

# **LOCAL REMUNERATION POLICY TOTAL REWARDS MANAGEMENT OF A-LEASING/A-REAL ESTATE**

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### List of Abbreviations

<b>Abbreviation</b>	<b>Explanation</b>
Ancillary Services	has such meaning as defined in the Internal law " Group Compliance Manual"
Base Pay or Fixed Compensation	Fixed component of total Compensation as described in section [5.3]/[5.3.1]
Board	Board of Management
Bonus Cap	has such meaning as set out in section [6.6]
BU	"Beteiligungsunternehmen" (affiliated companies – Austrian subsidiaries of RBI)
BWG	Austrian Banking Act
Clawback	has such meaning as set out in section [6.9.2]
Local Remuneration Policy	has such meaning as set out in in section [4]
Group Framework	Group Standard Remuneration Principles as implemented by this Remuneration Policy;
CRD	Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC as amended by Directive (EU) 2019/878
CRR	Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 as amended by Regulation (EU) 2019/876
Deferral	has such meaning as set out in section [6.2.3]
Equity Instruments	has such meaning as set out in section [6.5]
EBA Guidelines or EBA GL	EBA Guidelines on sound remuneration policies under Directive 2013/36/EU (EBA/GL/2021/04)
ESMA	European Securities and Markets Authority
FMA	(Austrian) Financial Market Authority
Financial Instruments	has such meaning as defined in section [9.1.3] of the Internal Law "RBI Group Compliance Manual"
Fully Affected Identified Staff	has such meaning as set out in section [6.1.2]
General RBI Group Remuneration Principles	Remuneration principles applicable to all employees as described in section [5]
High Bonus Amount	has such meaning as set out in section [6.3.1]
HR	Human Resources
Identified Staff	has such meaning as set out in section [6.1]
Insignificance Thresholds	has such meaning as set out in section [6.4]
Investment Services	has such meaning as defined the Group Internal Law "RBI Group Compliance Manual"
KPI	Key Performance Indicator
LCY	Local currency
Malus	has such meaning as set out in section [6.9.1]
MiFID	Markets in Financial Instruments Directive
Neutralization	has such meaning as set out in section [6.1.2]
NWB	Network Bank

NWU	Network Unit meaning RBI and such subsidiaries of RBI which are Relevant NWU (i.e. NWUs affected by the Group Framework)
Group Executives	has such meaning as set out in section [2]
Group P&OI	Group People & Organisational Innovation (Group HR)
All Other Employees	has such meaning as set out in section [2]
Partially Affected Identified Staff	has such meaning as set out in section [6.1.2]
Phantom Plan	has such meaning as set out in section [6.5.2]
Phantom Shares	has such meaning as set out in section [6.5.2]
Proportionality Principle	has such meaning as set out in section [6.1.2]
REMCO	Remuneration Committee of the SB
Retention	has such meaning as set out in section [6.2.2]
RBI	Raiffeisen Bank International Aktiengesellschaft
RBI Group	RBI and all companies of the RBI Credit Institution Group according to § 30 BWG
RORAC	Return on Risk Adjusted Capital
RTS on Identified Staff Identification	COMMISSION DELEGATED REGULATION (EU) 2021/923 supplementing Directive 2013/36/EU of the European Parliament and of the Council with regard to regulatory technical standards setting out the criteria to define managerial responsibility, control functions, material business units and a significant impact on a material business unit's risk profile, and setting out criteria for identifying staff members or categories of staff whose professional activities have an impact on the institution's risk profile that is comparably as material as that of staff members or categories of staff referred to in Article 92(3) of that Directive
RBI Group Identified Staff Selection Instructions	Instructions for Identified Staff selection attached to this Remuneration Policy as Appendix 1
RBI Group Malus & Clawback Instructions	Instructions for Malus and Clawback assessment attached to this Remuneration Policy as Appendix 2
A-LEASING/A-REAL ESTATE	<name of company that is covered by this document>
SB	Supervisory Board
Specific RBI Group Remuneration Principles	Remuneration principles applicable to Identified Staff only as described in section [6]
Step-in-criteria	has such meaning as described in section [5.5.1]
Total Remuneration	has such meaning as described in section [5.2]
Total Rewards Approach	has such meaning as described in section [1]
Variable Remuneration or Variable Pay	Variable component of total remuneration as described in section [5.5]

### **What's new, what has been changed?**

The following sections have been updated/added (new wording, more detailed descriptions, information restructured):

- Updated wording in several instances in line with RBI Internal Regulation Total Rewards Management

### **Who should read this?**

Provisions of this Remuneration Policy are applicable to all employees of A-Leasing/A-Real Estate and should be of special importance for all HR Departments, Legal, Compliance and Risk Controlling Officers as main stakeholders for local implementation.

## 0 Disclaimer

This Remuneration Policy limits the possibilities of A-LEASING/A-REAL ESTATE for contractual agreements on compensation, but it is not intended to and shall not in any way be deemed to be a legal basis for any kind of claim for fix or variable compensation itself. Its content (including, but not limited to any examples, figures, tables and remunerations) does not – directly or indirectly – give rise to any individual or collective entitlements or basis to any claims of employees or any other contractual partners or employee representatives against A-LEASING/A-REAL ESTATE and/or RBI Group or other associated group entity. This includes – but is not limited to – possible claims on remuneration, a bonus entitlement or a certain bonus amount. All such entitlements are solely based on separate individual or collective agreements which shall only be structured in compliance with applicable mandatory legal provision and the provisions of this Remuneration Policy.

Therefore, it is self-evident that anytime all content of this Remuneration Policy may be changed by A-LEASING/A-REAL ESTATE in whatever way A-LEASING/A-REAL ESTATE likes or deems feasible.

The provisions and principles contained by this Remuneration Policy apply to all employees of A-LEASING/A-REAL ESTATE including its Board Members as well as for other persons working on behalf of A-LEASING/A-REAL ESTATE (i.e Tied Agents).

Furthermore specific rules as provided for in section 8 of this document are applicable to Supervisory Board Members.

## 1 Executive Summary

This Remuneration Policy reflects and implements the regulatory requirements with respect to remuneration principles as provided for in BWG and CRD in compliance with the EBA Guidelines on sound remuneration policies.

## 2 Scope

The Remuneration Policy fulfils an international standard for an objective, transparent and fair compensation structure in compliance with current regulatory requirements. The remuneration system of A-LEASING/A-REAL ESTATE is consistent with and promotes sound and effective risk management and does not encourage risk-taking that exceeds the level of tolerated risk. This Remuneration Policy is in line with the business strategy, objectives, values and long-term interests of the RBI Group and A-LEASING/A-REAL ESTATE and incorporates measures to avoid conflicts of interest.

Our objective is to attract and retain a motivated and qualified workforce and reward employees for managing the future challenges of A-LEASING/A-REAL ESTATE and of RBI Group in line with sound and effective risk management.

Fair and equitable treatment in A-LEASING/A-REAL ESTATE and across the RBI Group is a principle in the area of total rewards. The remuneration policy is a gender neutral remuneration policy based on the equal pay for women and men for equal work or work of equal value. This Remuneration Policy has been developed to support the long term strategy of A-LEASING/A-REAL ESTATE and of the RBI Group from a group perspective and to provide a framework for A-LEASING/A-REAL ESTATE enabling it to act within its local markets.

As a general principle, this Remuneration Policy provides with the local implementation of the Group Compensation framework for all categories of employees of A-LEASING/A-REAL ESTATE including its Board of Management members.

This Remuneration Policy also includes general principles applicable to Supervisory Board members of A-LEASING/A-REAL ESTATE.

### **3 External / Internal environment influencing RBI Group Total Rewards**

A-LEASING/A-REAL ESTATE is part of the RBI Group, a universal banking group with focus on corporate clients and private customers in the region Central Europe and East Europe (CEE) as well as Austria.

#### **A-LEASING/A-REAL ESTATE's and the RBI Group's business principles consist of:**

- Create long-term value for shareholders
- A customer-oriented business model, wherever necessary cross-border and supported by a group-wide performance system.
- Efficient and effective customer care, consisting of diligent cost- and process management and quality services.
- Attract and retain loyal and motivated staff as well as fostering their entrepreneurship.
- Balanced capital and risk management to support an external rating equivalent to the European banking average and to assure the necessary funding capabilities.
- Comprehensive set of Key Performance Indicators (KPIs) addressing economic targets as well as constraint factors and strategic business mix objectives: KPIs are consistently applied for performance management and bank steering.
- Economic targets within strategic constraints: Primarily RORAC, Net Profit, OPEX, CIR, etc.
- Remuneration policies and practices shall be consistent with and promote sound and effective risk management.

#### **3.1 Implementation of regulatory remuneration requirements within RBI Group**

##### **3.1.1 Regulatory guidelines**

The Group Framework is based on Austrian regulations implementing CRD provisions which require that remuneration systems of affected institutions shall be consistent with and shall promote sound and effective risk management and shall not encourage excessive risk taking in order to ensure the safe long-term operation of the institution.

##### **3.1.2 Regulatory Framework for A-LEASING/A-REAL ESTATE**

Not applicable.

##### **3.1.3 Proportionality Principle**

Regulatory requested remuneration strategy and principles are being evaluated under the aspect of the "Proportionality Principle". The Proportionality Principle aims to consistently match the remuneration policies and practices with the individual and the group's risk profile, risk appetite and the strategy of the institution and the group, so that the objectives of the principles are more effectively achieved.

Based on the Proportionality Principle A-LEASING/A-REAL ESTATE may apply the provisions in different ways according to their size, internal organization and the nature, scope and complexity of their activities by taking at least into consideration the criteria provided for in the EBA Guidelines

The Proportionality Principle can be applied among:

- Institutions (see below)
- Categories of Staff (see section 6)
- For the purpose of applying the proportionality principle the criteria as described in the EBA Guidelines on sound remuneration principles have to be considered.



Before remuneration requirements are applied in a proportionate way, the identification of staff, based on the criteria provided in the RTS on Identified Staff Identification and as provided for in this Remuneration Policy should be performed.

When implementing specific remuneration policies for different categories of identified staff, the application of proportionality should take into account the impact on A-LEASING/A-REAL ESTATE's and RBI Group's risk profile of that category of identified staff also by taking into account that the application of remuneration requirements provides with an equivalent level of conditions for competitions between the same categories of identified staff.

### **3.1.4 Scope of application within RBI Group and A-LEASING/A-REAL ESTATE**

The remuneration principles provided for in the CRD and § 39b BWG shall be applied by credit institutions and investment firms at group, parent company and subsidiary levels, including within subsidiaries that are not themselves subject to the CRD. Remuneration policies of different group entities within the scope of prudential consolidation should be consistent with the group's remuneration policy set by the consolidating institution. The remuneration policy needs to comply with the CRD provisions, EBA Guidelines on sound remuneration policies and any additional requirements set within national company, labour and other relevant laws.

Therefore these principles are of significance and have to be considered for the whole RBI Group – incl- A-LEASING/A-REAL ESTATE – based on the Proportionality Principle.

In any case A-LEASING/A-REAL ESTATE or any subsidiary of A-LEASING/A-REAL ESTATE shall not be used to circumvent the outlined provisions by employing and remunerating staff to which provisions in this document should otherwise apply.

## **4 Local Remuneration policies**

This Remuneration Policy implements remuneration principles which are based on and in compliance with the rules set out by the Internal Regulation (incl. annexes) and which are in line with specific local mandatory legal regulations and requirements.

**Note: It is A-LEASING/A-REAL ESTATE's primary responsibility to ensure compliance with specific local mandatory regulations and requirements in the jurisdiction in which A-LEASING/A-REAL ESTATE operates. Furthermore A-LEASING/A-REAL ESTATE shall fully comply with local legal regulations relating to the implementation of additional / more specific remuneration policies as provided for herein.**

If A-Leasing/A-Real Estate is subject to the application of the Sustainable Finance Disclosure Regulation (Regulation (EU) 2019/2088), A-Leasing/A-Real Estate ensures that its remuneration policies adequately reflect sustainability risks. Thus, their remuneration policies should appropriately foster that the investment or insurance advice given promotes sound and effective risk management with respect to sustainability risks whereas the structure of remuneration does not encourage excessive risk-taking with respect to sustainability risks and is linked to risk-adjusted performance. This is particularly done by including appropriate sustainability measures in the setting of targets in the Performance Management Process of functions working in the affected areas.

The remuneration policy of A-Leasing/A-Real Estate should be consistent with the objectives of A-Leasing/A-Real Estate's business and risk strategy, including environmental, social and governance (ESG) risk-related objectives (e.g. by including appropriate ESG objectives in the setting of targets in the Performance Management Process of functions working in the affected areas).

## **5 General RBI Group Compensation Principles**

The General RBI Group Compensation Principles provided for in this section shall apply to all employees including Board Members of A-LEASING/A-REAL ESTATE and are based on:

- RBI Group's general guidelines on performance related and market adequate Compensation, fringe benefits and recognition according to the Total Rewards Approach and
- Regulatory guidelines on remuneration principles (see section 3.1)

## **5.1 General RBI Group Compensation Principles – Overview**

- RBI Group and A-LEASING/A-REAL ESTATE use a simple and transparent Compensation system which reflects the Group's and A-LEASING/A-REAL ESTATE business strategy and is in line with the regulatory requirements.
- Compensation principles support the business strategy and the long-term company targets, interests and values, in particular through using the RBI KPI set and key cultural competencies.
- Compensation principles incorporate measures to avoid conflicts of interests.
- Compensation principles & policies are consistent with and promote sound and effective risk taking management practices and avoid incentives for inappropriate risk taking that exceed the tolerated risk of A-LEASING/A-REAL ESTATE, in particular through KPIs and management processes (e.g. Performance Management).
- By aligning our strategy, our vision and the remuneration system, we strive to optimize our risk on all levels through a restructuring of the Compensation system and limiting variable Compensation to further promote sound and effective risk management which supports and leads to a more accurate cost planning on a multi-year perspective.
- Compensation is driven by a functional structure and is performance related; furthermore special regulations apply to the members of staff whose professional activities have a material impact on the risk profile ("Identified Staff").
- Compensation is competitive and affordable and reasonable and is defined according to the relative value of the job, market value and practices.
- We foster the development, satisfaction and loyalty of our employees by providing financial stability and by focusing performance management on the development of our staff members.
- The pay-mix (proportion of variable Compensation to fixed compensation) is well balanced which should allow every employee an adequate living based on fixed income; thus allowing a fully flexible variable remuneration policy including the possibility of no variable remuneration while still providing financial security to the employees.
- Performance is the basis for all variable compensation schemes and takes into account:
  - individual/unit performance (including compliance with the RBI Group Code of Conduct and the Compliance regulations),
  - the Group, A-LEASING/A-REAL ESTATE's performance (where applicable) and
  - the costs of risks, liquidity and capital.
- Individual performance is the output of achieved results and behaviours / competencies based on both quantitative and qualitative measures, assessed within the performance management process and by taking into account financial and non-financial criteria.
- Group / A-LEASING/A-REAL ESTATE's performance is the output of achieved results based on quantitative measures following a specific KPI set.
- By linking a significant part of variable compensation to Group performance in compliance with legal and regulatory requirements and by overcoming "silo thinking" we strive to maximize shareholder value.

- The optimization of the compensation- and performance management system results in an even greater focus on high quality and long-term relationships with our customers.
- Employees engaged in control functions are compensated independent of the business unit they supervise, have appropriate authority and their remuneration is determined on the basis of achievement of their organizational objectives linked to their functions, regardless of the results of the business activities they monitor. Mix of fixed and variable remuneration should be weighted in favour of fixed remuneration.
- Guaranteed variable remuneration is not consistent with sound risk management or the pay-for-performance principle and shall not be a part of prospective remuneration plans; guaranteed variable remuneration is exceptional, occurs only when hiring new staff and where the institution has a sound and strong capital base and is limited to the first year of employment.

## **5.2 Total remuneration**

Total Remuneration means all forms of fixed and variable remuneration and includes payments and benefits, monetary or non-monetary, awarded directly to staff by or on behalf of A-LEASING/A-REAL ESTATE in exchange for professional services rendered by staff, carried interest payments, and other payments made via methods and vehicles which, if they were not considered as remuneration, would lead to a circumvention of the remuneration requirements of CRD.

For the purpose of calculating the Total Remuneration on individual or overall A-LEASING/A-REAL ESTATE's level, the definition above shall be considered.

## **5.3 Fixed Compensation**

Fixed compensation should primarily reflect the relevant professional experience and organisational responsibility of staff and provide a stable source of income.

Compensation is fixed when the conditions for its award and its amount:

- are predetermined;
- are non-discretionary
- are transparent to staff and set in a predefined and objective manner;
- are permanent (meaning maintained over time and tied to a specific role and organizational responsibilities);
- are not providing incentives for risk assumption;
- are non-revocable (without prejudice to local legislation);
- cannot be reduced, suspended or cancelled by A-LEASING/A-REAL ESTATE;
- do not depend on performance.

Remuneration components that are either part of a general institution-wide policy where they meet the conditions listed above or payments mandatory under national law, are considered as fixed compensation. This includes payments which form part of routine employment packages as defined below:

Routine employment packages means ancillary components of remuneration that are obtainable for a wide population of staff or staff in specified functions based on predetermined selection criteria.

Any compensation element which does not fulfil the above mentioned criteria has to be considered as Variable Compensation.

### **5.3.1 Base Pay**

Base Pay is a nondiscretionary fixed compensation, which does not vary according to company performance and it should primarily reflect relevant professional experience and organisational responsibility as set out in an employee's job description as part of the terms of employment.

### **5.3.2 Other fixed cash compensation**

In A-LEASING/A-REAL ESTATE regarding specific employees / particular circumstances the following extra compensation elements are partially used:

- paid overtime
- company car respectively car allowance

Any introduction of these or any additional elements of remuneration in A-LEASING/A-REAL ESTATE have to be structured in line with Group standards and legal- as well as regulatory requirements, have to be pre-approved by Group P&OI and have to finally be approved by A-LEASING's/A-REAL ESTATE's Shareholder.

### **5.3.3 Salary – Adjustment Processes**

#### ***5.3.3.1 Adjustment of Salary Scales/Ranges***

A-LEASING/A-REAL ESTATES HR should propose adjustments to salary scales/ranges at least once a year for approval by A-LEASING/A-REAL ESTATE's Board and budget them in the yearly planning. In case of no obvious salary market movements, the A-LEASING/A-REAL ESTATE's Board should be at least informed with regard to the main findings of the exercise.

Overall increases should be in relation to the expected/estimated wage inflation (defined as the expected average salary increase within an industry) and planned during the budgeting process.

#### ***5.3.3.2 Annual Salary Adjustments***

##### General Rules

Individual salaries should be reviewed once a year and communicated to the employee.

In order to provide managers with a framework for individual salary adjustments, A-LEASING/A-REAL ESTATE's HR is to define an appropriate adjustment process. Base salaries have to be determined by function, referenced by job grade, and experience (within the relevant function).

Under extraordinary circumstances like high inflation, salaries may be adjusted more often than once a year.

Individual salary increases have to be aligned with individual performance and positioning in the salary scale range. Where applicable, increases should be granted according to the steps described in section 9 – Governance.

#### ***5.3.3.3 Extraordinary salary adjustments***

##### General Rules

Extraordinary salary adjustments are base salary adjustments in addition to a regular annual salary adjustment.

All such adjustments should be reasonable and should take into consideration the positioning within the old/new salary range, performance of the individual and market value of the position.

The principles for granting extraordinary salary adjustments in A-LEASING/A-REAL ESTATE are the change of position in case to a higher job grade and a change of position within the same job grade.

## 5.4 Variable Pay (Variable Compensation)

At the moment, there is no annual bonus system implemented in A-Leasing or A-Real Estate. If such a system shall be introduced in the future, all requirements as laid out in the Internal Regulation REG-2017-0068 Total Rewards Management and all requirements as provided in the relevant legal and regulatory principles have to be fulfilled. It has to be ensured that Group P&OI is appropriately involved in the introduction of any such system.

For the requirements concerning the Retention Bonus system that has been implemented in A-Leasing, please refer to section 5.5.1 below.

## 5.5 Other special forms of Variable Compensation

Other special forms of Variable Compensation can be paid by A-LEASING/A-REAL ESTATE to their employees under special circumstances, as described within the upcoming sections.

### 5.5.1 Retention Bonus

A retention bonus (e.g. a bonus solely granted for staying with A-LEASING/A-REAL ESTATE for a pre-defined time) is a special form of variable remuneration in the meaning of section 5.3 of this document.

Any form of Variable Compensation should always be in line with sound and effective risk management and A-LEASING/A-REAL ESTATE's remuneration policy, and therefore A-LEASING/A-REAL ESTATE should be able to substantiate their legitimate interest in awarding retention bonuses. For example, retention bonuses could be used under restructurings, in wind down or after a change of control, but also in other situations where the institution can provide a rationale for its legitimate interest in retaining a relevant staff member.

Being a form of Variable Compensation, Retention Bonus programs have to fulfil all the conditions applicable to Variable Compensation including performance related principles.

Consequently any retention bonus awarded to Identified Staff is subject to special remuneration principles including the respective pay-out models for Identified Staff, as described in section 6.3.

In this regard, the Retention Bonus is also taken into account when determining the ratio between variable and fixed remuneration – the "Bonus Cap", see also section 6.6 – either as variable compensation consistent over time with its actuarial value in line with the applied accounting standards or on a linear pro rata basis.

As a general principle the implementation of any retention program can only be made after pre-approval by Group P&OI and approval by RBI Board and A-LEASING/A-REAL ESTATE's Shareholder. The approval documentation has to include detailed description of the conditions of payment, eligibility criteria and the necessary budgets.

In any case the allocation and pay-out of such Retention Bonus is subject to all preconditions for payment defined through the respective programme and the regulatory Step in Criteria as described below:

### ***Regulatory step-in-criteria for variable compensation:***

Variable Compensation, including any deferred portion (see section 6.2.3) is allocated, paid or vests

only if the following criteria are met (Step-In-Criteria):

- (i) This not prohibited on RBI Group and/or A-LEASING/A-REAL ESTATE level based on a decision of the competent regulatory authority (e.g. by European Central Bank for RBI Group).
- (ii) This is sustainable according to the financial situation of the RBI Group and the financial situation of A-LEASING/A-REAL ESTATE as a whole (provided that in case of wind-down/ closing-down units, only the overall financial situation of RBI Group is

relevant), and justified according to the performance of the Group, A-LEASING/A-REAL ESTATE, the business unit and the individual concerned.

- (iii) The minimum requirements as applicable under local law for A-LEASING/A-REAL ESTATE to allocate or pay variable remuneration are achieved.
- (iv) The legally required RBI Group CET 1 ratio is achieved, all CRR and CRD capital and buffer requirements of RBI Group are fulfilled and further the allocation, pay-out or vesting is not detrimental to maintaining a sound capital base of RBI Group.
- (v) A-LEASING/A-REAL ESTATE has achieved the minimum economic and regulatory capital base required in accordance with applicable law and further the allocation, pay-out or vesting is not detrimental to maintaining a sound capital base of A-LEASING/A-REAL ESTATE.
- (vi) All additional criteria and pre-conditions for any allocation and/or payment of variable remuneration as from time to time defined by the RBI Board or Supervisory Board (REMCO) are met.

The bonus may be reduced or cancelled if any of the additional criteria and pre-conditions for any allocation and/or payment of variable compensation – as from time to time defined by the RBI Board or Supervisory Board (REMCO) or by RBXX Supervisory Board by taking into consideration all types of current and future risks, expected losses, estimated unexpected losses, stressed conditions associated with the institution's activities as well as the cost of the capital and the liquidity required – are not met.

#### **5.5.2 Guaranteed variable compensation**

Not applicable in A-Leasing and A-Real Estate.

### **5.6 Fringe Benefits**

Benefits are programmes to supplement the cash compensation and provide security for employees and/or their families. There are different categories like social insurance, group insurance, paid leave, etc.

Type and kind of benefits offered to employees should be aligned with local market practices. The benefits offered should be competitive and well positioned, but not driving the market.

A-LEASING/A-REAL ESTATE offers the following fringe benefits:

- Car
- Welfare Plan

## **6 Specific RBI Group Compensation Principles**

The Specific RBI Group Compensation Principles provided for in this section shall not apply to all employees, but only to categories of staff including senior management, risk takers, staff engaged in control functions and any employee receiving Total Remuneration that takes them into the same remuneration bracket as senior management and risk takers and whose professional activities have a material impact on the risk profile ("Identified Staff").

All kind of Variable Compensation shall only be allocated (awarded) and paid in compliance with the Specific RBI Group Compensation Principles.

### **6.1 Selection of Identified Staff**

#### **6.1.1 Categories of staff to be included**

In order to ensure a consistent identification of staff / categories of staff with material impact on RBI Group's/A-LEASING/A-REAL ESTATE's risk profile ("Identified Staff") a group wide

approach is implemented by way of the RBI Group Identified Staff Selection Instructions attached hereto as Annex 1. These instructions are based on the RTS on Identified Staff Identification and define the rules and principles to be followed as minimum group standard by RBI and A-LEASING/A-REAL ESTATE. All categories of staff that fall under the selection criteria as provided for in the RBI Group Identified Staff Selection Instructions shall be selected as "Identified Staff" from a Group perspective and or from A-LEASING/A-REAL ESTATE's perspective.

### 6.1.2 Proportionality for categories of staff

Based on the Proportionality Principle the Identified Staff may be categorized with respect to the extent of the impact on RBI Group's / A-LEASING/A-REAL ESTATE's risk profile, by taking into account in particular the following criteria:

- Degree of seniority
- Size of the obligation into which the risk taker may enter on behalf of the institution
- Size of the group of persons who have only collectively impact on the risk profile
- Ratio variable / fixed payment and amount of Variable Payment
- Quantitative Risk Criteria measuring the level of risk taken by a certain employee based on the internal rules set up (e.g. Economic Capital, Credit Approval Limits, P&L responsibilities, etc.)
- Other qualitative criteria reflecting the impact of decisions taken by certain employees as of their job description (Key risk functions, decision makers directly influencing the strategy of a certain business line or even the whole institution, etc.)

Based on this assessment two categories of Identified Staff might be differentiated:

- **"Fully Affected Identified Staff"** – including employees/jobs having a significant "material impact" on RBI Group's / A-LEASING/A-REAL ESTATE's risk profile. For this category all Specific RBI Group Compensation Principles apply.
- **Identified staff with less material impact on risk profile of the organisation ("Partially Affected Identified Staff")** – for which, based on the Proportionality Principle, the following Specific RBI Group Compensation Principles may be neutralized:
  - Variable remuneration in Equity instruments (see section 6.2.2)
  - Retention (see section 6.2.2)
  - Deferral (see section 6.2.3)
  - Ex post incorporation of risk for variable compensation (see Malus or Clawback section 6.9.1 / 6.9.2 of this Remuneration Policy)

The categorization of Identified Staff as having less material impact on risk and the neutralization of the principles described above with respect to the Partially Affected Identified Staff should be made in full compliance with the RBI Group Identified Staff Selection Instructions (see Annex 1 of this Remuneration Policy) and should be proven and documented.

Example: Due to the less material impact on the risk profile, for certain groups of employees falling under the Identified Staff category, the annual bonus can be paid in cash only and any required Equity Instruments can be neutralized.

### 6.1.3 Selection Process

Each year A-LEASING/A-REAL ESTATE has to identify the jobs/employees with material impact on A-LEASING/A-REAL ESTATE's and/or RBI Group's risk profile in compliance with the RBI Group Identified Staff Selection Instructions attached hereto as Annex 1.

The selection process of the Identified Staff must ensure fair, comprehensible and equal treatment of all employees and shall respect and consider applicable mandatory local regulations in the jurisdiction in which A-LEASING/A-REAL ESTATE operates.

The selection under the Identified Staff category is always made depending on the level of risk taken through the allocated responsibilities within A-LEASING/A-REAL ESTATE by one function irrespective whether the jobholder has an official employment contract settled with A-LEASING/A-REAL ESTATE, or just an assignment contract or a different kind of agreement or is employed with another RBI Group company. In case, based on Group standards for Identified Staff selection, such functions should be selected as Identified Staff, they have to be included on the local list of A-LEASING/A-REAL ESTATE and the remuneration which has been allocated for the work performed within A-LEASING/A-REAL ESTATE should be subject to the Specific RBI Group Compensation Principles provided for in this section. In case an Identified Staff member of A-LEASING/A-REAL ESTATE has no (employment) agreement with A-LEASING/A-REAL ESTATE and does not receive any Variable Compensation or Base Pay from A-LEASING/A-REAL ESTATE, but another RBI Group company (e.g. based on an employment agreement) directly or indirectly allocates or pays Fixed and/or Variable Compensation in exchange for professional services rendered by this person in its Identified Staff function for A-LEASING/A-REAL ESTATE, A-LEASING/A-REAL ESTATE shall inform the respective RBI Group company (the employer) on the Identified Staff status of that person. A-LEASING/A-REAL ESTATE shall request the (employing) RBI Group company to apply A-LEASING/A-REAL ESTATE's specific compensation principles applicable to Identified Staff to remuneration paid directly or indirectly (e.g. through performance Bonus which takes into consideration the performance of the Identified Staff in A-LEASING/A-REAL ESTATE) to its Identified Staff member.

## **6.2 Specific RBI Group Compensation Principles applicable to Identified Staff – Overview**

### **6.2.1 Performance assessment**

- Where remuneration is performance related, the total amount of remuneration is based on a combination of the assessment of the performance of the individual and of the business unit concerned and of the overall results of the institution and when assessing individual performance, financial and non-financial criteria are taken into account;
- The assessment of the performance is set in a multi-year framework in order to ensure that the assessment process is based on longer-term performance and that the actual payment of performance-based components of remuneration is spread over a period which takes account of the underlying business cycle of the institution and its business risks;
- The measurement of performance used to calculate variable compensation components or pools of variable compensation components includes an adjustment for all types of current and future risks and takes into account the cost of the capital and the liquidity required. The allocation of the variable compensation components within the institution shall also take into account all types of current and future risks;

### **6.2.2 Equity Instruments and Retention**

A substantial portion, and in any event at least 50%, of any variable compensation shall consist of an appropriate balance of:

- (i) shares or equivalent ownership interests, subject to the legal structure of the institution concerned, equivalent ownership interests; or share-linked instruments



or, subject to the legal structure of the institution concerned, equivalent non-cash instruments, in case of a non-listed institution, and

(ii) where possible, other instruments within the meaning of Article 52 or 63 of CRR or other instruments which can be fully converted to Common Equity Tier 1 instruments or written down, that in each case adequately reflect the credit quality of the institution as a going concern and are appropriate to be used for the purposes of variable compensation

The instruments referred to in this point ("Equity Instruments") shall be subject to an appropriate retention policy ("Retention") designed to align incentives with the longer-term interests of the institution (by taking into consideration restrictions on the types and designs of those instruments or prohibitions of certain instruments as prescribed by applicable local law or competent local authorities). This point shall be applied to both the portion of the variable compensation component deferred (as described below) and the portion of the variable compensation component not deferred.

Detailed regulations on Equity Instruments and Retention period are provided for in section 6.5.

### **6.2.3 Deferral, Preconditions for payment and ex-post incorporation of risk**

A substantial portion, and in any event at least 40%, of the variable compensation component is deferred over a period which is not less than four to five years ("**Deferral**") and is correctly aligned with the nature of the business, its risks and the activities of the member of staff in question.

Remuneration payable under Deferral arrangements shall vest no faster than on a pro-rata basis.

In the case of a variable compensation component of a particularly high amount, at least 60% of the amount shall be deferred.

The length of the deferral period shall be established in accordance with the business cycle, the nature of the business, its risks and the activities of the staff member of staff concerned.

Detailed regulations on Bonus pay-out rules for Identified Staff and Deferral are provided for in section 6.3 Bonus Pay-out Models for Identified Staff.

- The variable compensation, including the deferred portion, is paid or vests only if it is sustainable according to the financial situation of the institution as a whole, and justified according to the performance of the institution, the business unit and the individual concerned.
- Without prejudice to the general principles of national contract and labour law, the total variable compensation shall generally be considerably contracted where subdued or negative financial performance of the institution occurs, taking into account both current remuneration and reductions in pay-outs of amounts previously earned, including through malus or clawback arrangements ("**Malus**" or "**Clawback**").

Detailed regulations on Malus and Clawback are provided for in section 6.9.

### **6.2.4 Deviations from Specific RBI Group Compensation Principles based on local legislation**

Not applicable.

## **6.3 Bonus Pay-out Models for Identified Staff**

### **6.3.1 General**

If Variable Compensation is paid to the employees who have been defined as Fully Affected Identified Staff, the Bonus payment (and any other Variable Compensation) shall comply with the following regulatory requirements:

- At least 50% of the allocated Variable Compensation will be paid in Equity Instruments (if applicable - see section 6.2.2 of this Remuneration Policy.)
- At least 40% of the Variable Pay will be subject to Deferral and paid out pro rata; in case of a High Bonus Amount (as defined below) at least 60% of the Variable Pay will be subject to Deferral and paid out pro rata
- Retention of Equity Instruments
- The Bonus Cap shall not be exceeded (see section 6.6)
- Any Variable Compensation, including the deferred portion, is paid or vests only if the Step-in-criteria are met.

RBI Board may decide on adjustment factors which should be used by A-LEASING/A-REAL ESTATE for the final calculation of the awarded Variable Compensation amounts.

A total Variable Compensation amount allocated with respect to a specific performance year which is either exceeding EUR 175,000 (gross) or exceeding 100% of annual Base Pay shall be in general considered as "High Bonus Amount" and shall be consequently subject to the 60% Deferral scheme.

If Variable Compensation is allocated or paid to employees whose function has been selected as Partially Affected Identified Staff, the requirements of payment in Equity Instruments (including Retention), Deferral and ex-post incorporation of risk for variable compensation (Malus or Clawback) may be subject to Neutralization (see section 6.1.2)

In case the total Variable Compensation amount of an individual member of the Identified Staff does not exceed the Insignificance Thresholds (see section 6.4 of this Remuneration Policy) the requirements of payment in Equity Instruments (including Retention), Deferral and ex-post incorporation of risk for variable compensation (Malus or Clawback) may be subject to Neutralization as provided for in section 6.1.2 and consequently the payment of Variable Compensation is not subject to the Bonus-Pay-out Models as described in this section.

### **6.3.2 Bonus Pay-out Model for Fully Affected Identified Staff of A-LEASING/A-REAL ESTATE**

#### **Staff Categories:**

- A-LEASING/A-REAL ESTATE's Board Members
- Fully Affected Identified Staff of A-LEASING/A-REAL ESTATE

#### **Pay-out Model:**

- 60% of the Bonus amount is paid immediately (=upfront payment)
- 40% of the Bonus amount is subject to Deferral and be paid out pro rata over a period of 4 years
- Payment split: 50% in cash and 50% in Equity Instruments (see section 6.5)
- 1 year Retention period for Equity Instruments.

Note: In case of a High Bonus Amount at least 60% of the Variable Payment should be deferred.

### **6.3.3 Bonus Pay-out Model for Partially Affected Identified Staff of A-LEASING/A-REAL ESTATE**

#### **Staff Categories:**

- Partially Affected Identified Staff in A-LEASING/A-REAL ESTATE

The following **Pay-out Model** is being implemented (on the basis of Neutralization of payment in Equity Instruments and Deferral requirement):

- 60% of the Bonus amount is paid immediately (=upfront payment);
- 40% of the Bonus amount is to be paid out after one year Deferral period;
- Cash payment only (no Equity Instruments);

Note: In case of a High Bonus Amount at least 60% of the Variable Payment should be deferred.

## 6.4 Insignificance Thresholds of Variable Compensation

In case the total Variable Compensation amount (Bonus and any other Variable Compensation if any) awarded in relation to a specific performance year to an individual member of the Identified Staff (except Board members) does not exceed the total amount of EUR 50,000 gross (Absolute Insignificance Threshold) and additionally does not exceed one third of the annual total remuneration (Relative Insignificance Threshold) the requirements of payment in Equity Instruments (including Retention), Deferral and ex-post incorporation of risk for variable compensation (Malus or Clawback) may be subject to Neutralization based on the Proportionality Principle.

Neutralization based on Insignificance Thresholds may not be applied to Variable Compensation awarded, allocated or paid to Board members.

## 6.5 Equity Instruments

### 6.5.1 Requirement to use Equity Instruments

A-LEASING/A-REAL ESTATE uses the RBI "Phantom Plan" (see section 6.5.2) to fulfil the Equity Instrument requirement.

### 6.5.2 "Phantom Plan" of RBI Group

RBI Group uses a Phantom Plan ("Phantom Plan") based on RBI share price to fulfil the obligation of granting and paying out variable compensation in Equity Instruments. For Fully Affected Identified Staff of RBI Group, at least 50% of the annual awarded Bonus is to be paid in form of Equity Instruments (Phantom Shares)

60% of Phantom Shares paid out upfront and 40% are subject to Deferral.

Therefore, the 50% part out of the total annual awarded Bonus payable in form of Equity instruments (Phantom Shares) is to be split into two parts (example based on 60% up-front payment):

1. 50% (Bonus part in Equity instruments)\* 60% (up front part) = 30% of total Bonus to be paid in **Up front** Equity Instruments (Phantom Shares)
2. 50% (Bonus part in Equity instruments)\* 40% (deferred) = 20% of total Bonus to be paid in **Deferred** Equity Instruments (Phantom Shares)

One year Retention period (or a longer period if required according to local law – see section 0) applies to both parts, up-front and the deferred part of Phantom Shares, which means that the value of the Phantom Shares can be paid only after the expiry of one year after the end of the business year the bonus is awarded for (for up-front part) and after the expiry of one year after the end of each (pro rata) period of Deferral.

The following principles are to be taken note of:

- Phantom Shares are based on the RBI share price

- The number of Phantom Share units is calculated dividing the respective bonus amount by the average RBI share price of the business year the bonus is awarded for.
- This results in number of Phantom Share units corresponding to the upfront and also for the deferred parts;
- During the Deferral and Retention period the number of allocated Phantom Shares units stays unchanged. After each Retention period the respective part of the Phantom Share units (e.g. for up-front payment the Phantom Share units allocated up-front) is multiplied by the average RBI share price of the previous business year and the resulting amount is paid in cash. The resulting cash amount will be the basis for taxation at payment date.

Where possible other instruments within the meaning of Article 52 or 63 of CRR or other instruments which can be fully converted to Common Equity Tier 1 instruments or written down, that in each case adequately reflect the credit quality of the institution as a going concern and are appropriate to be used for the purposes of variable compensation, shall be used, if A-LEASING/A-REAL ESTATE has issued such instruments and these are certificated and tradable. In this case an appropriate part of the RBI Phantom Shares shall be replaced by these other instruments.

### **6.5.3 Exchange Rates**

Not applicable.

### **6.5.4 Retention period**

#### ***6.5.4.1 General***

The CRD does not specify the length of the Retention period, but provides for that the minimum Retention period should be sufficient to align incentives with the long term interests of the institution and that the institution shall determine the appropriate length of the Retention period by taking into account the time horizon for risk realization and the structure of its remuneration policy.

The legislative guidelines have emphasized the difference between Deferral and Retention period which needs to be acknowledged, however, there is no overriding requirement for the period of Retention to match any Deferral period being used.

#### ***6.5.4.2 Retention Period applied in RBI Group***

Phantom Share units have to be retained (both for upfront & deferred bonus part) for 1 year.

Considering the aspect of proportionality for Retention periods of deferred instruments, the fact that in RBI Group, the maximal length of the Deferral period has been implemented and taking into account the time horizon for risk realization, a Retention period of 1 year is currently considered as sufficient and appropriate.

During the Retention period the number of allocated Phantom Share units stays unchanged and only the share price will have an impact on the final cash payment amount.

## **6.6 Bonus Cap**

Institutions shall set the appropriate ratios between the fixed and the variable component (including, for the avoidance of doubt, Bonus, Risk-Reduction Incentives, Equity Instruments and any kind of other Variable Compensation) of the Total Remuneration, whereby the variable component shall not exceed 100% of the fixed component of the Total Remuneration for each individual.

## **6.7 Ratio between fix and variable compensation**

As a general principle, all NWUs of RBI Group that are included in the prudential scope of consolidation, including those established in third country should set in advance in their

remuneration policies the appropriate level of the maximum ratio between variable and fixed components of Total Remuneration for Identified Staff.

The maximum ratio should be calculated as the sum of all variable components of remuneration that could be awarded as a maximum in a given performance year, including the amount to be taken into account for e.g. the retention bonus, divided by the sum of all fixed components of remuneration to be awarded in relation to the same performance year.

NWUs may omit some of the fixed compensation components, where they are not material, (e.g. proportionate non-monetary benefits granted to all employees).

As a general principle, the maximum ratio in RBI Group cannot exceed 100% of fixed compensation. The SB / Remco of RBI and of each NWU of RBI Group have to approve the maximum ratio between the fixed and the variable compensation, as described above.

## **6.8 Other rules applicable to "Identified Staff"**

### **6.8.1 Changes in functions and jobholders subject to "Identified Staff" category during the year**

In case an employee (except Board members) holds in a performance year a function under the "Identified Staff" category, for a period exceeding three months, the amount of annual Variable Compensation will be subject to the Specific RBI Group Compensation Principles including the respective Bonus Pay-out Model applicability, as defined in this Remuneration Policy (section 6.3) on a pro rata basis.

This situation might occur in case of (e.g.):

- Changes from "Identified Staff" function to Non Identified Staff function (see section 6.1.1), or vice-versa.
- Changes from "Fully affected Identified Staff" function to "Partially affected Identified Staff" (see section 6.1.2), or vice-versa.

For Board members the Pay-out Model shall apply on a pro rata basis irrespective of the length the function is held (even if less than three month).

For the avoidance of doubt the rules relating to Bonus Cap (see section 6.6) shall be fully applied on a pro rata basis to all Identified Staff members (including Board) irrespective of the length the function is held (even if less than three month).

### **6.8.2 Early termination of employment**

The termination or dissolution of the employment of an Identified Staff member for any reasons (including retirement, and death) before expiry of the Deferral or Retention period do not lead to the maturity of the (pro rata) deferred instalments or Equity Instruments (Phantom Shares). The Variable Compensation continues to be paid out in accordance with the Specific RBI Group Compensation Principles and pay-out-models as set out above.

If the employment of an Identified Staff member ends by summary dismissal due to his/her fault or by unjustified resignation without notice, the Variable Compensation allocated (in particular the deferred instalments) shall be forfeited with regard to all payments not yet made at the time of termination (without prejudice to the rules that apply if a Clawback or Malus event has occurred). If a Clawback Event has occurred, any Bonus payments already paid out at the time of termination must also be repaid according to the Clawback provisions (section 6.9.2).

### **6.8.3 Severance Payments**

Severance payments are the amounts paid to staff members in connection with the early termination of their employment contract. Regular remuneration payments related to the duration of a notice period should not be considered as severance payment.

Severance payments can be paid either based on mandatory legal requirements (labour law, collective agreements, etc), mandatory following a decision of a court or on a voluntary basis (i.e voluntary severance payments).

Severance payments should not provide for a disproportionate reward, but for an appropriate compensation of the staff member in cases of early termination of the contract.

Severance payments must reflect performance achieved over time and must not reward failure or misconduct.

Severance pay should not be awarded where there is an obvious failure which allows for the immediate cancellation of the contract or the dismissal of staff.

Severance payments may include redundancy compensation for loss of office, and may be subject to a non-competition clause in the contract. In particular, in the following situations, additional payments made, because of the early termination of a contract, should be considered as severance payment:

- a) A-LEASING/A-REAL ESTATE terminates the contracts of staff because of a failure of A-LEASING/A-REAL ESTATE (including the following situations:
  - i. where A-LEASING/A-REAL ESTATE benefits from government intervention or is subject to early intervention or resolution measures in accordance with Directive 2014/59/EU;
  - ii. where the opening of normal insolvency proceedings of A-LEASING/A-REAL ESTATE, as defined in Article 2(1)(47) of Directive 2014/59/EU, has been filed;
  - iii. where significant losses lead to the situation that A-LEASING/A-REAL ESTATE no longer has a sound capital basis and, following this, the business area is sold or the business activity is reduced);
- b) A-LEASING/A-REAL ESTATE wants to terminate the contract following a material reduction of A-LEASING/A-REAL ESTATE's activities in which the staff member was active in or where business areas are acquired by other institutions without the option for staff to stay employed in the acquiring institution;
- c) A-LEASING/A-REAL ESTATE and a staff member agree on a settlement in case of a potential or actual labour dispute, to avoid a decision on a settlement by the courts.

Criteria for allocation of the amounts of severance payments to Identified Staff should be defined by A-LEASING/A-REAL ESTATE in line with the provisions of this Remuneration Policy, in compliance with the special remuneration provisions for Identified Staff based on EU and local legal provisions.

The decision making process and the involvement of Control Functions should be defined in A-LEASING/A-REAL ESTATE based on the local governance structure in accordance with local legal requirements.

#### **6.8.4 Pension Policy for Identified Staff**

The pension policy of RBI and each NWU of RBI Group has to be in line with the business strategy, objectives, values and long-term interests of the NWU. If the employee leaves the company before retirement, discretionary pension benefits will be held for a period of five years in the form of the Equity Instruments. In case of an employee reaching retirement, discretionary pension benefits shall be paid to the employee in the form of Equity Instruments subject to a five year retention period.

### **6.8.5 Compensation or buy-out from contracts in previous employment for Identified Staff**

Remuneration packages relating to compensation or buy out from contracts in previous employment are granted at hiring staff whose deferred variable compensation was reduced or revoked by the previous employer because of the termination of the contract. Such buy-out remuneration packages must align with the long-term interests of the institution including that all requirements for variable compensation such as Retention, Deferral, performance and Clawback arrangements apply, in case the employee holds an Identified Staff role.

### **6.9 Ex- post incorporation of risk for variable compensation (Malus/Clawback events)**

#### **6.9.1 Malus**

A Malus event may entail the reduction or forfeiture of outstanding (deferred) bonus payments.

In particular, the following events constitute a Malus event:

- If a Clawback event occurs (see below).
- A competent regulator orders a limitation or stop of variable compensations for the Group and/or A-LEASING/A-REAL ESTATE.
- Evidence of risk relevant misbehavior, serious error, non-compliance with due diligence requirements or serious breaches by the employee (e.g. breach of code of conduct and other internal rules, especially concerning risks) or failure to meet appropriate standards of fitness and propriety;
- RBI Group and/or A-LEASING/A-REAL ESTATE and/or subsequently the business unit in which the employee works suffers a significant downturn in its financial performance (specific indicators may be defined by RBI);
- RBI Group and/or A-LEASING/A-REAL ESTATE and/or the business unit in which the employee works suffers a significant failure of risk management, i.e. a risk adjustment of the assessment of the performance must be made because ex-post risk assessment reveals that the original risk assessment was too positive;
- Significant changes in RBI Group's and/or A-LEASING/A-REAL ESTATE's economic or regulatory capital base (e.g. RBI Group and/or A-LEASING/A-REAL ESTATE is not fulfilling or close to not fulfilling regulatory capital requirements);
- Any regulatory sanctions where the conduct of the Identified Staff member contributed to the sanction.
- Significant contribution to the subdued or negative financial performance or other conduct with intent or severe negligence which led to significant losses.

#### **6.9.2 Clawback**

A Clawback event entails the loss of all deferred payments and the Clawback of all payments made with regard to the bonus.

Clawback is applied in case of

- Fraud, criminal offence or misleading information provided by employee with high negative impact on the bank's credibility and profitability or
- Allocation or payment of Variable Compensation in willful violation of the remuneration principles provided for in this Remuneration Policy or in willful violation of mandatory banking law provisions.

#### **6.9.3 Malus/Clawback Assessment – Instructions**

Each year A-LEASING/A-REAL ESTATE has to conduct a Malus and Clawback check in compliance with the RBI Group Malus & Clawback Instructions attached hereto as Annex 2

and other applicable group standards/instructions which may be issued by RBI Board from time to time and A-LEASING/A-REAL ESTATE shall ensure enforceability of the defined Malus and Clawback events under local labour law.

For the avoidance of doubt if any deferred Variable Compensation payment is reduced or forfeited based on Malus or Clawback the respective amount is irrevocably lost and must not be paid in later years.

## **7 Prohibition of Personal Hedging**

The effectiveness of risk alignment will be significantly weakened if employees would be able to transfer the down side risk to another party through hedging or certain types of insurances. Therefore the use of any kind of personal hedging strategies or remuneration- and liability-related insurance to undermine the risk alignment effects embedded in the remuneration arrangement are not allowed and strictly forbidden.

To ensure the effectiveness of the prohibition of personal hedging, all Identified Staff, whose variable remuneration is subject to the respective pay-out model, must confirm that they are aware of the prohibition to use any kind of personal hedging strategies (either by signing the letter template provided by Group P&OI or by another appropriate measure implemented by the NWU). The NWU has to collect these confirmations and provide Group P&OI with proper documentation about the process.

## **8 Special Remuneration Principles for Supervisory Board Members of affected NWUs**

In RBI Group no variable compensation is granted to individuals in relation to their Supervisory Board membership, unless local legal provisions require differently.

Any fixed compensation granted by A-LEASING/A-REAL ESTATE to individuals in relation to their Supervisory Board membership has to be decided and approved by the General Assembly of A-LEASING/A-REAL ESTATE and furthermore fulfils the following principles:

- The remuneration granted is in relation to the situation, size and complexity of A-LEASING/A-REAL ESTATE;
- Where sufficient information is available, it follows local market practices;
- There is a differentiation in roles (chairman, deputy, regular member);

## **9 Governance**

### **9.1 General - Local Remuneration Policies and Identified Staff selection**

This Remuneration Policy of A-LEASING/A-REAL ESTATE shall duly implement the provisions of the Group Framework and shall be pre-approved by Group P&OI, with the involvement of Group Legal Services, and finally approved by the A-LEASING/A-REAL ESTATE's Shareholder.

The selection of Identified Staff in compliance with Annex 1 to this document shall be conducted annually. The result of the assessment process (including the list of Identified staff members and applicable pay-out model – (see section 6.3) shall be pre-approved by Group P&OI before A-LEASING/A-REAL ESTATE's Board and Shareholder approval.

The implementation of the remuneration policy of A-LEASING/A-REAL ESTATE and the selection of Identified Staff is, at least annually, subject to central and independent internal review conducted by A-LEASING/A-REAL ESTATE (and monitored by RBI from a Group perspective) with respect to compliance with A-LEASING/A-REAL ESTATE's Remuneration Policy and the Group Framework.



A-LEASING/A-REAL ESTATE shall provide such information with respect to implementation of the Group Framework as requested by Group P&OI at any time.

## 9.2 Support and control functions of A-LEASING/A-REAL ESTATE

**A-LEASING/A-REAL ESTATE's Compliance** screens the Remuneration Policy of A-LEASING/A-REAL ESTATE in order to be compliant with statutory and internal regulations and can give significant input into the setting of remuneration awards where they have concerns regarding:

- 1) The impact on staff behavior, and
- 2) The riskiness of the business undertaken.

**A-LEASING/A-REAL ESTATE's HR** is responsible for:

- The design, documentation, implementation and review on a regular basis of the compensation structure - fix and variable - including Base Pay policy, Risk-Reduction Incentive Schemes design and implementation, Bonus Pool calculation and all related principles in line with the Group standards
- The design of the local Remuneration Policy implementing General and Specific RBI Group Compensation Principles in line with the Group Framework, with involvement from all necessary stakeholders (e.g. Control Functions).
- Performing on annual basis the Identified Staff Assessment in line with this Remuneration Policy (incl. its annexes) and local legal regulations, in coordination with local stakeholders (e.g. Risk Management, Compliance, Audit, Legal functions, depending on the local process set-up and/or local legal requirements).
- Coordinating annual Malus / Clawback check for all Identified Staff including A-LEASING/A-REAL ESTATE's Board based on Group standards.
- Preparing all applications (e.g. Identified Staff list, local Remuneration Policy, Malus / Clawback check for Identified Staff, annual Bonus payment for Board members, annual report concerning implementation of remuneration principles) and coordinate and document accordingly the approval process.
- Responsible for preparation and coordination of the salary increase process, where applicable, according to the steps described below:
  - A-LEASING/A-REAL ESTATE's HR designs and adapts the salary scales/ranges according to market development;
  - A-LEASING/A-REAL ESTATE's HR defines budgets for individual salary increases based on the approved overall company budget and in accordance with the A-LEASING/A-REAL ESTATE's Board decision split for different organisational units.
  - A-LEASING/A-REAL ESTATE's HR provides line management with the adapted salary scales/ranges and the positioning of the employees within the scales.
  - Managers are responsible for the salary increases of their staff within the A-LEASING/A-REAL ESTATE's budget. Individual increases have to be linked to:
    - Performance of the employee

**A-LEASING/A-REAL ESTATE's Legal** reviews the local Remuneration Policies of A-LEASING/A-REAL ESTATE and makes proposals for adjustment to ensure compliance with local and European legal requirements;

### **A-LEASING/A-REAL ESTATE's Risk Manager**

Involvement as necessary.

## 9.3 Support and control functions of RBI Group

### Group P&OI

- Reviews, makes proposals for adjustments to ensure compliance with group standards with regards to Total Rewards Management and finally pre-approves the local Remuneration Policies before the final approval of A-LEASING/A-REAL ESTATE'S Shareholder
- Participates in and informs on the drawing up and the evaluation of the Internal Regulation / Group framework Total Rewards Management of RBI Group, including the compensation structure, remuneration levels and incentive schemes and assure that the remuneration policy is aligned with the institution's risk profile in coordination with Group Legal and Group Risk functions.
- Pre-approves the final list of A-LEASING/A-REAL ESTATE'S Identified Staff and its compliance with Group standards regarding the Identified Staff assessment process;
- Advises A-LEASING/A-REAL ESTATE'S HR in matters concerning "Total Rewards Management";
- Pre-approves all Risk-Reduction Incentive Schemes implemented in A-LEASING/A-REAL ESTATE if applicable (except for the Retail incentives – which, however are not applicable to A-LEASING/A-REAL ESTATE – where the dedicated Incentive Review Committee set-up in RBI Headoffice pre-approves them);
- Approves final grades for B-1 and B-2 positions within A-LEASING/A-REAL ESTATE if applicable;
- Coordinates the approval of individual bonus pools on A-LEASING/A-REAL ESTATE'S level if applicable;
- Coordinates all HR-related group reporting (EBA, FMA, OeNB)
- Implements all regulatory requirements concerning compensation;
- Pre-approves any Retention Bonus programme before approval by the RBI Board and A-LEASING/A-REAL ESTATE'S Shareholder.

### Group Compliance

- Analyzes how the Variable Compensation practices / structure / models affect the RBI Group adherence to Compliance rules and regulatory requirements;
- Reviews the Group Framework and makes proposals for adjustment to ensure alignment with compliance related provisions and if requested by Group P&OI provides input to the respective documents as required for pre-approval by Group P&OI;
- Participates in the RBI REMCO meetings and provide with relevant inputs with regards to the Internal Regulation Total Rewards Managements and Local Remuneration policy of RBI.

### Group Legal Services

- Reviews the Group Framework and makes proposals for adjustment to ensure compliance with legal requirements and if requested by Group P&OI provides input A-Leasing's Remuneration Policy during the pre-approval process.

### Group Risk Controlling

- Participates upon invitation in the RBI REMCO meetings and provides with relevant inputs with regards to the Internal Regulation Total Rewards Managements and the Local Remuneration policy of RBI.
- Furthermore, involvement as necessary

## 9.4 Decision making bodies

### RBI Board

- Approves annual parameters and weighting for the bonus pool funding methodology as well as the valid formula for performance/funding curve for RBI Group Bonus Pool and any other step-in or knock out criteria in this regard;
- Checks and approves the fulfillment of the regulatory Step-in-criteria on RBI Group level as described in sections 5.5.1
- Pre-Approves any Retention Bonus programmes to be implemented by A-LEASING/A-REAL ESTATE

**A-LEASING/A-REAL ESTATE's Shareholder** (provided that such responsibility is in compliance with local law):

- Approves and periodically reviews detailed guidelines with respect to remuneration policy applicable to A-LEASING/A-REAL ESTATE (this Remuneration Policy) based on the Group Framework and is responsible for overseeing its implementation
- Makes final decision on selection of Identified staff and special compensation principles for Identified Staff of A-LEASING/A-REAL ESTATE in compliance with the Group Framework
- Directly oversees the remuneration of the senior officers in the risk management and staff engaged in the control functions.
- Approves the maximum ratio between variable and fixed compensation for Identified Staff
- Approves any Retention Bonus programmes to be implemented by A-LEASING/A-REAL ESTATE.
- Approves the annual Variable Compensation for A-LEASING/A-REAL ESTATEs Board Members;
- Makes decisions with regards to Malus / Clawback cases as provided for in the Annex 2 of this Remuneration Policy

**A-LEASING/A-REAL ESTATE's Board** (provided that such responsibility is in compliance with local law):

- Pre-approves and periodically reviews (before final approval of A-LEASING/A-REAL ESTATE's Shareholder is taken) detailed guidelines with respect to remuneration policy applicable to A-LEASING/A-REAL ESTATE (this Remuneration Policy) based on the Group Framework.
- Approves distribution of the bonus pool amount towards A-LEASING/A-REAL ESTATE's employees in compliance with the Group Framework.
- Makes decisions with regards to Malus / Clawback cases as provided for in the Annex 2 of the Group Framework

#### **Remuneration Committee**

Not applicable.

## **10 Reporting**

Introduction and changes of local compensation practices, including underlying processes and methods, need to be pre discussed with and reported to Group P&OI. A-LEASING/A-REAL ESTATE's HR informs the internal control functions (i.e. internal audit, risk management, compliance functions, etc.).

For A-LEASING/A-REAL ESTATE reporting of total rewards is covered via the respective reporting tools (e.g. Tagetik) and must follow the HR Controlling manual and all relevant Group Controlling guidelines. This means all compensation elements must be reported properly via the mentioned tools.

## 11 Disclosure

A-LEASING/A-REAL ESTATE shall disclose to the regulatory authority and/or to the public (e.g. publication on its website) such information regarding its remuneration policy and practices with respect to Identified Staff as provided for by mandatory law.

## 12 Exceptions

Any deviations from the provisions of this Remuneration Policy and its annexes have to be pre-approved by Group P&OI and finally approved by A-LEASING/A-REAL ESTATE's Shareholders. A-LEASING/A-REAL ESTATE's Shareholders shall take the deviations into consideration during the approval of this Remuneration policy.

In addition to pre-approval, for relevant NWUs, Group P&OI (B-1 as document owner) has to document exceptions from the regulations as set in the Group Framework.

## 13 Document History

<b>Date of Approval</b>	20.12.2023
<b>Annexes to the LOCAL REMUNERATION POLICY TOTAL MANAGEMENT OF A-LEASING/A-REAL ESTATE</b>	Annex 1 – Identified Staff Selection Instructions Annex 2 – Malus/Clawback Guidelines

### Previous Versions

<b>Date of Approval</b>	<b>Comments / Changes</b>	<b>Approved by</b>
December 2022	Update based on adjusted Group rules	A-Leasing/A-Real Estate Shareholder Meeting („Gesellschafterversammlung“)
December 2021	Update based on adjusted Group rules	A-Leasing/A-Real Estate Shareholder Meeting („Gesellschafterversammlung“)
December 2019	Update based on adjusted Group rules	A-Leasing/A-Real Estate Shareholder Meeting („Gesellschafterversammlung“)
December 5, 2018	Update based on adjusted Group rules	A-Leasing/A-Real Estate Shareholder Meeting („Gesellschafterversammlung“)
May 18, 2017	Update based on adjusted Group rules	A-Leasing/A-Real Estate Shareholder Meeting („Gesellschafterversammlung“)