

REMUNERATION REPORT 2022

The Remuneration Report for 2022 (the **Report**) of CORESTATE Capital Holding S.A. (the **Company**) explains the structure and amount of the remuneration of the Management Board and Supervisory Board. The Report 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 remuneration awarded to the Management Board and Supervisory Board for the year 2022 is in line with the principles provided for under the Company's remuneration policy (the **Remuneration Policy**).

- **Preliminary remarks**

The following overview provides a composition and changes that took place within the Management Board in the financial year.

René Parmantier

René Parmantier's assignment as a member of the Management Board of the Company in the role as Chief Executive Officer (CEO) was prematurely terminated on 7 March 2022. The service agreement initially concluded with René Parmantier provided for an appointment until 31 December 2023. The Supervisory Board and René Parmantier mutually agreed on the premature termination allowing René Parmantier to focus on his duties as Corestate's Head of Real Estate Debt as of this date.

Johannes Märklin

Johannes Märklin's assignment as a member of the Management Board of CORESTATE Capital Holding S.A. in the role as Chief Debt Financing Officer (CDFO) was prematurely terminated on 7 February 2022. The service agreement initially concluded with Johannes Märklin provided for an appointment until 15 January 2024.

Sebastian Ernst

Sebastian Ernst's assignment as a member of the Management Board of CORESTATE Capital Holding S.A. in the role as Chief Debt Investment Officer (CDIO) was prematurely terminated on 7 February 2022. The service agreement initially concluded with Sebastian Ernst provided for an appointment until 15 January 2024.

Stavros Efremidis

Stavros Efremidis took over the Management Board position of Chief Executive Officer (CEO) previously held by René Parmantier. He was appointed by the Supervisory Board with effect from 7 March 2022 initially until 28 February 2025. The Supervisory Board and Stavros Efremidis mutually agreed on the premature termination of his contract as a member of the Management Board with effect from 31 December 2022.

Ralf Struckmeyer

The Management Board position of Chief Investment Officer (CIO) was taken over by Ralf Struckmeyer, who was appointed in his new role by the Supervisory Board with effect from 7 March 2022 until 28 February 2025. The Supervisory Board and Ralf Struckmeyer mutually agreed on the premature termination of his contract as a member of the Management Board with effect from 31 December 2022.

Izabela Danner

The Management Board position of Chief Operating Officer (COO) was taken over by Izabela Danner, who was appointed in her new role by the Supervisory Board with effect from 7 March 2022.

Udo Giegerich

The Management Board position of Chief Operating Officer (CFO) was carried out by Udo Giegerich.

- **Remuneration System of the Management Board**

Main elements

In general, Corestate's remuneration system 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 the sustainable success of the Company.

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

The remuneration of the Management Board for the entire financial year 2022 consists of a fixed remuneration component (basic remuneration), 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).

The respective contractually regulated annual target values of the individual remuneration components are as follows:

| € | Stavros Efremidis 7.3.2022 - 31.12.2022 | Ralf Struckmeyer 7.3.2022 - 31.12.2022 | Izabela Danner since 7.3.2022 | Udo Giegerich | René Parmantier until 7.3.2022 | Sebastian Ernst until 7.2.2022 | Johannes Märklin until 7.2.2022 |
|----------------------------|--|---|--|------------------|---|---|--|
| Basic Salary | 850,000 | 450,000 | 400,000 | 600,000 | 900,000 | 850,000 | 850,000 |
| STI | 550,000 | 250,000 | 300,000 | 360,000 | 600,000 | 540,000 | 540,000 |
| LTI | - | - | - | 490,000 | 800,000 | 810,000 | 810,000 |
| Entire Remuneration | 1,400,000 | 700,000 | 700,000 | 1,450,000 | - | 2,200,000 | 2,200,000 |
| Entire Remuneration Cap | 4,310,000 | 2,250,000 | 1,500,000 | 1,500,000 | 2,450,000 | 2,440,000 | 2,440,000 |

The remuneration system requires that the total remuneration corresponds with market conditions on the basis of a vertical and horizontal comparison. The horizontal comparison is based on the market environment of the Company, taking into account such criteria as industry, size and country. The Supervisory Board used the available remuneration data of comparable listed companies in the real estate sector taking into account Corestate's market position, structure and size. In addition, the Supervisory Board considered the development of the Management Board remuneration in relation to the compensation of Corestate's workforce in a vertical comparison.

The appropriateness review of Management Board compensation has shown that the remuneration resulting from target achievement in the financial year 2022 is appropriate.

Basic remuneration components

The basic remuneration is paid to the Management Board members monthly in twelve equal instalments.

The members of the Management Board are reimbursed for the cost of their private health insurance and their private long-term care insurance, limited to the amount of the employer's contributions that would notionally be payable in the event of a statutory social security obligation.

In the event of illness or incapacity to work during the service agreement through no fault of the Management Board member, the Management Board member is entitled to continued payment of the pro rata fixed salary and the pro rata average annual variable remuneration for six months, but no longer than until the end of the service agreement.

Fringe Benefits

In addition to the basic remuneration, the members of the Management Board are contractually granted fringe benefits that are individually defined in some cases.

Assumption of tax consulting costs by the Company

Members of the Management Board (with the exception of Stavros Efremidis, Ralf Struckmeyer, Udo Giegerich and Izabela Danner) are also reimbursed by the Company for tax consulting costs incurred in connection with their annual income tax return for Luxembourg up to a maximum amount of € 5,000.

Bahncard 100

The Company bears the annual costs for a Deutsche Bahn Bahncard Business 100 valid for 1st class.

Company car

The Management Board Members Sebastian Ernst and Johannes Märklin are each entitled to receive a company car for company and private usage. The tax incurring on this

remuneration in kind must be paid by the respective Board Member. The car usage is limited to the duration of the service agreement.

Group accident insurance

Furthermore, the members of the Management Board participate in a Group accident insurance policy of the Company that covers both professional and private accidents. The benefits granted by the insurance to the insured person or his or her legal heirs, amount to a maximum of € 1,000,000 in the event of death or a maximum of € 3,750,000 in the event of full disability.

D&O insurance

A D&O (Directors & Officers) liability insurance policy without a deduction has also been set up for the members of the Management Board.

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

The short-term incentive is an annual, pro rata temporis payment.

In the case of Udo Giegerich, the amount 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 Supervisory Board.
- **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. In the case of the board member Udo Giegerich, this STI target component merely focuses on the Company's share price.
- The **personal performance** of the individual member of the Management Board.

The short-term incentive of the Management Board members Stavros Efremidis, Ralf Struckmeyer and Izabela Danner is determined annually by the Supervisory Board at its reasonable discretion (limited by the individual caps), in accordance with the provisions of the applicable Remuneration policy.

Similar agreements on the short-term incentives had been in place for the resigned Management Board Members. These, however, were overruled by the restructuring and termination agreements as laid out further below.

Due to the restructuring of the Company, no STI was made to the members of the Management Board in 2022 with the exception of Udo Giegerich with an amount of EUR 212,500.

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

The Long-Term-Incentive remuneration component for Udo Giegerich, René Parmantier, Sebastian Ernst and Johannes Märklin is structured as an entitlement to shares in the Company to which some of the Management Board members (see table above) are entitled under certain conditions (so-called LTI criteria).

These LTI criteria are defined as following:

- **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 Supervisory Board of the Group
- Development of the Company's **share price**
- **The achievement of qualitative and quantitative targets** including safeguarding good Corporate Governance and sustainable development of the CORESTATE Group in the case of Udo Giegerich, Sebastian Ernst and Johannes Märklin. And the implementation of ESG measures in the case of René Parmantier.

For the Management Board members Stavros Efremidis, Ralf Struckmeyer and Izabela Danner, the implementation of an LTI-program in the form of share-price-based performance compensation with a multi-year assessment basis was foreseen. The specific terms and entry into force of this scheme were dependent on the approval of the Supervisory Board and, in the event of a necessary change in the current Remuneration policy, also the approval of the Annual General Meeting.

Due to the special situation in the fiscal year 2022, there was no approval by the Supervisory Board. In such an event, the service agreement of the Management Board members foresees that the LTI is determined by the Supervisory Board in accordance with the terms of the currently applicable Remuneration policy at its reasonable discretion.

Accordingly, due to the restructuring of the Company no LTI was given to any of the members of the Management Board in 2022.

Clawback provision

The Supervisory Board is entitled to recover from the Management Board member all or part of the variable compensation that has already been paid out as well as to withhold any variable compensation that has not yet been paid out. The precondition for this is the occurrence of one of the following three events:

- Serious violations by the Management member against his statutory obligations
- Serious violations by the Management member against corporate guidelines on conduct
- other negative performance-related factors

For the financial year 2022, no variable remuneration was reclaimed.

- **Compensation-related provisions on the termination of service agreements**

Provisions in the event of premature termination of the service agreement

In the event of termination by the Company with good cause, the Management Board member is not entitled to variable compensation of any kind for the current financial year.

In the event of premature termination of the service agreement without good cause, the following principles will apply:

- Any outstanding variable remuneration components attributable to the period up to the termination of the agreement will be paid out in accordance with the originally agreed targets and comparison parameters and in accordance with the due dates or holding periods specified in the service agreement or in the intended agreement on a LTI with a multi-year assessment basis.

In general, the respective Management Board member is not entitled to a guaranteed payment of a 'golden parachute'. Notwithstanding this principle, the Management Board member may be entitled to a severance payment in accordance with market practice and Remuneration policy.

However, in the case of Izabela Danner any severance payments may not exceed the lower of two years' compensation (fixed salary, STI and LTI) or the annual compensation for the remaining term of the service contract (severance payment cap).

Provisions in the event of premature termination of the service agreement due to death

In the event of premature termination due to death, Izabela Danner is entitled to continued payment of the pro rata fixed salary and the pro rata average annual variable remuneration for the month of death and the three subsequent months, but no longer than until the end of the service agreement.

- **Total remuneration of Management Board**

The following remuneration amounts were granted in the financial year 2022:

| € | Stavros Efremidis 7.3.2022 - 31.12.2022 | Ralf Struck- meyer 7.3.2022 - 31.12.2022 | Izabela Danner since 7.3.2022 | Udo Giegerich | René Parmantier until 7.3.2022 | Sebastian Ernst until 7.2.2022 | Johannes Märklin until 7.2.2022 |
|-------------------------------------|---|---|-------------------------------------|------------------|---|---|--|
| Fixed Amount | 632,219 | 366,580 | 325,848 | 600,000 | 166,841 | 92,846 | 93,698 |
| Additions | 54,696 | 4,637 | 4,024 | 5,010 | 3,982 | 10,851 | 14,890 |
| Total Fixed Payments | 686,915 | 371,217 | 329,872 | 605,010 | 170,823 | 103,697 | 108,588 |
| STI | - | - | - | 212,500 | - | - | - |
| LTI | - | - | - | - | - | - | - |
| Total Variable Payments | - | - | - | 212,500 | - | - | - |
| Total Fix & Variable Payments | 686,915 | 371,217 | 329,872 | 817,510 | 170,823 | 103,697 | 108,588 |
| Compensation Payments | | | - | - | 1,200,000 | - | - |
| Total one-off Payments | - | - | - | - | 1,200,000 | - | - |
| Total Remuneration | 686,915 | 371,217 | 329,872 | 817,510 | 1,370,823 | 103,697 | 108,588 |

In addition, an income of reversal of prior year's LTI-provision in the amount of € 3.5m was recognized.

- **Benefits on the occasion of the termination of Management Board activities**

René Parmantier

The Management Board service contract as Chief Executive Officer (CEO) of René Parmantier was terminated with effect from 7 March 2022. All claims resulting from the termination of his service agreement (including STI and LTI) were settled by a final payment of € 1,200,000.

Other Management Board members

The termination of the service contracts for the former Management Board members Stavros Efremidis, Sebastian Ernst, Johannes Märklin und Ralf Struckmeyer were settled with no STI- and LTI-payments, nor termination indemnities.

- **Composition of the Supervisory Board**

Statutes

From 1 January 2022 to 31 December 2022, the Supervisory Board of the Company had three members at each point in time.

At the beginning of 2022, the Supervisory Board of the Company was composed of: Stavros Efremidis acting as Chairman of the Supervisory Board, Dr. Bertrand Malmendier acting as Deputy Chairman of the Supervisory Board and Dr. Friedrich Oelrich as member of the Supervisory Board.

The chairmanship was held by Stavros Efremidis from 1 January 2022 until 7 March 2022, followed by the chairmanship of Dr. Bertrand Malmendier from 7 March 2022 until 3 December 2022. Furthermore, on 7 March 2022, Dr. Roland Folz joined the Supervisory Board as Deputy Chairman of the Supervisory Board.

As of 3 December 2022, the Supervisory Board has been composed of: Dr. Nedim Cen, acting as Chairman of the Supervisory Board, Dr. Bertrand Malmenier, acting as Deputy Chairman of the Supervisory Board and Dr. Sven-Marian Berneburg, acting as member of the Supervisory Board.

- **Remuneration system for the Supervisory Board**

The Articles of Association provide for the following remuneration for the members of the Supervisory Board. The Chairman of the Supervisory Board is entitled to annual remuneration of € 150,000 and the Deputy Chairman of the Supervisory Board to annual remuneration of € 100,000. The third member of the Supervisory Board is entitled to a remuneration of € 75,000. This means that the Supervisory Board members are getting no remuneration based on success of the Company but solely a fixed sum.

In addition to the annual remuneration, each member of the Supervisory Board is entitled to a meeting allowance of € 750 for each meeting the member attends in person, per telephone or videoconference. The Supervisory Board Members shall further be reimbursed for all reasonable and properly documented costs incurred as part of their mandate. Further, every Supervisory Board Member shall benefit from a market-standard D&O insurance.

The Chairman of the Company's Audit Committee and the Chairman of the Company's Nomination and Remuneration Committee are entitled to an additional annual remuneration of € 10,000. The Chairman of any other Company committee (i.e. in case of the Company, the Corporate Governance Committee), should there be one, shall be entitled to additional annual remuneration of € 10,000. Each other member of the Company's Audit Committee, Nomination and Remuneration Committee and any other company committees, should there be one, shall be entitled to an additional annual remuneration of € 5,000.

According to the Articles of Association, the annual remuneration (after deduction of all taxes due) is payable in a single lump sum within ten days after the end of each financial year. Supervisory Board members who have been members of the Supervisory Board or a committee of the Supervisory Board for only part of the financial year receive corresponding pro rata (act/365) remuneration for that financial year.

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

Total remuneration of Supervisory Board

The remuneration amounts for the Supervisory Board have been granted as stated hereinafter. Deviations to the foreseen annual amounts are related to individual agreements on premature contract assignment terminations.

| Remuneration of Supervisory Board members for the financial year 2022 (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 | | | | |
| Dr. Bertrand Malmendier | 175,000.00 | 34,500.00 | 0 | N/A | N/A | N/A | N/A | 209.500,00 | N/A |
| Stavros Efremidis | 31,643.00 | 6.750,00 | 0 | | | | | 38.393,00 | |
| Dr. Roland Folz | 187,500.00 | 17,000.00 | 0 | | | | | 204.500,00 | |
| Dr. Friedrich Oelrich | 155,000.00 | 18,000.00 | 0 | | | | | 173.000,00 | |
| Dr. Nedim Cen | 0 | 0 | 0 | | | | | 0 | |
| Dr. Sven-Marian Berneburg | 8,219.18 | 0 | 0 | | | | | 8.219,00 | |

- **Information on how the remuneration for 2022 complied 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 2022, 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.

Accordingly, due to the restructuring of the Company, no discretionary STI payment was made to the members of the Management Board. In addition, no LTI was awarded to any of the members of the Management Board.

- **Derogations and deviations from the remuneration policy and from the procedure for its implementation**

For the financial year 2022, there were no derogations from or exceptions to the Remuneration Policy.