

REMUNERATION POLICY

OF

PORR AG

TABLE OF CONTENTS

| | | |
|-----------|---|----|
| 1. | BACKGROUND | 3 |
| 1.1 | General..... | 3 |
| 1.2 | Significant changes to the remuneration policy 2023..... | 3 |
| 2. | REMUNERATION OF THE MEMBERS OF THE MANAGEMENT BOARD | 4 |
| 2.1 | Principles of the Management Board remuneration | 4 |
| 2.2 | Fixed and variable components of Management Board remuneration | 4 |
| 2.3 | Additional components of the Executive Board remuneration | 5 |
| 2.4 | Pay and employment conditions of PORR employees | 6 |
| 2.5 | Share-based remuneration | 7 |
| 2.6 | Terms and notice periods of Management Board members' contracts and main features of supplementary pension schemes and early retirement programs | 9 |
| 2.7 | Review and implementation of the remuneration policy | 9 |
| 2.8 | Deviations from the remuneration policy | 10 |
| 2.9 | Significant changes in the remuneration policy | 10 |
| 3. | REMUNERATION OF THE MEMBERS OF THE SUPERVISORY BOARD | 11 |
| 3.1 | Background | 11 |
| 3.2 | Remuneration policy for the Supervisory Board | 12 |

1. BACKGROUND

1.1 General

Since the implementation of Directive (EU) 2017/828 of the European Parliament and of the Council of 17 May 2017, amending Directive 2007/36/EC as regards the encouragement of long-term shareholder engagement ("**Shareholders' Rights Directive**") into the Austrian Stock Corporation Act, listed stock corporations are obliged to establish principles for the remuneration of the members of the Management Board and Supervisory Board. These principles for the remuneration of the members of the Management Board and Supervisory Board are referred to as remuneration policy.

For this reason, the Supervisory Board of PORR AG ("**PORR**" or the "**Company**"), after appropriate preparation by the remuneration committee of the Supervisory Board, has determined this remuneration policy in 2020 and adjusted and revised it in 2023 to reflect current developments in the Company.

The legislator provides that there is only one single remuneration policy for each listed company, which should contain a section for the remuneration of the members of the Management Board on the one hand and a section for the remuneration of the members of the Supervisory Board on the other.

For this reason, reference is always made to the sections "Remuneration of the members of the Management Board" and "Remuneration of the members of the Supervisory Board" in this single remuneration policy.

The Supervisory Board of PORR has drawn up this remuneration policy to the best of its knowledge and adjusted it on the basis of the experience and developments of recent years. The Supervisory Board of PORR will continue to monitor all future developments in this area very closely and, if necessary, adjust the remuneration policy again.

According to § 78b para 1 of the Stock Corporation Act, the remuneration policy must be submitted to the annual shareholders' meeting for voting at least every fourth financial year. It must be noted that the relevant resolution of the annual shareholders' meeting on the remuneration policy is only of a recommendatory nature pursuant to § 78b para 1 2nd sentence of the Stock Corporation Act.

1.2 Significant changes to the remuneration policy 2023

Significant changes in the Company's remuneration policy may result from the fact that PORR intends to introduce a Long Term Incentive Program ("**LTIP**") in 2023 to strengthen the loyalty of the members of the Management Board and other executives (senior officers; *leitende Angestellte*) of the Company and its direct and indirect subsidiaries ("**PORR Group**") to the PORR Group, to promote their motivation and identification with the objectives of the PORR Group and to increase the attractiveness of the PORR Group as an employer.

Participation in the Company's intended LTIP will enable LTIP participants to benefit from a positive economic development of the PORR Group and thus represents a special performance incentive over and above existing performance-related variable remuneration components.

In the event that PORR adopts a resolution on the implementation of the LTIP and determines the related plan conditions (*Planbedingungen*) at the Annual General Meeting in 2023, it will be necessary to adjust PORR's remuneration policy and the underlying documentation.

2. REMUNERATION OF THE MEMBERS OF THE MANAGEMENT BOARD

2.1 Principles of the Management Board remuneration

The remuneration of the Management Board should be appropriate and attractive in national and international comparison. The remuneration of the Management Board should be an incentive for the members of the Management Board to continuously strengthen and increase the performance of the Company and its earnings. At the same time, the Supervisory Board of PORR would also like to see continuity with regard to the composition of the Management Board and the members of the Management Board. Without appropriate remuneration for the Management Board, there would be a danger that members of the Management Board would no longer regard PORR as attractive and would pursue other professional activities. There is also the risk that without appropriate remuneration, no sufficient motivation for the sustainable development and strengthening of PORR can be achieved. The remuneration of the members of the PORR Management Board should contain fixed and variable components.

PORR is active in the construction industry. One of the characteristics of this business segment is that it is subject to cycles and is project-driven. PORR's income comes from numerous construction projects of various types and from different countries.

Due to this business model, it is necessary to grant both fixed and variable remuneration to the members of the PORR Management Board. Variable, success-oriented remuneration elements are intended to motivate the members of the Management Board to optimise the earnings of the PORR Group in a sustainable and risk-conscious manner. The fixed (basic) remuneration is intended to counteract uncertainties with regard to fluctuations in earnings in the construction industry. Without an appropriate fixed (basic) remuneration, however, there would be a risk that PORR would no longer be attractive in terms of exercising management board functions and would not be nationally and internationally comparable.

The members of the Management Board should receive a total package as remuneration which is customary and appropriate in national and international comparison. This also includes additional compensation components, such as inclusion in an insurance policy for their of Management Board activity (so-called "D&O insurance"), the provision of a company car, or inclusion in a company pension insurance policy.

For the reasons stated above, the Supervisory Board is of the opinion that the remuneration policy contributes to the business strategy and the long-term development of the Company.

2.2 Fixed and variable components of Management Board remuneration

(a) *Fixed Management Board remuneration*

Each member of the Management Board shall receive a fixed annual remuneration. The Supervisory Board is entitled to determine the respective amount in the respective Management Board contract at its own discretion, taking into account in particular seniority, experience, and the length of both the period of service with the Company and membership of the Management Board. In addition, the specific compensation granted should be competitive and appropriate to the market.

The fixed remuneration can be paid twelve times or fourteen times a year.

In addition to a fixed remuneration, the Supervisory Board may also grant additional benefits that are usually agreed in a Management Board contract, such as the entitlement to vacation days or continued remuneration in the event of illness, etc.

(b) *Variable Management Board remuneration*

Each member of the Management Board shall receive a variable remuneration each year, depending on the achievement of the parameters to be determined by the Supervisory Board and on any participation in the Company's intended LTIP. The Supervisory Board is entitled to determine financial or non-financial criteria, such as the determination of key compliance aspects, or a combination of both. In particular, each member of the Management Board shall endeavour to take sustainable steps towards achieving an EBT margin of 3%. This goal supports the current business policy and strategic orientation of PORR and is intended to promote the sustainable positive development of the Company. If the LTIP is resolved as planned, the maximum variable remuneration due in cash to the members of the Management Board of PORR participating in the LTIP will be reduced to 90% of the annual fixed remuneration.

(c) *Additional components of the Management Board remuneration*

The members of the Management Board shall receive additional benefits, i.e. inclusion in a D&O insurance policy, inclusion in a pension fund scheme or similar, inclusion in an accident and survivors' insurance policy, and the provision of a company car as described in detail in section 2.3 below.

(d) *Ratio of the respective components of the Management Board remuneration*

Pursuant to § 78a para 2 of the Stock Corporation Act, the remuneration policy must describe the various remuneration components, stating their respective relative proportions.

As it is not possible to determine in advance whether and in what amount variable remuneration will be paid to the respective members of the Management Board, an absolute relative share of the respective remuneration components cannot be stated.

The variable remuneration is limited to 100% of the annual fixed remuneration of the Management Board. If the LTIP is resolved as planned, the maximum variable remuneration due in cash to the members of the Executive Board of PORR participating in the LTIP will be reduced to 90% of the annual fixed remuneration.

2.3 Additional components of the Executive Board remuneration

The Supervisory Board is entitled to grant the following additional benefits within a reasonable scope:

- ***Company car***, which shall be a motor vehicle from the upper or upper middle class (e.g. in the category Audi A6 or A8, etc.), if necessary with driver, including the corresponding motor vehicle insurances (comprehensive insurance, passenger, etc.) as well as parking.
- ***Employee pension fund*** to the extent required by law.

- **Pension scheme:** for each member of the Management Board, an appropriate amount (based on past and present amounts) can be paid into a company pension fund.
- **D&O insurance:** each member of the Management Board is included in the D&O insurance of PORR at its expense.
- **Telecommunication equipment:** each member of the Management Board shall be provided with telecommunication equipment (telephone, internet, etc).
- **Litigation costs** for legal disputes in connection with the activity as a member of the Management Board or with other board functions in the PORR Group.
- **Accident insurance:** accident insurance can be taken out for each member of the Management Board at the expense of PORR.
- **Supplementary health insurance:** health insurance can be taken out for each member of the Management Board and his or her spouse at the expense of PORR.
- **Survivors' pension insurance:** a survivors' pension insurance can be taken out for each member of the Management Board at the expense of PORR.
- **Social security contributions:** Social security contributions are divided between the members of the Management Board and the Company in accordance with the statutory allocation formula.
- **Special bonus:** the Supervisory Board shall be entitled to grant a special bonus to one or more members of the Management Board in the event of extraordinary events or results.
- **Individual determinations:** the Supervisory Board shall be entitled to determine additional individual amounts within a reasonable scope, e.g. in the case of newly joining Management Board members whose previous place of residence is not in or near Vienna, a payment for relocation costs and double household management, or bonuses on taking up a Management Board mandate. In addition, the Supervisory Board is entitled to grant other customary benefits, such as recreational leave, in the respective Management Board member's contract.

2.4 Pay and employment conditions of PORR employees

When determining the remuneration of the members of the Management Board, the pay and employment conditions of PORR's employees were taken into account in so far as the PORR Group is a group with a consolidated balance sheet total of approximately EUR 4.15 billion, consolidated sales of more than EUR 5.78 billion and an average total of 20,232 employees (all figures as of 31 December 2022). In view of the size of the PORR Group, the remuneration components determined appear appropriate.

Some companies are fully consolidated, some at equity. This means that a clear calculation of the average income of an employee of the PORR Group is virtually impossible. Moreover, the Company is also active in many countries, especially in Eastern European countries such as Poland, Romania or the Czech Republic, which have lower income levels than Western European countries, so that the disclosure of a so-called "Manager to Worker Pay Ratio", i.e.

the ratio of the average income of a board member to the average income of an employee, would be distorting and not meaningful.

For this reason, there is no limitation of fixed or variable remuneration of Management Board members in relation to the average pay of all or certain groups of employees of the PORR Group.

2.5 Share-based remuneration

PORR intends to implement a Long-Term Incentive Program ("**LTIP**"), under which the members of the Management Board and other executives (senior officers; *leitende Angestellte*) of the Company and its direct and indirect subsidiaries ("**Eligible Persons**") shall benefit from a positive economic development of the PORR Group.

The LTIP intends to bind the members of the Eligible Persons to the PORR Group, to promote their motivation and identification with the goals of the PORR Group and to increase the attractiveness of the PORR Group as an employer. For this purpose, the LTIP to be adopted provides for a special performance incentive over and above existing performance-related variable remuneration components. At the same time, the interests of the executives of the PORR Group are to be aligned with those of the shareholders.

If the LTIP, including the related plan conditions (*Planbedingungen*), is adopted as planned, the following main adjustments and amendments will be made to the share-based remuneration provisions of PORR's remuneration policy:

- Under the LTIP, Eligible Persons will be offered the transfer of ordinary shares in the Company (ISIN AT0000609607) at the end of the term of the LTIP, provided that the Performance Criteria (as defined below) set by the PORR Group are achieved within a period of three (3) years and have resulted in annual Calculated Share Allotments (as defined below).

"Performance Criteria": the relevant performance criteria for the LTIP are the EBT Group annual targets for 2023-2025 according to the medium-term plan announced to the Eligible Persons and resolved by the Supervisory Board of the Company in the Supervisory Board meeting on 1 December 2021.

- The LTIP provides for the transfer of a maximum of 500,000 ordinary shares in the Company (ISIN AT0000609607); of these, a maximum of 200,000 shares will be allotted to the members of the Management Board of PORR – in the sense of a concrete allocation of the subscribable shares, which has not yet been determined.
- If the Performance Criteria are met in a relevant financial year of PORR, the annual share allocation is calculated in the respective annual Allocation Amount (as defined below) in accordance with the Base Price (as defined below). If the performance criteria are not met in a relevant financial year, the entitlement acquired in other relevant financial years shall remain unaffected. If the performance criteria are not met in full in a relevant financial year, no Calculated Share Allotment shall take place in that financial year, not even on a pro rata basis.

"Allocation Amount": For the purpose of calculating the amount of an Eligible Person's entitlement to be granted shares under the LTIP, 25% of the bonus base value

(*Bonusbasiswert*) set forth in the respective target agreement of the year 2023 shall be taken as the LTIP Value.

"Base Price": the Base Price shall be the unweighted average of the closing prices of the Company's share on the Vienna Stock Exchange in the period from 29 March 2023 (inclusive) to 27 April 2023 (inclusive), but at least EUR 12.00. This Base Price shall be relevant for the calculation of the maximum number of shares to be granted per LTIP participant and thus also for the total number of shares required for the LTIP, whereby the total number shall in any case be limited to 500,000 shares.

The annual **"Calculated Share Allotment"** (*Errechnete Aktienzuteilung*) corresponds to the respective annual Allocation Amount divided by the Base Price.

- After the expiry of three (3) years, at the end of the term of the LTIP, the actual allotment and transfer of shares in the Company to the Eligible Persons shall take place or – at the discretion of the Company – in justified individual cases a cash redemption of the shares to be granted.
- There is no retention period for those shares transferred through the LTIP.
- Any entitlement to final allotment and transfer of shares shall generally lapse if the employment or Management Board relationship ends before the end of the term of the LTIP as described below:

A LTIP participant terminates without good cause or resigns without good cause before the end of the term of the LTIP; the LTIP participant is at fault for a premature dismissal or termination of the employment relationship before the end of the term of the LTIP; before the end of the term of the LTIP, the LTIP participant is irrevocably released from employment.

In the case of members of the Management Board participating in the LTIP, the entitlement to final allotment and transfer of shares shall lapse if the appointment as member of the Management Board is revoked by the Supervisory Board for good cause pursuant to § 75 para 4 of the Stock Corporation Act before the end of the term of the LTIP.

For important reasons, the Management Board or, in the case of Management Board members, the Supervisory Board, may decide to waive this forfeiture. Possible important reasons that would prevent a forfeiture are, in particular, disability, retirement or death of the LTIP participant.

Within the context of PORR's LTIP as a form of share-based remuneration in accordance with § 78a para 5 in conjunction with § 78c para 2 no 4 of the Stock Corporation Act, it is provided for and specified that the Company reserves the right to redeem the entitlement to transfer shares, in whole or in part, in cash at its own discretion if there are certain objectively justified reasons. This chosen form of employee participation is to be strictly distinguished from exclusively virtual stock options, for which the terms stock appreciation rights and phantom stocks are also frequently used in practice, as the actual issue of shares is in no way (completely) waived and consequently the right to the delivery of shares upon exercise is not excluded, but rather is the primary focus.

2.6 Terms and notice periods of Management Board members' contracts and main features of supplementary pension schemes and early retirement programs

The contracts for the members of the Management Board shall each have a term of up to 5 years, whereby the respective contract of a Management Board member shall stipulate that a dismissal as a member of the Management Board or resignation of the Management Board member shall lead to the automatic termination of the Management Board contract. In this case, the compensation for the remaining term is limited to a maximum period of 18 months after the date of actual departure from the Management Board.

Early retirement programs for Management Board members in the meaning of early retirement will generally not be offered.

No separate compensation is provided for board functions at Group companies. However, if remuneration is mandatory, the remuneration must be transferred to PORR.

2.7 Review and implementation of the remuneration policy

This remuneration policy was originally drawn up by resolution of the Supervisory Board on 23 April 2020 and submitted to the 140th Annual General Meeting of PORR for voting, was then updated by resolution of the Supervisory Board on 28 March 28 2023 and will therefore be submitted to the 143rd Annual General Meeting for a new vote.

The Management Board reports annually – if necessary, with the involvement of information providers – on the subject of remuneration to the Supervisory Board (or the remuneration committee), which can initiate a revision of the remuneration policy if necessary.

The Supervisory Board of PORR is responsible for monitoring compliance with and implementation of the remuneration policy, and the Supervisory Board may assign this task to the PORR remuneration committee. In this case, the remuneration committee will report to the Supervisory Board on its audit activities.

At least every fourth financial year, the Supervisory Board shall review the remuneration policy and evaluate whether a revision is necessary. The remuneration committee may make recommendations to the Supervisory Board on the remuneration policy. Subsequently, the Supervisory Board must adopt a resolution on the remuneration policy and submit a corresponding proposal for a resolution to the annual shareholders' meeting. The remuneration policy must then be submitted to the annual shareholders' meeting for a vote.

The same applies to any premature significant change in remuneration policy. The review of compliance with and implementation of the remuneration policy shall also be carried out whenever a new contract with a member of the Management Board is to be concluded or an existing contract of a member of the Management Board is to be extended, regardless of whether the conditions remain the same or change.

Furthermore, a review shall also be carried out if parts of the remuneration of the Management Board are changed.

The members of the Supervisory Board must report any conflict of interest of their own accord and, if necessary, abstain from voting on corresponding resolutions in the Supervisory Board.

2.8 Deviations from the remuneration policy

The Supervisory Board of PORR is entitled to deviate from this remuneration policy if this is necessary in exceptional circumstances.

In the event of a deviation from the remuneration policy, a new remuneration policy must be presented at the next annual shareholders' meeting. At the same time, the remuneration committee of the Supervisory Board must determine that there are exceptional circumstances in which the deviation from the remuneration policy is necessary for the long-term development of the Company or to ensure its profitability. Exceptional circumstances include in particular significant changes in the legal, economic and political environment or changes in the market environment of the PORR Group.

Furthermore, a deviation from the remuneration policy is also permitted, in particular with regard to the fixed remuneration, the variable remuneration and additional components of the remuneration, if unforeseen vacancies occur on the Management Board and a necessary replacement cannot be found under the conditions contained in this remuneration policy.

2.9 Significant changes in the remuneration policy

This remuneration policy was originally drawn up by resolution of the Supervisory Board on 23 April 2020 and submitted to the 140th Annual General Meeting of PORR for voting, was then updated by resolution of the Supervisory Board on 28 March 2023 and will therefore be submitted to the 143rd Annual General Meeting of PORR for a new vote.

The changes made in 2023 relate to complements to the remuneration policy with regard to the implementation of a Long Term Incentive Program (LTIP) and the definition of the related plan conditions.

3. REMUNERATION OF THE MEMBERS OF THE SUPERVISORY BOARD

3.1 Background

Pursuant to § 98a of the Stock Corporation Act, the remuneration policy must also be drawn up with regard to the remuneration of the members of the Supervisory Board, whereby the statutory provisions on the remuneration of the members of the Management Board must be applied analogously.

This provision, which originates from the Shareholders' Rights Directive, is based on the legal systems of member states that provide for a one-tier board system for stock corporations. Austrian stock corporation law, on the other hand, provides for a dualistic system, i.e. a separation between the management board and supervisory board.

Variable remuneration components for members of the Supervisory Board are not only unusual in Austria, but also problematic, as they can tempt a member of the Supervisory Board to vote for a risky business.

Furthermore, the members of the Supervisory Board do not regularly conclude contracts in connection with their Supervisory Board mandate, so that the disclosure of termination periods of Supervisory Board contracts, etc. in analogous application of the statutory provisions governing the remuneration policy for members of the Management Board is meaningless in this context.

Finally, the responsibility for granting remuneration to the Supervisory Board under the Stock Corporation Act lies exclusively with the annual shareholders' meeting (unless the articles of association authorise this, which is not the case with PORR).

Although the Austrian legislator has itself recognised that this provision, namely the drawing up of a remuneration policy for the members of the Supervisory Board by the Supervisory Board, is problematic and will therefore generally be short and less detailed than the remuneration policy for the Management Board, it has at the same time left it with a blanket reference to the provisions of the AktG applicable to members of the Management Board.

The Supervisory Board of PORR is aware of all this, but nevertheless draws up the following remuneration policy for the Supervisory Board in order to comply with legal requirements. It should be noted that, due to the provisions of the Stock Corporation Act, the following elements of remuneration for Supervisory Board members only apply to the members of the Supervisory Board elected by the shareholders' meeting (capital representatives).

3.2 Remuneration policy for the Supervisory Board

The remuneration for the Supervisory Board is intended to contribute to the business strategy and the long-term development of the Company by taking into account the responsibility and scope of activities of the individual members of the Supervisory Board as well as the economic situation of the company.

(a) *Fixed and variable components of the remuneration of the members of the Supervisory Board*

Each member of the Supervisory Board shall receive a fixed annual remuneration. The amount to be paid in each case to the members of the Supervisory Board shall be proposed by the Supervisory Board and the Management Board to the shareholders' meeting.

The members of the Supervisory Board do not receive variable remuneration.

(b) *Additional components of remuneration and cash expenses*

The members of the Supervisory Board are covered by the D&O insurance of PORR. In addition, the Supervisory Board members are reimbursed for cash expenses incurred in connection with their function on the Supervisory Board (e.g. travel expenses).

In addition to the annual remuneration to be determined by the annual shareholders' meeting, the members of the Supervisory Board are granted a lump-sum attendance fee of EUR 1,500 for each day on which they attend one or more meetings of the Supervisory Board or one of its committees.

If members of the Supervisory Board assume a special activity in this capacity in the interest of the Company, a special remuneration may be approved for this by resolution of the shareholders' meeting.

The members of the Supervisory Board shall not receive any additional benefits.

(c) *Ratio of the respective components of the remuneration*

Pursuant to § 78a para 2 of the Stock Corporation Act, the remuneration policy must describe the various remuneration components, stating their respective relative proportions.

Since the members of the Supervisory Board only receive fixed remuneration, there is no need to disclose the relative proportions of the various remuneration components.

(d) *Additional remuneration components*

Supervisory Board members do not receive any additional benefits.

(e) *Conditions of pay and employment of PORR employees*

When determining the remuneration policy for members of the Supervisory Board, the pay and employment conditions of PORR's employees were not taken into account.

(f) *Share-based remuneration*

PORR will not grant any share-based remuneration to members of the Supervisory Board.

(g) *Terms and notice periods of contracts and main features of supplementary pension schemes and early retirement schemes*

The terms of the respective Supervisory Board mandates are determined by the respective resolutions of the annual shareholders' meeting. In the absence of separate contracts with the members of the Supervisory Board, there are also no periods of notice or terms of office.

There are no supplementary pension schemes or early retirement programs for members of the Supervisory Board.

(h) *Review and implementation of the remuneration policy*

Reference is made to the remuneration policy for the Management Board.

(i) *Deviations from the remuneration policy*

The competence to adopt provisions deviating from this remuneration policy lies with the shareholders' meeting.
