

News-Service of the presstext news agency
Josefstädter Straße 44, 1080 Vienna, Austria, phone: +43 1 81140-0

Publication: 13.03.2023 14:00

Source: <https://www.presstext.com/news/20230313027>

Keywords: PORR AG / Economy / Stock Exchange

Announcement according to article 119 section 9 BörseG

PORR AG: Report in relation to the resolution on a Long Term Incentive Program 2023

Vienna (pta/13.03.2023/14:00) -

English translation of the original German version for convenience only

REPORT

**of the Management Board and the Supervisory Board
of**

PORR AG

pursuant to Section 95 (6) in conjunction with 159 (2) no 3 of the Stock Corporation Act (*Aktiengesetz – "AktG"*)

in relation to the

resolution on a Long Term Incentive Program 2023

The Management Board and the Supervisory Board of PORR AG ("**PORR**" or the "**Company**") intend to introduce and implement a Long Term Incentive Program 2023 ("**LTIP**"), whereby the Company's own shares (*eigene Aktien*) will be used to deliver shares to be subscribed for under the LTIP and for share transfers to be made. In this context, the preferred issue of shares under the LTIP to members of the Management Board of the Company and other executives of the PORR Group determined by the Management Board of the Company who receive an offer from the Company to participate in the LTIP constitutes an adequate reason for the exclusion of subscription rights.

In accordance with Rule 28 of the Austrian Corporate Governance Code (*Österreichischer Corporate Governance Kodex – "ÖCGK"*), the resolution on the LTIP shall be passed by the Company's Annual General Meeting ("**AGM**") scheduled for 28 April 2023, because the LTIP also provides for share transfer programs in relation to members of the Management Board of PORR. The Management Board and the Supervisory Board therefore propose to the Annual General Meeting to adopt a resolution on the Long Term Incentive Program 2023.

The Management Board and the Supervisory Board therefore submit the following report pursuant to Section 95 (6) in conjunction with Section 159 (2) no 3 AktG on the resolution on the implementation of the LTIP, under which shares to be granted to members of the Management Board and other executives (senior officers; *leitende Angestellte*) of the Company and its direct and indirect subsidiaries are being settled with the Company's own shares:

1. PRINCIPLES AND INCENTIVES OF THE LTIP

PORR pursues a corporate strategy aimed at the sustainable development and long-term increase of the Company's value. The LTIP intends to bind 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 goals of the PORR Group and to increase the attractiveness of the PORR Group as an employer. It is in PORR's interest to bind the executives and senior officers of the PORR Group even more closely to the organization in which they work and to the PORR Group, as well as to increase their motivation by issuing shares. Identification with the Company increases when executives and senior officers are also shareholders. The possibility of acquiring own shares of the Company (*eigene Aktien*) and selling these own shares in ways other than via the stock exchange or by public offer for the purpose of implementing the LTIP is therefore in the interests of the Company.

Participation in the LTIP enables 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 salary components. Furthermore, LTIP participation is intended to align the interests of the executives of the PORR Group with those of shareholders. International investors in particular expect members of the Management Board and other executives to be incentivised by the success of the Company. In this respect, the LTIP can improve the Company's positioning on the capital market and thus facilitate its ability to obtain financing via the capital market.

The members of the Management Board of the Company and certain executives of the PORR Group determined by the Management Board of PORR ("**Eligible Persons**") who are in a valid employment or management board relationship with a company of the PORR Group on the cut-off date of 28 April 2023 are entitled to participate. The Management Board of the Company is entitled to make an offer to other executives to participate in the LTIP, but only up to the maximum number of Company shares to be granted. In the event of a change or expansion of the Management Board of PORR, the Supervisory Board shall be entitled to offer participation in the LTIP to new Management Board members (together with the other executives named in the previous sentence, the "**Additional Eligible Persons**"), but in total only up to the maximum number of Company shares to be granted. Unless otherwise specified, the provisions for the Eligible Persons shall also apply to the Additional Eligible Persons.

Participation in the LTIP is voluntary and takes place on the basis of the declaration of participation (*Teilnahmeerklärung*) to be submitted until the end of the term of the LTIP. Subject to any specific provisions – as described in item 4. – a premature termination of participation is not possible.

2. NUMBER AND ALLOCATION OF SHARES TO BE GRANTED AND ALLOTMENT AMOUNT

Any Eligible Person wishing to participate in the LTIP must notify the Company in writing between 2 May 2023 and 31 May 2023 using a template declaration of participation provided by the Company ("**Declaration of Participation**"). Declarations of Participation received by the Company after 31 May 2023 will not be considered.

A prerequisite for the participation of members of the Management Board of the Company in the LTIP is that they hold an appropriate proportion (*angemessener Eigenanteil*) of shares in the Company (ISIN AT0000609607) ("**Appropriate Proportion**"). An Appropriate Proportion of Company shares means that each member of the Management Board must have acquired at least 20,000 shares in the Company. The Appropriate Proportion of shares of a member of the Management Board must be reached at the latest by the end of the term, whereby it is irrelevant for the achievement of the Appropriate Proportion whether the respective member of the Management Board acquires the relevant shares for the achievement of the Appropriate Proportion only during the term of the LTIP or already holds them. Shares in the Company already held by the respective Management Board member are therefore counted towards the Appropriate Proportion, as are shares in the Company held by (a) companies in which the respective Management Board member is entitled to more than half of the votes and (b) private foundations of which the Management Board member is the founder (including non-exclusive founder) or beneficiary (including non-exclusive beneficiary). Failure to achieve the Appropriate Proportion of Company shares by the end of the term shall result in the forfeiture of the Calculated Share Allotment (*Errechnete Aktienzuteilungen*) for the respective Management Board Member without compensation. The (beneficial) ownership in relation to the Appropriate Proportion of Company shares shall be proven by the Management Board members participating in the LTIP at the end of the term of the LTIP – at the latest immediately prior to the planned transfer of the shares (in the form of the submission of a deposit certificate to the Group Management department of the Company or a service provider designated by the Company).

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.

The actual allotment and transfer of shares to the Eligible Persons will take place at the end of the term of the LTIP on the basis of the respective Declarations of Participation and the annual Calculated Share Allotments upon fulfilment of the specific performance criteria.

For the calculation of the amount of the entitlement of an Eligible Person to be granted shares under the LTIP, 25% of the Bonus Base Value (*Bonusbasiswert*) set forth in the relevant target agreement of the year 2023 shall be taken as the LTIP Value. For example, if the relevant Bonus Base Value of an Eligible Person is EUR 100,000, the LTIP Value will be a maximum of EUR 25,000 per year or a maximum of EUR 75,000 for three (3) years ("**Allocation Amount**"). In return, each LTIP participant's cash entitlement under his or her previous bonus or premium agreement shall be reduced by 10%. For the members of the Management Board of PORR participating in the LTIP, the maximum variable remuneration due in cash is reduced to 90% of the annual fixed remuneration.

3. BASE PRICE (EXERCISE PRICE)

The base price (exercise price) ("**Base Price**") is 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 is 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 is in any case limited to 500,000 shares.

4. PERFORMANCE CRITERIA, CALCULATION AND FORFEITURE OF SHARE ALLOTMENT, TRANSFER OF SHARES, RETENTION PERIOD

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

If the Performance Criteria are met in a relevant business year of PORR according to the plan conditions (*Planbedingungen*), the annual share allocation is calculated in the annual Allocation Amount in accordance with the Base Price. The annual "**Calculated Share Allotment**" (*Errechnete Aktienzuteilung*) corresponds to the respective annual Allocation Amount divided by the Base Price. 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 be made in that financial year, not even on a pro rata basis.

This annual Calculated Share Allotment is solely for guidance with respect to the determination of the final number of shares to be granted and transferred at the end of the term of the LTIP. The transfer or pledging of the entitlement to allocation of shares to third parties is not possible.

After the end of the term of the LTIP, those shares corresponding to the Calculated Share Allotment will be transferred to the respective LTIP participants without further consideration. Prior to the final transfer of the shares, LTIP participants shall not be entitled to any dividends of the Company determined during the term of the LTIP. The shares to be transferred are therefore only entitled to dividends from the PORR financial year 2026 onwards and will only be transferred after the Annual General Meeting that resolves on the discharge for the PORR financial year 2025. If this Annual General Meeting resolves to distribute a dividend for the PORR business year 2025, the transfer of the shares will only take place after the corresponding dividend ex-date on the Vienna Stock Exchange.

There is no retention period for those shares transferred through the LTIP.

The Company reserves the right, at its sole discretion, to deliver either new shares from a capital increase or (existing) own Company shares or new and (existing) own shares upon transfer of the shares.

The Company reserves the right, at its sole discretion, to redeem the right to transfer shares, in whole or in part, in cash (less the corresponding taxation). In the case of a cash redemption, the difference between the Base Price on the one hand and the unweighted average of the closing prices of the Company's share on the Vienna Stock Exchange of the last 20 trading days prior to the end of the term on the other hand – less any taxation to be withheld – will be paid out. In this context, each Eligible Person will undertake to make the necessary disclosures to the Company.

A claim to final allocation 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: (i) 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. (ii) In the case of members of the Management Board participating in the LTIP, the entitlement to final allocation 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 Section 75 (4) AktG before the end of the term of the LTIP. (iii) 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.

5. OTHER

The LTIP proposed for resolution by the Annual General Meeting is the only ongoing share transfer program of the

PORR Group and therefore there are no other stock options granted by companies of the PORR Group to members of the Management Board of the Company and other executives of the Company and its direct or indirect subsidiaries as determined by the Management Board.

Vienna, February 2023

The Management Board

The Supervisory Board

Emitter: PORR AG
Absberggasse 47
1100 Wien
Austria

Contact Person: Dir. Prok. Rolf Petersen

Phone: 050626-1199

E-Mail: investor.relations@porr.at

Website: www.porr-group.com

ISIN(s): AT0000609607 (Share) AT0000A086F0 (Genussrecht)
XS2113662063 (Bond) XS2408013709 (Bond)

Stock Exchange(s): Official Trade in Vienna, Basic Board in Frankfurt



News transmitted by presstext. The emitter is responsible for the content.