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**REMUNERATION REPORT**

**OF**

**PORR AG**

## 1. INTRODUCTION

### 1.1 Background

On 28 May 2020, the 140th Annual General Meeting of PORR AG ("**PORR**" or the "**Company**") resolved on the principles for the remuneration of the members of the Management Board and Supervisory Board of PORR ("**Remuneration Policy**") in accordance with 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 ("**Shareholder Rights Directive**") and the provisions of the Stock Corporation Act (*AktG*; "**AktG**") based thereon.

This remuneration report ("**Remuneration Report**") for the remuneration of the members of the Management Board and Supervisory Board of PORR has been prepared by the Management Board and Supervisory Board of PORR in accordance with Section 78c AktG in order to provide an overview of the remuneration granted or owed to the members of the Management Board and Supervisory Board on the basis of the Remuneration Policy ( Section 78a AktG and Section 98a AktG), including all benefits in any form during the financial year 2020. It was reviewed by the remuneration committee and resolved by the Supervisory Board in its meeting on 22 April 2021.

This Remuneration Report implements the requirements set out in Section 78c and Section 98a AktG for the preparation of remuneration reports for members of the Management and Supervisory Board of PORR as a listed company. It is also based on Statement 37 of the Austrian Financial Reporting and Auditing Committee ("**AFRAC Statement**"). The Guidelines of the European Commission on the standardised presentation of the remuneration report under 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 ("**Guidelines**") were also taken into account. However, the Guidelines were only available in draft form at the time of the preparation of this report and therefore this Remuneration Report only takes into account the Guidelines to the extent that they are in line with the AFRAC Statement.

This Remuneration Report shall be submitted to the Annual General Meeting for voting pursuant to Section 78d Paragraph 1 AktG. The vote is of a recommendatory nature; in the next remuneration report shall be explained how the voting result on the remuneration report at the last Annual General Meeting was complied with. In this Remuneration Report, such a disclosure of the voting result is omitted because the Remuneration Report is being prepared for the first time.

## 1.2 Financial situation of PORR in the reporting year

The development of the construction industry in PORR's home markets showed a very diverse picture in the financial year 2020. In Austria, the temporary closure of construction sites from March onwards led to a significant drop in output. The subsequent guidance for handling the situation agreed by the construction social partners in April allowed for a step-by-step return to construction activity. Already in the summer, a recovery occurred in both revenue and order levels. However, it was not possible to compensate for the lost output of the, especially in building construction. Nevertheless, the construction sector managed well through the crisis compared to the other sectors. In Germany, the construction industry remained a pillar of the economy. In Switzerland, the restrictive COVID measures led to a decline in revenue, especially in building construction. In PORR's Eastern European home markets the construction industry was also less affected by the pandemic compared to other industry sectors.

PORR generated a production output of EUR 5,185 million in the financial year 2020, a decline of 6.9% compared to the high level of the previous year. This is largely due to the temporary construction site closures in Austria caused by the pandemic. In addition, as a result of COVID-19, there were disruptions to performance and interruptions to operations due to travel restrictions, local lockdowns and subcontractor cancellations, as well as project postponements, which – in addition to the finalisation of some major projects – also contributed to the reduction.

After adjustment for the A1 Rhine Bridge Leverkusen and H51 Pfons – Brenner projects, the order backlog at the end of 2020 remained at a high level of EUR 7,067 million. Order intake increased by 8.6% to EUR 5,905 million.

The PORR Group achieved consolidated revenue of EUR 4,651.8 million in 2020. The 4.7% reduction in revenue compared to the previous year was less than the 6.9% decline in total output, as the proportionate output of consortiums (*Arbeitsgemeinschaften*) decreased much more significantly than the revenue of the PORR Group's own construction sites.

The results of the consortiums (*Arbeitsgemeinschaften*) were EUR 32.6 million, EUR 20.0 million lower than in the previous year. The contribution of the associated companies and jointly controlled entities to the result was EUR 1.4 million, EUR 33.4 million less than the comparable figure for the previous year. Overall, the at-equity accounted companies achieved a result of EUR 34.0 million, which corresponds to a decrease of 61.1% compared to the previous year.

Other operating income decreased disproportionately to revenue by 23.7% to EUR 133.6 million. This resulted in particular from the lower reversal of provisions (*Rückstellungen*) and from lower income from the disposal of fixed assets.

In relation to revenue, the cost of materials and other purchased manufacturing services was reduced disproportionately by 5.3% to EUR 3,117.5 million. This decrease is mainly due to significant savings in the cost of materials, which decreased by 8.9% to EUR 986.0 million. The cost of other purchased manufacturing services, on the other hand, developed disproportionately less than revenue (decreased by 3.6% to EUR 2,131.6 million).

Despite the implementation of extensive measures on the one hand and compensation from public funds on the other, personnel expenses could not be adjusted to the development of revenue. These costs decreased by 2.7% to EUR 1,210.1 million. This position also includes

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public benefit payments from the public budget – among other things in the form of short-time working subsidies (*Kurzarbeitszuschüssen*).

Compared to the previous year, other operating expenses were reduced by 7.8% to EUR 364.2 million. While those positions with fixed cost character such as building and properties expenses or office expenses remained almost constant compared to the previous year, project-related expenses decreased significantly. Furthermore, expenses for advertising, events and congresses were reduced.

Earnings before interest, taxes, depreciation and amortisation (EBITDA) decreased by EUR 84.7 million to EUR 131.4 million. In addition to the lower revenue contribution to cover fixed costs, the decline resulted in particular from pandemic-related additional costs, earnings adjustments from the revaluation of projects and lower earnings contributions from at-equity accounted companies.

Depreciation and amortisation increased by EUR 7.2 million to EUR 168.6 million. Taking this line item into account, a negative operating result (EBIT) of EUR -37.2 million is calculated for 2020.

The financial result increased by EUR 3.5 million to EUR -13.8 million due to the significantly improved financing structure and the resulting significantly lower financing expenses.

The direct and indirect consequences of the COVID-19 pandemic and the reassessment of projects already led to a correction of the expected result for 2020 in November. In view of this, 2020 closed with a negative result before income taxes (EBT) of EUR -51.0 million. After taking into account the tax result of EUR 8.7 million (2019: EUR -9.6 million), the Group result decreased to EUR -42.4 million (2019: EUR 27.8 million). Earnings per share of the holding company amounted to EUR -2.28 (2019: EUR 0.50).

## Key Data

in EUR million

Operating data	2020	Change	2019
Production output <sup>1</sup>	5,185	-6.9%	5,570
Foreign share	54.8%	-1.0 PP	55.8%
Order backlog <sup>2</sup>	7,067	12.2%	6,298
Order intake <sup>2</sup>	5,905	8.6%	5,437
Staffing level (average)	20,193	1.8%	19,828
Earnings indicators	2020	Change	2019
Revenue	4,651.8	-4.7%	4,880.4
EBITDA	131.4	-39.2%	216.2 <sup>3</sup>
EBIT	-37.2	< -100.0%	54.7
EBT	-51.0	< -100.0%	37.4

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Profit/loss for the period	-42.4	< -100.0%	27.8
Earnings per share (in EUR)	-2.28	< -100.0%	0.50
Dividend per share (in EUR)	0.00	-	0.00
<b>Financial position indicators</b>	<b>31.12.2020</b>	<b>Change</b>	<b>31.12.2019</b>
Total assets	3,509	-4.2%	3,665
Equity (incl. Non-controlling interests)	651	8.6%	599
Equity ratio	18.5%	2.1 PP	16.4%
Cash and cash equivalents	583	0.1%	582
Net debt	137	-60.5%	346
<b>Cash flow and investments</b>	<b>2020</b>	<b>Change</b>	<b>2019</b>
Cash flow from operating activities	167.0	-33.2%	249.9
Cash flow from investing activities	-86.7	-21.7%	-110.7
Cash flow from financing activities	-73.4	< -100.0%	121.8
CAPEX <sup>4</sup>	187.2	-23.9%	246.1
Depreciation/amortisation	168.6	4.5%	161.5 <sup>3</sup>
<b>Key data regarding shares</b>	<b>2020</b>	<b>Change</b>	<b>2019</b>
Number of shares (weighted average)	29,095,000	-	29,095,000
Marktkapitalisierung per 31.12. (in EUR Mio.)	375.3	-16.5%	449.2

<sup>1</sup> The production output corresponds to the output of all companies and consortiums (fully consolidated, at-equity method, proportional or those of minor significance) in line with the interest held by PORR AG.

<sup>2</sup> Both order backlog and order intake are adjusted throughout the report for the A1 Rhine Bridge Leverkusen and H51 Pfnos - Brenner projects. The comparative figures were adjusted retrospectively.

<sup>3</sup> Due to better comparability, the disclosure of expenses in connection with IFRS 16 (disposals) was changed. The comparative figures for 2019 have been adjusted accordingly.

<sup>4</sup> Investments in property, plant and equipment and intangible assets.

## **2. REMUNERATION REPORT OF THE MANAGEMENT BOARD**

### **2.1 Basic principles of the Remuneration Policy**

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 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.

At the Annual General Meeting 2020, the Remuneration Policy prepared by the Supervisory Board was submitted for a vote in accordance with the requirements of the Shareholder Rights Directive and the provisions of the AktG based thereon. In 2021, this Remuneration Report will therefore be submitted to the Annual General Meeting for voting for the first time.

### **2.2 Total remuneration and explanations for active members of the Management Board Board**

In the financial year 2020, the following persons were continuously active members of the Management Board of PORR from 1 January 2020 to 31 December 2020:

- Ing. Karl-Heinz Strauss, MBA, FRICS (Chairman of the Management Board)
- Ing. Josef Pein
- Dipl.-Kfm. Andreas Sauer

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- Dipl.-Bw. (FH) Thomas Stiegler

Dipl.-Ing. J. Johannes Wenkenbach resigned as a member of the Management Board of PORR on 31 January 2020 due to the expiry of his functional period.

The total remuneration of the Management Board generally comprises (i) fixed and (ii) variable Management Board remuneration, as well as (iii) additional components of Management Board remuneration. In order to provide PORR shareholders with an overview of the total remuneration of Management Board members in accordance with the requirements of Section 78c AktG, the total remuneration of Management Board members is presented in tabular form in ANNEX 1. The presentation format is based on AFRAC Statement 37.

Each member of the Management Board shall receive a variable remuneration annually, depending on the achievement of the parameters to be determined by the Supervisory Board. 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 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.

A precondition for the granting of this variable remuneration (bonus) is for all Management Board members to fulfil a catalogue of criteria consisting of quantitative and qualitative elements, which is to be determined by the remuneration committee of the Supervisory Board. The remuneration committee has determined the following criteria:

- Positive development PORR
- Achieving the budget
- Taking sustainable steps towards achieving a 3% EBT margin

As a follow-up to the compliance audit, the remuneration committee determines annual key compliance aspects together with the Supervisory Board in preparation for the audit committee. For 2020, the following key compliance aspects were determined by resolution of the PORR remuneration committee on 2 April 2020 as a supplement to the previous targets for the assessment of variable remuneration:

- Training (e-learning in German and English) on the topic of "corruption prevention" for approximately 2,000 employees
- Compliance event similar to the previous year
- Contribution to rePORRt on the topic of "PORR does not tolerate any form of corruption"
- Training of further employees to become certified compliance officers
- Code of Conduct für Geschäftspartner for business partners in the most important national languages

The members of the Management Board did not receive any remuneration from affiliated companies for the financial year 2020.

The additional components of Management Board remuneration may include, in accordance with the Remuneration Policy, accident and survivors' pension insurance, supplementary health insurance, contributions to the employee social security fund and employee pension fund,

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inclusion in a D&O insurance, as well as the granting of a company car, litigation costs for legal disputes in connection with the activity as a member of the Management Board or with other board functions within the PORR Group, special bonus in the event of extraordinary events or results, individual determinations for double household management and relocation costs if the previous place of residence is not in or near Vienna.

The D&O insurance covers all current, future and former members of the executive bodies of all companies of the PORR Group, as well as leading senior officers. It is therefore not possible to provide information on the gross annual premium of the D&O insurance for the individual members of the Management Board and Supervisory Board, as there is no breakdown of the premium for the individual members of the Management Board and Supervisory Board and the other persons covered by the D&O insurance.

The annual change in total remuneration is shown in other parts of this Remuneration Report (see table point **Fehler! Verweisquelle konnte nicht gefunden werden.**).

(a) Fixed Management Board remuneration

In accordance with the Remuneration Policy, a gross annual remuneration of EUR 789,285.78 was paid out in fourteen instalments for the Chairman of the Management Board, Ing. Karl-Heinz Strauss, MBA, FRICS. In connection with the short-time working (*Kurzarbeit*) of the PORR Group in Austria, Ing. Karl-Heinz Strauss, MBA, FRICS waived payment of 50% of his remuneration for the months of March and April 2020. In addition, Ing. Karl-Heinz Strauss, MBA, FRICS was granted the following remuneration in kind and incidental benefits (Additional components of Management Board remuneration):

- (i) Premium for collective accident and survivors' pension insurance in the amount of EUR 1,633.14;
- (ii) Employee social security fund in the amount of EUR 12,272.41;
- (iii) Pension fund contribution in the amount of EUR 39,183.97;
- (iv) Employer's contribution group insurance PORR Care+ EUR 60.00;
- (v) Company car: Audi SQ8 with authorisation for private use and driver for Company-related journeys. The non-cash benefit provided for under the Austrian Income Tax Act (*ESiG*) amounts to EUR 11,520.00 per year. The residual book value (operating leasing) as at 31 December 2020 was EUR 50,610.57. The non-cash parking benefit amounted to EUR 145.30.
- (vi) Litigation costs EUR 17,040.-- including VAT.

A gross annual remuneration of EUR 464,285.78 was paid to Josef Pein in fourteen instalments. In connection with the short-time working (*Kurzarbeit*) of the PORR Group in Austria, Josef Pein waived payment of 50% of his remuneration for the months of March and April 2020. In addition, the following remuneration in kind and incidental benefits (Additional components of Management Board remuneration) were granted to Josef Pein:

- (i) Premium for collective accident and survivors' pension insurance in the amount of EUR 1,633.14;



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- (ii) Premium for supplementary health insurance in the amount of EUR 3,980.50 (from March 2020);
- (iii) Employer's contribution group insurance PORR Care+ EUR 60.00;
- (iv) Employee social security fund in the amount of EUR 6,791.27;
- (v) Pension fund contribution in the amount of EUR 40,000.00;
- (vi) Company car: BMW X 5-30D with authorisation for private use without driver. The non-cash benefit provided for under the Austrian Income Tax Act (*EStG*) amounts to EUR 11,520.00 per year. The residual book value (operating leasing) as at 31 December 2020 was EUR 10,632.82. The non-cash parking benefit amounted to EUR 145.30.
- (vii) Litigation costs EUR 23,661.20 including VAT.

A gross annual remuneration of EUR 464,285.78 was paid out in fourteen instalments for Dipl.-Kfm. Andreas Sauer. In connection with the short-time working (*Kurzarbeit*) of the PORR Group in Austria, Dipl.-Kfm. Andreas Sauer waived the payment of 50% of his remuneration for the months of March and April 2020. In addition, Dipl.-Kfm. Andreas Sauer was granted the following remuneration in kind and incidental benefits:

- (i) Premium for collective accident and survivors' pension insurance in the amount of EUR 1,633.14;
- (ii) Premium for supplementary health insurance in the amount of EUR 8,176.44;
- (iii) Employer's contribution group insurance PORR Care+ EUR 60.00;
- (iv) Employee social security fund in the amount of EUR 7,407.12;
- (v) Pension fund contribution in the amount of EUR 40,000.00;
- (vi) Company car: BMW 540 i Sportline with authorisation for private use without driver. The non-cash benefit provided for under the Austrian Income Tax Act (*EStG*) amounts to EUR 11,520.00 per year. The residual book value (operating leasing) as at 31 December 2020 was EUR 19,361.45. The non-cash parking benefit amounted to EUR 145.30.

For Dipl.-Bw. (FH) Thomas Stiegler was paid a gross annual remuneration of EUR 464,285.78 in fourteen instalments. In connection with the short-time working (*Kurzarbeit*) of the PORR Group in Austria, Dipl.-Bw. (FH) Thomas Stiegler waived payment of 50% of his remuneration for the months of March and April 2020. In addition, Dipl.-Bw. (FH) Thomas Stiegler was granted the following remuneration in kind and incidental benefits (Additional components of Management Board remuneration):

- (i) Premium for collective accident and survivors' pension insurance in the amount of EUR 1,633.14;
- (ii) Premium for supplementary health insurance in the amount of EUR 6,466.56;

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- (iii) Employer's contribution group insurance PORR Care+ EUR 60.00;
- (iv) Employee social security fund in the amount of EUR 7,380.96;
- (v) Pension fund contribution in the amount of EUR 40,000.00;
- (vi) Company car: BMW 525D with authorisation for private use without driver. The non-cash benefit provided for under the Austrian Income Tax Act (*EStG*) amounts to EUR 11,520.00 per year. The residual book value (operating leasing) as at 31 December 2020 was EUR 6,323.54. The non-cash parking benefit amounted to EUR 145.30.

On 10 December 2020, Dipl.-Bw. (FH) Thomas Stiegler announced his intention to resign from the Management Board with effect from 31 January 2021.

Johannes Wenkenbach was paid a gross remuneration including aliquot extra payments for the month of January 2020 in the amount of EUR 41,666.67, as Johannes Wenkenbach retired on 31 January 2020. In addition, Johannes Wenkenbach was granted the following remuneration in kind and incidental benefits (Additional components of Management Board remuneration) for January 2020:

- (i) Premium for collective accident and survivors' pension insurance in the amount of EUR 136.10;
- (ii) Premium for supplementary health insurance in the amount of EUR 509.29;
- (iii) Employer's contribution group insurance PORR Care+ EUR 5.00;
- (iv) Employee social security fund in the amount of EUR 5,503.24;
- (v) Pension fund contribution in the amount of EUR 2,857.14;
- (vi) Company car: Toyota GT 86 with authorisation for private use without driver. The non-cash benefit provided for under the Austrian Income Tax Act (*EStG*) amounts to EUR 784.80 for 2020. The non-cash parking benefit amounted to EUR 14.53.

(b) Variable Management Board remuneration

The determination of the fulfilment of the criteria for the variable Management Board remuneration for 2019 and consequently the absolute amounts of the variable Management Board remuneration was discussed and resolved by the PORR remuneration committee by way of a resolution on 2 April 2020.

In accordance with the resolution of the remuneration committee of 2 April 2020, the variable Management Board remuneration for 2019 amounts to EUR 307,500.00 gross for the Chairman of the Management Board, Ing. Karl-Heinz Strauss, MBA, FRICS, for the Management Board members Dipl.-Ing. J. Johannes Wenkenbach EUR 205,000.00 gross, Dipl.-Kfm. Andreas Sauer EUR 205,000.00 gross and for Dipl.-Bw. (FH) Thomas Stiegler also EUR 205,000.00 gross. These amounts should be paid in September 2020. All active members of the Management Board have waived

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their entire variable Management Board remuneration for 2019 as a solidarity contribution. Dipl.-Ing. J. Johannes Wenkenbach was paid the variable Management Board remuneration on the basis of the contractual assurance in the course of the dissolution agreement. In addition, Dipl.-Ing. J. Johannes Wenkenbach received remuneration from affiliated companies in the amount of EUR 150,000 in the financial year 2019 based on a resolution of the remuneration committee of 3 December 2018.

On 26 March 2021, the remuneration committee determined the criteria for the variable Management Board remuneration for the year 2021 and resolved the payment for the variable Management Board remuneration 2020 in the amount of EUR 0.00. Consequently, all Management Board members have acquired no entitlement to variable Management Board remuneration for the reporting year 2020.

(c) Additional components of the Management Board remuneration

The additional components of the total remuneration were granted for each individual member of the Management Board as described above in point 2.2(a).

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

Pursuant to Section 78a Paragraph 2 AktG, the Remuneration Policy must describe the various remuneration components, stating their respective relative proportions.

Based on the fixed and variable remuneration for the financial year 2020, the following relative proportions result:

Name	Fixed remuneration in EUR	Additional components of the remuneration in EUR	Variable remuneration for the reporting year in EUR	Ratio of fixed remuneration (including additional remuneration components) to variable remuneration
Ing. Karl-Heinz Strauss, MBA (CEO)	789,285.78	81,854.82	0.00	100 : 0
Ing. Josef Pein (COO)	464,285.78	87,791.41	0.00	100 : 0
Dipl.-Kfm. Andreas Sauer (CFO)	464,285.78	68,942.00	0.00	100 : 0
Dipl.-Bw. (FH) Thomas Stiegler (COO)	464,285.78	67,205.96	0.00	100 : 0
DI Johannes J. Wenkenbach (COO)	41,666.67	9,810.10	0.00	100 : 0

The variable remuneration is limited to 100% of the annual fixed remuneration of the Management Board.

### 2.3 Total remuneration and explanations for former members of the Management Board

Remuneration and pensions totalling EUR 593,233.06 gross were paid to former members of the Management Board or their surviving dependants in 2020, whereby this amount includes an additional payment of EUR 32,470.92 gross from previous years.

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## **2.4 Information on the compliance of the remuneration with the Remuneration Policy and the implementation of performance criteria of the Management Board**

In the financial year 2020, the members of the Management Board listed in Table 2.2(d) received the respective remuneration shown below. The total remuneration of the Management Board members is in line with the resolved Remuneration Policy.

The maximum amount for variable Management Board remuneration is capped at 100% of the annual fixed Management Board remuneration.

After careful review, the remuneration committee came to the conclusion that each member of the Management Board fulfilled the key compliance aspects, but the budgeted EBT was only achieved to the extent of 41% in 2019. The variable remuneration of the Management Board for 2019 was therefore reduced by the corresponding amount by resolution of 2 April 2020 as stated in point 2.2(b). The members of the Management Board Ing. Karl-Heinz Strauss, MBA, Dipl.-Kfm. Andreas Sauer and Dipl.-Bw. (FH) Thomas Stiegler have waived payment of the variable Management Board remuneration for 2019 in 2020 for reasons of solidarity.

On 26 March 2021, the remuneration committee determined the criteria for the variable remuneration for 2021 and set the payout for the variable annual remuneration 2020 in the amount of EUR 0.00.

## **2.5 Share-based remuneration**

PORR has not granted any share-based remuneration to members of the Management Board in the past or at present.

## **2.6 Assertion of the right to reclaim variable remuneration components**

Not applicable, as the clawback of variable remuneration components is not separately provided for in the Remuneration Policy, because on the one hand this is not mandatorily required by law, and on the other hand a right of clawback in the event of payment on the basis of obviously false data can already arise from common civil law.

# **3. REMUNERATION OF THE SUPERVISORY BOARD**

## **3.1 Basic principles of Supervisory Board remuneration**

The remuneration of the members of the Supervisory Board is fair and balanced, in line with the market and enhances the qualified composition of the Supervisory Board. This contributes to the business strategy and long-term development of the Company.

The members of the Supervisory Board receive a fixed remuneration, which is determined by the General Meeting, as well as attendance fees. There are no variable remuneration components.

The members of the Supervisory Board delegated by the works council do not receive any separate remuneration for their activities. For this reason, they are not listed in the table in point 3.2.

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In addition to the reimbursement of their out-of-pocket expenses (cash expenses) and an attendance fee for each meeting, each member of the Supervisory Board shall receive an annual expense allowance (*Aufwandsentschädigung*). The amount of the attendance fee and the expense allowance (*Aufwandsentschädigung*) shall be determined by resolution of the General Meeting. The General Meeting may also resolve on a total amount for the remuneration of the Supervisory Board and leave the allocation to the Chairman of the Supervisory Board. If the Supervisory Board mandate begins or ends during a current financial year, the respective Supervisory Board member shall be entitled to an aliquot remuneration for the duration of the membership in the Supervisory Board.

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 General Meeting.

The members of the Supervisory Board did not receive any social benefits, pension benefits, extraordinary benefits or variable remuneration. In addition, the members of the Supervisory Board are included in a D&O insurance maintained by the Company in the interest of the Company at an appropriate amount, with the Company paying the premium. This D&O insurance also covers the members of the Management Board, as well as all current, future and former members of the executive bodies of all companies of the PORR Group, as well as leading senior officers. It is not possible to provide information on the gross annual premium of the D&O insurance for the members of the Management Board and the Supervisory Board, as there is no breakdown of the premium payment for the individual members of the Management Board and members of the Supervisory Board and the other persons covered by the D&O insurance.

In the financial year 2020, the following persons were members of the PORR Supervisory Board from 1 January 2020 to 31 December 2020: Karl Pistotnik (Chairman), Klaus Ortner (Deputy Chairman), Robert Grüneis, Walter Knirsch, Iris Ortner MBA, Bernhard Vanas, Susanne Weiss and Thomas Winischhofer LL.M., MBA. Iris Ortner MBA, Bernhard Vanas, Susanne Weiss and Thomas Winischhofer LL.M., MBA, as capital representatives (*Kapitalvertreter*), and Gottfried Hatzenbichler, Michael Kaincz, Wolfgang Ringhofer and Michael Tomitz as members delegated by the works council.

### **3.2 Total remuneration**

The fixed remuneration for the members of the Supervisory Board elected by the Annual General Meeting was determined from the beginning of the financial year 2020 until a new resolution is passed by the Annual General Meeting, whereby the Chairman of the Supervisory Board is entitled to a fixed remuneration of EUR 50,000.00 per year, the Deputy Chairman of the Supervisory Board is entitled to a fixed remuneration of EUR 40,000.00 per year and the other members of the Supervisory Board are entitled to a fixed remuneration of EUR 30,000.00 per year. The additional attendance fee to be paid to the members of the Supervisory Board shall be fixed at EUR 1,500.00 per meeting of the Supervisory Board or one of its committees as of the adoption of the resolution by the Annual General Meeting. Members of the Supervisory Board who are not resident in Austria shall additionally be reimbursed by the Company for any Austrian withholding tax legally due. The fixed remuneration is payable once a year in arrears within four weeks after the Annual General Meeting. The attendance fee is due for payment within four weeks after each Supervisory Board meeting.

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a) Fixed components of the remuneration

The following fixed remuneration components were paid to the members of the Supervisory Board (capital representatives) in the financial year 2020:

- DDr. Karl Pistotnik (Chairman of the Supervisory Board) –EUR 50,000.00
- Dipl.-Ing. Klaus Ortner (Deputy Chairman) – EUR 40,000.00
- Mag. Robert Grüneis – EUR 30,000.00
- Dr. Walter Knirsch – EUR 30,000.00
- DI Iris Ortner, MBA – EUR 30,000.00
- Dr. Bernhard Vanas – EUR 30,000.00
- Dr. Susanne Weiss – EUR 30,000.00<sup>1</sup>
- Dr. Thomas Winischhofer LL.M. MBA – EUR 30,000.00

b) Variable components of the remuneration

No performance-related variable remuneration components were paid to Supervisory Board members in the financial year 2020. An overview of the attendance fees granted is provided in the following table:

**Remuneration of the Supervisory Board members 2019**

<b>in EUR</b>	<b>Fixed remuneration granted<sup>1</sup></b>	<b>Attendance fee<sup>2</sup></b>	<b>Total</b>
DDr. Karl Pistotnik	50,000.00	6,500.00	56,500.00
Dipl.-Ing. Klaus Ortner	40,000.00	5,000.00	45,000.00
Mag. Robert Grüneis	30,000.00	6,500.00	36,500.00
Dr. Walter Knirsch	30,000.00	5,500.00	35,500.00
Dipl.-Ing. Iris Ortner, MBA	30,000.00	6,500.00	36,500.00
Hon.-Prof. Dr. Bernhard Vanas	30,000.00	6,500.00	36,500.00
Dr. Susanne Weiss <sup>3</sup>	30,000.00	5,500.00	35,500.00
Dr. Thomas Winischhofer, LL.M., MBA	30,000.00	6,500.00	36,500.00
<b>gesamt</b>	<b>270,000.00</b>	<b>48,500.00</b>	<b>318,500.00</b>

<sup>1</sup> The figures represent the entitlement for the financial year 2019. The fixed remuneration for the financial year 2019 was paid out in 2020. The payment was made four weeks after the Annual General Meeting.

<sup>2</sup> Since the resolution of the Annual General Meeting on 29 May 2019, the attendance fee amounts to EUR 1,500.00 per meeting.

Until 28 May 2019, the attendance fee was EUR 1,000.00 per meeting.

<sup>3</sup> In accordance with the resolution of the Annual General Meeting on 29 May 2019, members of the Supervisory Board who are not resident in Austria additionally receive a legally applicable Austrian withholding tax refund from the Company. An amount of EUR 4,875 was paid for Dr Susanne Weiss in 2019.

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<sup>1</sup> without withholding tax.

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### Remuneration of the Supervisory Board members 2020

in EUR	Fixed remuneration granted <sup>1</sup>	Attendance fee <sup>2</sup>	Total
DDr. Karl Pistotnik	50,000.00	12,000.00	62,000.00
Dipl.-Ing. Klaus Ortner	40,000.00	12,000.00	52,000.00
Mag. Robert Grüneis	30,000.00	10,500.00	40,500.00
Dr. Walter Knirsch	30,000.00	10,500.00	40,500.00
Dipl.-Ing. Iris Ortner, MBA	30,000.00	10,500.00	40,500.00
Hon.-Prof. Dr. Bernhard Vanas	30,000.00	12,000.00	42,000.00
Dr. Susanne Weiss <sup>3</sup>	30,000.00	9,000.00	39,000.00
Dr. Thomas Winischhofer, LL.M., MBA	30,000.00	12,000.00	42,000.00
<b>gesamt</b>	<b>270,000.00</b>	<b>88,500.00</b>	<b>358,500.00</b>

<sup>1</sup> The figures represent the entitlement for the financial year 2020. Payment will be made four weeks after the Annual General Meeting. The fixed remuneration for the financial year 2020 will be paid in 2021.

<sup>2</sup> The attendance fee is EUR 1,500.00 per meeting.

<sup>3</sup> In accordance with the resolution of the Annual General Meeting on 29 May 2019, members of the Supervisory Board who are not resident in Austria additionally receive a legally applicable Austrian withholding tax refund from the Company. An amount of EUR 8,625 was paid for Dr Susanne Weiss in 2020.

### 3.3 Information on the compliance of the remuneration with the Remuneration Policy and the implementation of performance criteria of the Supervisory Board

In the financial year 2020, the members of the Supervisory Board received the respective remuneration listed in point 3.2. The total remuneration of the members of the Supervisory Board is in line with the resolved Remuneration Policy.

There were no performance criteria for the members of the Supervisory Board. For this reason, the preparation of a separate table, as provided for in point 5.1 for the members of the Management Board, was omitted.

### 3.4 Share-based remuneration

Not applicable, as PORR has not granted or is not currently granting any share-based remuneration to Supervisory Board members.

### 3.5 Assertion of the right to reclaim variable remuneration components

Not applicable, as the clawback of variable remuneration components is not separately provided for in the Remuneration Policy, because on the one hand this is not mandatorily required by law, and on the other hand a right of clawback in the event of payment on the basis of obviously false data can already arise from common civil law.

## 4. EXCEPTIONS AND DEVIATIONS FROM THE REMUNERATION POLICY AND THE PROCEDURE FOR ITS IMPLEMENTATION

There were no deviations from the Remuneration Policy in the past financial year 2020.

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In accordance with point 2.8 of the Remuneration Policy, the following provision was established with regard to deviations from the Remuneration Policy:

The Supervisory Board of PORR is entitled to deviate from this Remuneration Policy if this is necessary in exceptional events.

In the event of a deviation from the Remuneration Policy, a new remuneration policy must be presented at the next Annual General Meeting. At the same time, the remuneration committee of the Supervisory Board must determine that exceptional events exist according to which the deviation from the Remuneration Policy is necessary for the long-term development of the Company or to ensure its profitability. Exceptional events 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 permissible in particular – with regard to the fixed remuneration, the variable remuneration and additional components of the remuneration – if there are unforeseen Management Board vacancies and a necessary replacement cannot be made at the conditions contained in this Remuneration Policy.

## 5. COMPARATIVE DISCLOSURES ON THE CHANGE IN REMUNERATION AND COMPANY PERFORMANCE

### 5.1 Remuneration of the Management Board

The following table shows the average remuneration of Management Board members in the period from the respective resolution on the Remuneration Policy at the respective Annual General Meeting of 2020 and its percentage change in an annual comparison as well as the average remuneration of other PORR employees:

Annual change	2019	2020	Percentage change 2019 / 2020
<b>Total remuneration of the Management Board members in EUR</b>			
Ing. Karl-Heinz Strauss, MBA, FRICS (CEO)	823,695.08	871,140.60	5.76%
Ing. Josef Pein (COO)	n/a	552,077.19	n/a
Dipl.-Kfm. Andreas Sauer (CFO)	575,593.28	533,227.78	-7.36%
Dipl.-Bw. (FH) Thomas Stiegler (COO)	570,189.21	531,491.74	- 6.79%
DI Johannes Jacobus Wenkenbach (COO)	927,252.16	51,476.77	n/a
<b>Company-Performance</b>			
EBT in EUR million	37.4	- 51.0	< -100.0%
<b>Average employee remuneration on a full-time equivalent basis in EUR</b>			
Employees of PORR AG	76,916.26	72,252.75	- 6.06%



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## **5.2 Remuneration of the Supervisory Board**

Until the end of the financial year 2018, the members of the Supervisory Board elected by the Annual General Meeting received the following fixed remuneration per financial year:

- Chairman of the Supervisory Board: EUR 25,000.00
- Deputy Chairman of the Supervisory Board: EUR 20,000.00
- Other members of the Supervisory Board: EUR 15,000.00

The attendance fees were determined at EUR 1,000.00 per meeting.

As of the beginning of the financial year 2019, the members of the Supervisory Board elected by the Annual General Meeting shall receive the following fixed remuneration:

- Chairman of the Supervisory Board: EUR 50,000.00
- Deputy Chairman of the Supervisory Board: EUR 40,000.00
- Other members of the Supervisory Board: EUR 30,000.00

The attendance fees have been determined at EUR 1,500.00 per meeting since 29 May 2019.

## **6. LONG-TERM VARIABLE REMUNERATION AGREEMENTS (LONG TERM INCENTIVE PROGRAMME)**

Not applicable, no Long Term Incentive Programme exists.

## **7. INFORMATION ON VOTING RESULTS**

Not applicable, as no Remuneration Report has yet been submitted to the Annual General Meeting for voting.