

## Remuneration Report 2021

The following remuneration report pursuant to Section 162 of the German Stock Corporation Act (AktG) presents and explains the remuneration granted and owed to each individual current or former member of the Board of Management and the Supervisory Board of ERWE Immobilien AG in the 2021 financial year.

The obligation to prepare a remuneration report exists for the first time for the financial year 2021. Until the end of the financial year 2025, the average remuneration of the last five financial years is not to be included in the comparative presentation of the average remuneration of employees on a full-time equivalent basis (so-called vertical comparison), but only the average remuneration over the period since the financial year 2021. For this year's first preparation of the remuneration report, a presentation is therefore not required, as otherwise, contrary to the legislative intention, data would have to be collected retrospectively for the 2020 financial year.

The remuneration report is to be seen in the context of the remuneration system and the specifically determined remuneration for the members of the Executive Board as well as the remuneration for the Supervisory Board. In addition to the general disclosure of the remuneration of the individual members of the Executive Board and the Supervisory Board, it also serves in particular to provide transparency on the implementation of the requirements of the remuneration system for the Executive Board and the Supervisory Board, where applicable and relevant.

### **1 Remuneration system for the Board of Management and remuneration of the Supervisory Board**

#### 1.1 Board of Management

The current remuneration system for the members of the Board of Management of ERWE Immobilien AG was resolved by the Supervisory Board on 12 April 2021 and approved by the Annual General Meeting on 25 May 2021 with a majority of 99.99% of the capital represented. This was preceded by a review of the existing remuneration system, which had become necessary due to the implementation of the Second Shareholders' Rights Directive (ARUG II) in the form of the new Section 120a of the German Stock Corporation Act (AktG) and had led to a revision and partial adjustment. The current remuneration system for the members of the Board of Management can be viewed on the company's website in the Investor Relations section at <https://www.erwe-ag.com/en/investor-relations/corporate-governance/remuneration-management-and-supervisory-board>.

In accordance with the legal requirements, the Executive Board employment contracts existing prior to the adoption of the remuneration system will initially remain unaffected by the requirements of the remuneration system (cf. section 26j, paragraph 1, sentence 3 of the German Stock Corporation Act). The remuneration system will be applied for the first time in autumn 2022, when the existing Executive Board contracts expire. Accordingly, certain explanations, such as the extent to which the remuneration corresponds to or deviates from the applicable remuneration system, including the performance criteria contained therein (cf. section 162, paragraph 1, sentence 2, no. 1 and no. 5 of the German Stock Corporation Act), are not yet included in the current remuneration report, but will be found for the first time in the remuneration report for the 2022 financial year.

#### 1.2 Supervisory Board

The remuneration regulation for the members of the Supervisory Board results from § 13 paragraph 1 of the Articles of Association, which does not regulate an abstract remuneration system, but the concrete remuneration. This regulation was last approved by the Annual General Meeting on 25 May 2021 with a majority of 99.99% of the capital represented. Thus, the

remuneration regulation last approved by the general meeting on 16 June 2020 was confirmed without changes.

## 2 Presentation of the remuneration of the Board of Management

### 2.1 Remuneration granted in the 2021 financial year

The following table shows the remuneration granted to each individual current or former member of the Board of Management in the 2021 financial year. The remuneration granted is to be understood as the remuneration actually received by the respective member of the Executive Board in the 2021 financial year, irrespective of the legal reason.

	Rüdiger Weitzel		Axel Harloff		Christian Hillermann		Total	
	in KEUR	in %	in KEUR	in %	in KEUR	in %	in KEUR	in %
<b>Fixed remuneration</b>	240	90,9	240	81,4	200	79,4	680	83,8
<b>Remuneration in kind</b> (e.g. company car, allowances for health and social insurance)	24	9,1	38	12,9	37	14,7	99	12,2
<b>Other benefits</b> (private use of means of communication, reimbursement of costs for trips home)	0	0,0	17	5,8	15	6,0	32	12,2
<b>Short-term variable remuneration</b>	0	0,0	0	0,0	0	0,0	0	0,0
<b>Long-term variable remuneration</b>	0	0,0	0	0,0	0	0,0	0	0,0
<b>Total remuneration</b>	264	100,0	295	100	252	100	811	100

The fixed remuneration shown in the table is the fixed annual salary paid to each Management Board member in twelve equal monthly instalments. The amount of the fixed salary is based on the tasks of the respective Management Board member and takes into account the individual role of the Management Board member within the Management Board, experience, area of responsibility and market conditions.

The benefits in kind shown in the table are additional benefits granted by the company to the members of the Executive Board, some of which are considered non-cash benefits and are taxed accordingly. For example, members of the Management Board are provided with a company car for business and private use within the framework of a predefined budget, or alternatively with a corresponding lump-sum payment. The company grants Management Board members subsidies for statutory or private social insurance, up to a maximum of 50 % of the respective maximum amounts for statutory pension, health and long-term care insurance, and bears the costs of accident insurance in the event of death or disability.

The other benefits shown in the table are benefits such as reimbursements or allowances for home travel.

The short-term variable remuneration takes the form of an annual bonus (so-called Short Term Incentives, STI), the payment of which depends on the achievement of targets set by the Supervisory Board, which the Supervisory Board determines and reviews for each financial year and for each member of the Board of Management. The long-term variable remuneration is structured as a participation programme in the form of virtual shares (so-called long-term incentives, LTI), i.e. imaginary shares in the company whose value is determined by the price of the ERWE share in the XETRA trading system of the Frankfurt Stock Exchange and which represent a payment entitlement for the members of the Board of Management. No short-term or long-term variable remuneration was granted or owed in the 2021 financial year, so that "0" or "0.0" had to be stated in the table in this respect.

## 2.2 Comparative presentation of the annual change in the remuneration granted and the earnings trend

The following comparative presentation shows the annual change in the remuneration granted to the members of the Board of Management and the company's earnings performance. Earnings are understood to be the annual result (net profit or loss) of ERWE Immobilien AG according to the HGB individual financial statements and the annual result (net profit or loss) of the ERWE Group according to the IFRS consolidated financial statements.

### (a) Comparative presentation of the annual change in the remuneration granted to the members of the Management Board

	<b>Remuneration granted in the 2020 financial year in KEUR</b>	<b>Remuneration granted in the 2021 financial year in KEUR</b>	<b>Change 2021 compared to 2020 in KEUR</b>	<b>Change 2021 compared to 2020 in %</b>
<b>Rüdiger Weitzel</b>	357	264	-93	-26,05
<b>Axel Harloff</b>	385	295	-77	-23,38
<b>Christian Hillermann</b> (Member of the Board of Management since 1 April 2020)	181	252	78	39,23

In the 2020 financial year, remuneration components totaling KEUR 357 were paid to Mr. Rüdiger Weitzel. These include a bonus of KEUR 100 for the 2019 financial year and the fixed remuneration and benefits in kind for the 2020 financial year totaling KEUR 257. Comparing the fixed remuneration and benefits in kind granted in the 2020 and 2021 financial years (excluding the bonus relating to the 2019 financial year), the fixed remuneration and benefits in kind in the 2021 financial year increased by KEUR 7 and 2.65% respectively compared to the 2020 financial year.

In the 2020 financial year, remuneration components totaling KEUR 372 were paid to Mr. Axel Harloff. These include a bonus of KEUR 100 for the 2019 financial year and the fixed remuneration and benefits in kind for the 2020 financial year totaling KEUR 272. Comparing the fixed remuneration and benefits in kind granted in the 2020 and 2021 financial years (excluding

the bonus relating to the 2019 financial year), the fixed remuneration and benefits in kind in the 2021 financial year increased by KEUR 23 and 7.8% respectively compared to the 2020 financial year.

In the 2021 financial year, remuneration components totaling TEUR 252 were paid to Mr. Christian Hillermann compared to TEUR 174 in the 2020 financial year. The difference of EUR 78,000 or 30.95% is mainly due to the fact that Mr. Hillermann only received his remuneration in the 2020 financial year on a pro rata basis for the last nine months of the financial year due to his appointment as a member of the Executive Board on 1 April 2020.

(b) Comparative presentation of the annual change in earnings development<sup>1</sup>

	<b>Annual result (net profit or loss) in the 2020 financial year in KEUR</b>	<b>Annual result (net profit or loss) in the 2021 financial year in KEUR</b>	<b>Change 2021 compared to 2020 in KEUR</b>
<b>HGB individual financial statements</b>	-4,578	-772	3,806
<b>IFRS consolidated financial statements</b>	+103	-10,161	-10,263

### 2.3 Remuneration owed

As of both 31 December 2020 and 31 December 2021, the remuneration owed to members of the Executive Board in the 2020 financial year and 2021 financial year, respectively, amounted to EUR 0.00. The remuneration owed is understood to be the remuneration that arose and was due in the 2020 financial year and 2021 financial year, respectively, but had not yet been paid as of 31 December 2020 and 2021, respectively. The change in the remuneration owed in the 2021 financial year compared to the 2020 financial year is therefore EUR 0 or 0%.

### 2.4 Further information

In the completed financial year, no share or stock options were granted or promised and no variable remuneration components were reclaimed from members of the Executive Board. No benefits have been promised or granted to any Executive Board member by a third party with regard to his activity as a member of the Executive Board in the financial year. There are no benefits granted to a former Executive Board member in connection with the termination of his activity. There are no contractual commitments in the event of regular termination of service as a member of the Executive Board. In the event that a third party acquires more than 35% of the shares in the company, each Executive Board member has the right to terminate his Executive Board service contract with three months' notice to the end of the month and to resign from office on the termination date. In this case of premature termination of the Executive Board activity, each Executive Board member is generally entitled to a severance payment. In the case of Mr Weitzel and Mr Harloff, the severance payment is calculated on the basis of the fixed salary of the last completed financial year and is limited to two years' salary. In the case of Mr Hillermann, the severance payment is 80% of the total remuneration still owed until the regular termination of the employment contract and is limited to the total remuneration for three years. In the event that

the employment relationship would have ended within the next 12 months even without special termination, the severance payment for all three Executive Board members is limited to the amount that the Executive Board member would have received until the end of the respective term. The entitlement to severance pay shall lapse entirely for all three Executive Board members if the company effectively terminates the Executive Board member's employment for good cause.

### 3 Presentation of the remuneration of the Supervisory Board

#### 3.1 Remuneration granted in the 2021 financial year

The following table shows the remuneration granted to each individual current or former member of the Supervisory Board in the 2021 financial year. The remuneration granted is to be understood as the remuneration actually received by the respective member of the Supervisory Board.

	<b>Volker Lemke</b>	<b>Dr Olaf Hein</b>	<b>Dr Holger Henkel</b>	<b>Carsten Wolf</b>	<b>Total</b>
	in KEUR	in KEUR	in KEUR	in KEUR	in KEUR
<b>Fixed remuneration</b>	0	56	30	20	106

Pursuant to Article 13 of the Articles of Association of the Company, the members of the Supervisory Board receive, in addition to reimbursement of their expenses, remuneration for each full financial year of membership on the Supervisory Board. The remuneration for each member of the Supervisory Board is in principle EUR 20,000, whereby the Chairman of the Supervisory Board receives double this amount and the Deputy Chairman receives one and a half times this amount. Supervisory Board members who have not belonged to the Supervisory Board for a full financial year shall receive remuneration in accordance with the duration of their membership of the Supervisory Board.

Supervisory Board remuneration is generally payable after the end of the financial year (Article 13 paragraph 1 sentence 3 of the Articles of Association). The remuneration granted shown in the table above for the 2021 financial year is therefore in principle the remuneration for the activities of the members of the Supervisory Board in the 2020 financial year, with the exception of Dr Olaf Hein, who resigned from the Supervisory Board at the end of the 2021 Annual General Meeting on 25 May 2021 and received the pro rata remuneration for the 2021 financial year of EUR 16,000 during the 2021 financial year, so that this amount is to be shown as remuneration granted. The remuneration of the other members of the Supervisory Board for their activities in the 2021 financial year will be reported in the remuneration report for the 2022 financial year.

### 3.2 Comparative presentation of the annual change in the remuneration granted

The following comparative presentation shows the change in the remuneration granted to the members of the Supervisory Board in the 2021 financial year compared to the remuneration granted in the 2020 financial year.

	Remuneration granted in the 2020 financial year in KEUR	Remuneration granted in the 2021 financial year in KEUR	Change 2021 compared to 2020 in KEUR	Change 2021 compared to 2020 in %
<b>Volker Lemke</b>  (Member of the Supervisory Board since 25 May 2021)	0	0	0	0
<b>Dr Olaf Hein</b>  (Member of the Supervisory Board until 25 May 2021)	30	56	26	46.43
<b>Dr Holger Henkel</b>	22.5	30	7.5	25
<b>Carsten Wolf</b>	15	20	5	25

According to the Articles of Association, the Supervisory Board remuneration is generally payable after the end of the financial year, so that the remuneration is only due (and thus owed) and granted in the following financial year. The remuneration granted in the above table for the 2020 financial year is therefore generally the remuneration for the activities of the Supervisory Board members in the 2019 financial year, and the remuneration granted in the 2021 financial year is the remuneration for the activities of the Supervisory Board members in the 2020 financial year. The only exception is Dr Olaf Hein for the 2021 financial year, who was paid the pro rata remuneration for the 2021 financial year of EUR 16,000 in addition to the remuneration for the 2020 financial year due to his departure from the Supervisory Board on 25 May 2021 (see section 3.1.2 above). 3.1).

The increase in Supervisory Board remuneration for Mr Carsten Wolf as an ordinary member of the Supervisory Board from €15,000 in the 2020 financial year to €20,000 in the 2021 financial year is based on the amendment to the remuneration rules in Article 13 (1) sentence 1 of the Articles of Association of ERWE Immobilien AG resolved by the Annual General Meeting on 1 June 2020, which was reworded as follows: "The members of the Supervisory Board shall receive remuneration of €20,000 for each full financial year of their membership of the Supervisory Board.000." Since according to § 13 para. 1 sentence 2 of the Articles of Association the Chairman of the Supervisory Board receives double this amount and the Deputy Chairman receives one and a half times this amount, the remuneration of Dr. Olaf Hein as Chairman of the Supervisory Board increased from EUR 30,000 in the 2019 financial year to EUR 40,000 in the 2020 financial year and the remuneration of Dr. Holger Henkel as Deputy Chairman of the

Supervisory Board increased from EUR 22.5,000 in the 2019 financial year to EUR 30,000 in the 2020 financial year.

### 3.3 Remuneration owed

As of both 31 December 2020 and 31 December 2021, the remuneration owed to members of the Supervisory Board in the 2020 financial year and the 2021 financial year, respectively, amounted to EUR 0.00. The remuneration owed is understood to be the remuneration that arose and was due in the 2020 financial year and the 2021 financial year, respectively, but had not yet been paid as of 31 December 2020 and 2021, respectively. The change in the remuneration owed in the 2021 financial year compared to the 2020 financial year is therefore EUR 0 or 0%.

### 3.4 Further information

The members of the Supervisory Board receive a purely fixed remuneration. This corresponds to the established practice of large listed stock corporations and the suggestion G.18, sentence 1 of the German Corporate Governance Code and appears appropriate in view of the Supervisory Board's control function, which is geared towards independence. As the members of the Supervisory Board receive a purely fixed remuneration, no share or stock options were granted or promised and a reclaim of variable remuneration components is excluded.

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