 vs 2016 ²⁷	2018 vs 2017 ²⁸	2019 vs 2018 ²⁹	2020 vs 2019 ³⁰
Director's remuneration in €					
Thomas Landschreiber	N/A	11.020.625,97	-85,9%	-11,5%	106,6%
			1.556.565,01	1.377.000,00	2.845.045,00
Lars Schnidrig	N/A	569.887,40	131,8%	211,0%	38,7%
			1.321.030,56	4.108.317,00	5.696.597,32
René Parmantier	N/A				
Nils Hübener	N/A				
Daniel Löhken	N/A				
Company performance in €m					
Aggregated revenue & gains	N/A	195	50,0%	3,7%	-37%
			292,5	303,4	191,4
Adj. EBITDA	N/A	123,3	49,5%	-5,0%	-90,5%
			184,3	175	16,6
Adj. Net profit	N/A	93,3	45,0%	-3,7%	-136,5%
			135,3	130,3	-47,5
Average remuneration in €					
Employees of the group	N/A	54.385,23	-19,7%	16,2%	10,3%
			43.689,10	50.774,04	56.025,43

²⁷ Absolute figures in this column refer to the amounts effectively paid or to the company performance for the year 2017.

²⁸ Absolute figures in this column refer to the amounts effectively paid or to the company performance for the year 2018. The percentages identify the variation with the year 2017.

²⁹ Absolute figures in this column refer to the amounts effectively paid or to the company performance for the year 2019. The percentages identify the variation with the year 2018.

³⁰ Absolute figures in this column refer to the amounts effectively paid or to the company performance for the year 2020. The percentages identify the variation with the year 2019.