hamborner REIT

ZUKUNFT BRAUCHT SUBSTANZ

REMUNERATION SYSTEM 2025

REMUNERATION SYSTEM

1. Revised remuneration system for the members of the Management Board of HAMBORNER REIT AG

The Supervisory Board of HAMBORNER REIT AG has amended the remuneration system for Management Board members that was approved by the Annual General Meeting in 2021 with effect from 1 January 2025 to reflect HAMBORNER REIT's strategy, market practice and investor expectations. The new system reflects HAMBORNER REIT AG's strategic priorities and gives greater weight to sustainability in the context of remuneration. No fundamental changes to the remuneration system were required, because the system has proved itself in recent years, also in challenging times.

The sustainability targets are removed from the modifier from 2025 onwards, and up to two additional ESG targets are included in the STI, in order to make this strategic component even more transparent. By adding a sustainability component in the LTI, the system also no longer primarily incentivises short-term ESG targets, but rather bases remuneration on ESG targets measured over the long term. Furthermore, net asset value (NAV) per share in the LTI is replaced by funds from operations (FFO) per share, because fluctuations in market conditions significantly limit the Company's ability to influence NAV, which for this reason is no longer used as a performance indicator from 2024 onwards. At the same time, FFO per share is replaced in the STI by net rental income. In addition to the variable remuneration, the share ownership guidelines also align the interests of shareholders with those of Management Board members. They have been brought into line with current SDAX market practice from 2025 to facilitate future succession planning. The maximum remuneration for Management Board members has also been raised as of 2025 in line with standard market practice.

The following chart shows the main changes to the remuneration system at HAMBORNER REIT AG from 1 January 2025:

PREVIOUS STRUCTURE	CHANGES AND BACKGROUND
Sustainability target(s) in the STI The sustainability targets in the STI are currently part of the modifier.	Change: — The sustainability targets are to be removed from the criteria-based modifier and included as performance criteria with an explicit weighting. In addition to the KPI net rental income and occupancy rate, one or two sustainability targets or ESG targets (ESG = environmental, social, governance) are weighted with a total of 20%. The modifier therefore consists exclusively of criteria to assess the individual and / or collective performance of the Management Board from 2025 onwards.
	Background: — HAMBORNER REIT AG is aware of its responsibilities with respect to the environmental and social effects of its business model. Various ESG targets are therefore embedded in the company's overall strategy and remuneration system. To make this strategic component more transparent the Supervisory Board has decided to include one or two sustainability targets or ESG targets in the STI as performance criteria with a separate weighting.
FFO per share in the STI FFO per share is currently used in the STI.	Change: — Funds from operations (FFO) per share will be used in the LTI in future and replaced by net rental income in the STI. The applicable metric is the change in net rental income from the portfolio properties on a like-for-like basis in the financial year. In the STI the net rental income has a weighting of 50%, the occupancy ratio a weighting of 30% and the sustainability targets a weighting of 20%.
	Background: — The essence of the strategy consists of value-added investment and growth, as well as the generation of sustainable, long-term rental income, which is partly achieved by the efficient management and development of the property portfolio. Changes in net rental income focuses on the portfolio properties and reflects the importance of continuing to develop the property portfolio.
Sustainability target(s) in the LTI Sustainability targets have previously formed part of the STI. No performance criteria relating to sustainability have been explicitly established in the LTI to date.	Change: — In addition to embedding the sustainability targets in the STI, the new remuneration system also includes one or two sustainability targets in the LTI. One or two sustainability performance targets are defined at or before the start of each performance period, which together have a weighting of 20%.
	Background: — In line with the company strategy, value-added investments and growth, together with the generation of sustainable, long-term rental income, are to take place in accordance with increasingly important sustainability and climate change mitigation aspects. In order to implement the strategy even more consistently, sustainability targets are also to be included in the long-term remuneration component as well as in the short-term incentive. This also better reflects the expectations of the capital market. Since the remuneration system was approved in 2021, the expectations of shareholders have indeed moved further in this direction. The majority view on the capital market is now that ESG targets should be embedded in the long-term variable remuneration.
NAV in the LTI The LTI currently uses the change in net asset value (NAV) per share in addition to relative total shareholder return.	Change: — Change in NAV per share is replaced by funds from operations (FFO) per share. As of 2025 the LTI is made up of relative total shareholder return (rTSR), which still has a weighting of 50%, FFO per share, which has a weighting of 30%, and one or two sustainability targets, which have an aggregate weighting in the new system of 20%.
	Background: — Fluctuations in market conditions significantly limit the company's opportunities to influence NAV. For this reason, NAV has no longer been used as a performance indicator since 2024 and will not feature in the remuneration system from 2025. FFO per share, which has been used in the STI to date, is an important indicator for measuring the company's long-term performance. It is an essential earnings metric for judging the operating performance and forms the basis for the dividend paid to shareholders. FFO per share is therefore directly linked to the strategy, which aims to generate sustainable, long-term rental income, and to an attractive dividend policy.

PREVIOUS STRUCTURE	CHANGES AND BACKGROUND
Share ownership guidelines The remuneration system requires the Management Board members to hold a significant number of shares, in order to align their interests even more closely with those of shareholders.	Change: — The requirements of the share ownership guidelines (SOG) are set at a standard level for SDAX companies. Under the share ownership guidelines the Management Board members will remain obliged to hold a significant number of shares in HAMBORNER REIT AG. The share ownership guidelines require the CEO to invest 150% of gross annual basic salary and ordinary Management Board members to invest 100% from 2025 onwards. An investment target of 200% of gross annual basic salary applied to all Management Board members until 2025. The investment period for Management Board members from 2025 onwards is five years, whereas until 2025 it was four years.
	Background: — HAMBORNER REIT AG strongly backs the share ownership guidelines, in order to align the remuneration system even more closely with the company's long-term success, above and beyond the variable remuneration, and to harmonise the interests of shareholders and Management Board members. The structure of the existing SOG is based on the DAX standard, however, and the investment required is very high compared with peer group companies. The original structure of the SOG therefore has a relevant impact on the perceived attractiveness of the remuneration system. The SOG was revised in order to maintain an attractive overall remuneration package and to be able to continue attracting and retaining the best candidates for the Management Board in future.
Maximum remuneration The maximum remuneration for the CEO was previously €1.3 million and for ordinary Management Board members it was €1.0 million.	Change: — The maximum remuneration for Management Board members is to be raised in line with standard market practice. The maximum remuneration for the CEO as of 2025 is therefore €1.7 million and for ordinary Management Board members it is €1.3 million.
	Background: — The previous maximum remuneration for Management Board members was last set in 2021. Market developments since 2021 have caused the originally defined amounts to become less competitive. The maximum remuneration should therefore be raised, in order to maintain an attractive overall remuneration package that attracts and retains the most suitable candidates for the Management Board.

2. Core points of the remuneration system

The company has established itself on the market as an asset manager for profitable commercial properties with a diversified property portfolio including properties all over Germany. In this regard, it earns stable rental income and continues to strive for sustainable growth and profitability by means of properties in high-footfall areas and a comparably high occupancy rate by market standards.

The strategy of the company is focused on growth that creates value through the efficient management and ongoing development of the property portfolio, combined with the return-oriented expansion of its existing commercial property assets, while also achieving regional diversification. The aim is to secure the long-term profitability of the portfolio through the acquisition of high-yield properties.

The company strives to be an attractive capital investment for shareholders. In achieving this, it is also dedicated to pursuing an attractive, sustainable dividend policy.

The long-term, sustainable establishment of the property portfolio in growing and prospering regions is therefore just as important to the company as social and ecological togetherness. The company is aware of its responsibilities with respect to the environmental and social effects of its business model. The company makes its contribution through, among other things, responsible corporate governance that is geared toward acting and operating in a sustainable manner for society. That is why various ESG (environmental, social, governance) objectives are anchored within its overall strategy. As part of its strategic sustainability programme, the company pursues concrete objectives in the four defined ESG areas of action, namely: corporate governance and dialogue, environmental management and climate change, property quality and portfolio optimisation, and employee development.

In this context, the current remuneration system for the Management Board makes a significant contribution towards implementing the company strategy, which is aimed at increasing the value of the company sustainably and in the long term while also ensuring attractive dividends. In particular, this is safeguarded through the format of the variable remuneration, which draws on the central core key performance indicators of the company as performance criteria, is largely equity-based and is designed around a multi-year basis for assessment. Furthermore, the company's remuneration system for the implementation of its sustainability strategy takes into account the ESG objectives within the short-term and long-term variable remuneration.

This ensures that the core aspects of the corporate strategy, namely the generation of sustainable long-term rental income, together with sustainable and profitable growth in line with increasingly important sustainability and climate change mitigation aspects, are taken into account by the Management Board. At the same time, members of the Management Board are appropriately remunerated based on their performance and their areas of activity and responsibility. On the one hand, special achievements should be rewarded appropriately, while on the other the failure to achieve targets should result in a tangible reduction in remuneration.

The figure below summarises the guidelines for the remuneration of the members of the HAMBORNER REIT AG Management Board:

GUIDELINES FOR THE REMUNERATION OF THE MEMBERS OF THE MANAGEMENT BOARD	
Promotion of company strategy	— Performance based on core key performance indicators that are aligned with the desired corporate development
Performance focus ("Pay for performance")	— Variable remuneration payments are based on the achievement of appropriate, ambitious objectives — Clear failure to achieve targets will result in the withholding of variable remuneration payments
Focus on sustainable, long-term development	— Focus on achieving long-term financial objectives and consideration of ESG targets to strengthen the sustainable long-term development of HAMBORNER
Appropriateness of remuneration	— Appropriate ratio between remuneration and the duties and performance of the respective Board Member as well as the economic and financial situation and development of HAMBORNER
Alignment of interests	— Structuring of remuneration to give due consideration to the interests of shareholders and other stakeholders — The majority of the variable remuneration is tied to the performance of HAMBORNER shares — Obligation to hold HAMBORNER shares during and after appointment
Transparent structuring	— Comprehensible, transparent structuring of remuneration system for shareholders and other stakeholders — Transparent disclosure of remuneration and objectives

3. Determination and implementation process and process for reviewing the remuneration system

In accordance with section 87a(1) AktG and at the suggestion of the Executive Committee and the Nomination Committee, the Supervisory Board decides on a clear, comprehensible system for the remuneration of the members of the Management Board and submits this to the Annual General Meeting for approval in accordance with section 120a(1) AktG. If the General Meeting does not approve the remuneration system, the Supervisory Board will submit a revised remuneration system no later than at the next Annual General Meeting, in accordance with Section 120a (3) AktG. The remuneration system is reviewed by the Supervisory Board on a regular basis. The Executive Committee and Nomination Committee provide support for preparation of the review.

The Supervisory Board may consult external advisors as part of the checking and determination of the system. In so doing, it shall ensure the impartiality of such advisors. The general regulations set forth in the German Stock Corporation Act (AktG) and the German Corporate Governance Code (GCGC) for the handling of conflicts of interest within the Supervisory Board shall also be taken into account during the determination process and during the regular checking of the remuneration system.

If no significant changes are made to the remuneration system, it shall be submitted to the Annual General Meeting for approval every four years. In the event of significant changes, the adapted remuneration system shall be submitted for approval at the next Annual General Meeting.

The current service contract with the CEO, Niclas Karoff, and the current service contract with the other Management Board member, Sarah Verheyen, are based on the remuneration system currently in place. The intention is to apply the proposed system to the current Management Board members. This will entail signing agreements to modify the existing service contracts in the near future. Any contracts concluded for new or renewed appointments to the Board will be based on the remuneration system described herein.

4. Determination of the concrete target total remuneration, appropriateness of Management Board remuneration

The Supervisory Board shall determine the respective target total remuneration for each member of the Management Board in accordance with the remuneration system. As part of this process, it shall ensure that this is appropriate in relation to the performance and tasks of the respective member of the Management Board and the size and economic situation, success and future prospects of the company. The remuneration of the members of the Management Board should not exceed the standard remuneration unless there is a specific reason to do so. Furthermore, the remuneration should always be oriented towards the long-term, sustainable development of the company.

In order to verify the appropriateness of the remuneration, the remuneration levels will be subject to a market comparison with comparable companies (horizontal comparison). As part of this process, the Supervisory Board shall apply a market comparison with appropriate groups of companies, taking into account the criteria of country, size and sector. The remuneration of the company's Management Board is compared with that of the management boards of a peer group of property companies.

The Supervisory Board will disclose the composition of the peer group used in the remuneration report for the corresponding year.

A vertical comparison of internal remuneration relationships between the members of the Management Board and the executive management as well as the general workforce will also be performed, taking into account the development over time. The Supervisory Board currently defines the department heads as executive management. The workforce consists of all employees of the company excluding the members of the Management Board and the Department Heads.

5. Overview of the remuneration system

5.1. ELEMENTS OF THE REMUNERATION SYSTEM

The company remuneration system consists of fixed and variable remuneration elements. The fixed remuneration elements include the fixed remuneration, the benefits and the pension allowance. The short-term variable remuneration (STI) and the long-term share-based remuneration (LTI) both form part of the variable remuneration element.

The shareholding provisions, malus and clawback regulations, the maximum remuneration established by the Supervisory Board and the compensation cap are all further significant elements of the remuneration system for the Management Board.

The figure below presents an overview of the remuneration elements and the other central elements of the remuneration system:

ELEMENTS		DESCRIPTION
Fixed remuneration elements	Fixed remuneration	— Fixed remuneration that is paid in equal instalments
	Benefits	— Benefits include the provision of a company car for business and private use, travel allowances, insurance contributions, D&O liability insurance
	Pension allowance	— Annual sum for free use

Variable remuneration elements	Short-term variable remuneration (STI)	— Plan type: target bonus
		— Performance criteria:
		  — 50% net rental income (like-for-like change)
		  — 30% occupancy rate
		  — 20% sustainability target(s)
		  — Criteria-based modifier ranging from 0.8 to 1.2 and consisting of individual and / or collective criteria
		— Cap: 150% of the target amount
		— Performance period: one year
		— Disbursement: after the financial year

	Long-term variable remuneration (LTI)	— Plan type: performance share plan
		— Performance criteria:
		  — 50% relative total shareholder return (rTSR) vs. EPRA / NAREIT Europe ex UK Index
		  — 30% funds from operations (FFO) per share
		  — 20% sustainability target(s)
		— Performance period: four years
		— Cap: 200% of the target amount
		— Disbursement: after the four-year performance period

Other central determining elements	Share ownership guidelines	— Obligation to hold HAMBORNER shares until two years after leaving the Management Board
		— Purchase value of shares as a percentage of annual gross basic salary:
		  — CEO: 150%
		  — Ordinary Board members: 100%
		— Investment period: 5 years

	Malus & clawback	— Possibility of a partial or full reduction or clawback of the variable remuneration (compliance and performance clawback)
	Maximum remuneration	— CEO: €1.7 million — Ordinary Board member: €1.3 million
	Compensation cap	— Payments relating to the premature cessation of the appointment may not exceed twice the gross annual salary, plus STI and LTI on the basis of 100% target achievement and should not remunerate more than the remainder of the service agreement in question.

5.2. REMUNERATION STRUCTURE

The fixed remuneration makes up around 40–50% of the target total remuneration. The short-term variable remuneration (STI) makes up around 17–27% of the target total remuneration, while the long-term share-based remuneration (LTI) constitutes around 20–30%. It will be ensured that the remuneration structure is geared towards the sustainable long-term development of the company and that the variable remuneration arising from the achievement of long-term objectives exceeds the share from short-term objectives. The pension allowance makes up around 0–10% of the target total remuneration, while the benefits currently make up around 0–10% of this.

The shares presented here may differ in the future due to the development of the costs associated with the contractually agreed benefits or for newly-appointed members. Furthermore, the shares presented here may also deviate in the event that financial compensation is granted to newly appointed Management Boards (see 6.1.2).

6. Remuneration elements in detail

6.1. FIXED REMUNERATION ELEMENTS

6.1.1. Fixed remuneration

The fixed remuneration is a set remuneration that is aligned with the area of responsibility and the experience of the respective member of the Management Board, and is paid out in monthly instalments.

6.1.2. Benefits

The members of the Management Board receive benefits in the form of benefits-in-kind and other benefits. This refers mainly to the provision of an appropriate company car for business and private use, mobility allowances (e.g. a rail card) accident insurance and pension, health and nursing care insurance subsidies. Furthermore, the company may grant members of the Management Board a subsidy for a second household and may also cover the costs of travelling home during the week. The company has also taken out D&O liability insurance for the members of the Management Board with a corresponding deductible. Where a member of the Management Board loses remuneration entitlements (e.g. variable remuneration commitments) from their previous employer as a result of joining the company, the Supervisory Board may agree to offer compensation in the form of a one-off payment. Payments of this kind will be specified and justified separately in the remuneration report.

6.1.3. Pension allowance

The company shall pay the members of the Management Board an annual cash amount (pension allowance) for the duration of their service agreements to contribute towards a private pension. The members of the Management Board may freely decide how this amount is to be used. A company pension scheme is not granted. No early retirement scheme is in place.

6.2. VARIABLE REMUNERATION ELEMENTS

In addition to the fixed remuneration elements, the remuneration system for the members of the Management Board includes variable remuneration elements. Although these are geared towards both the short-term and long-term development of the company, the main focus is on long-term development. In this regard, the Supervisory Board will take a consistent pay-for-performance approach and ensure that the members of the Management Board will be paid as appropriate to their performance. In order to strengthen the pay-for-performance mentality, it will set ambitious, adequate goals for the individual performance criteria. Furthermore, in establishing the variable remuneration elements and selecting the performance criteria, the Supervisory Board shall ensure that these promote and help to implement the company strategy. The performance criteria selected will take into account the success of the company in a holistic manner.

6.2.1. Short-term variable remuneration (STI)

a. Basic information on the STI

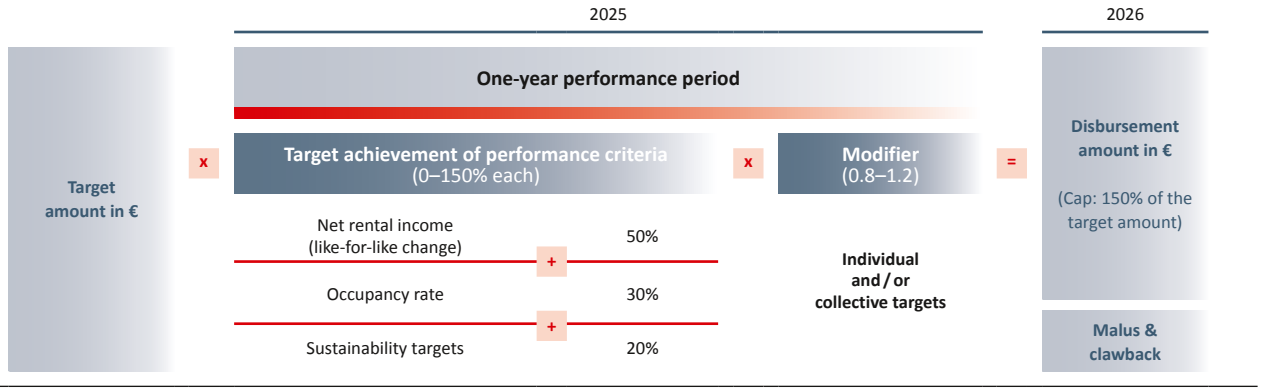
The short-term variable remuneration (STI) offers incentives for the operational implementation of the company strategy in a specific financial year. The financial performance criteria are supplemented by sustainability criteria (ESG criteria). In addition, the Supervisory Board has integrated performance criteria into the STI, which are taken into account in the calculation of the payment through the use of a criteria-based modifier.

The STI is calculated by multiplying the target amount in euros by the overall target achievement. The total target achievement, in turn, is calculated based on the two performance criteria of net rental income (50% weighting) and occupancy rate (30% weighting), as well as up to two sustainability performance criteria (sustainability targets, 20% weighting in total), the respective weighted target achievements of which are combined and then multiplied by the determined modifier (ranging from 0.8–1.2). The target achievement

range for the individual performance criteria and the total target achievement is 0–150%. It is therefore possible that the STI may be omitted entirely, while the maximum amount that can be paid out is 150% of the target amount.

The STI is represented as follows in the overview:

STI OVERVIEW



In the event of exceptional events or developments (e.g. but not exclusively, sale of a company, merger with another company, or material changes to the accounting and measurement policies, significant changes to the company strategy, a pandemic, severe geopolitical crises, such as war), which mean that the STI payment amount is higher or lower than it would be without this exceptional event, the Supervisory Board shall be entitled to reduce or increase the amount at its own reasonable discretion.

b. Performance criteria

Net rental income

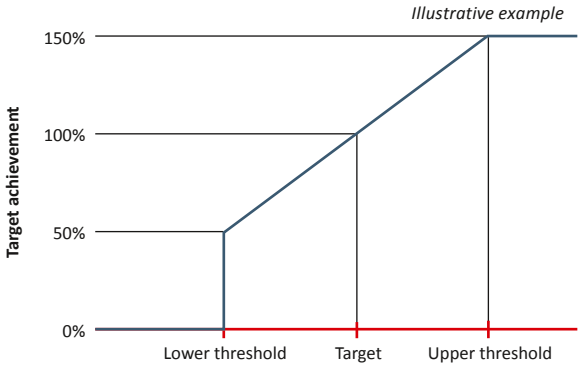
Net rental income as recognised in the financial statements is the total income from rents and leases, plus income from re-invoicing service charges to tenants, less current operating expenses and maintenance of land and buildings. The change in net rental income from the portfolio properties on a like-for-like basis is used for the remuneration system. This change is measured by comparing the net rental income for the properties in the portfolio at the beginning and end of the financial year with the net rental income for the preceding financial year.

The essence of the strategy consists of value-added investment and growth, as well as the generation of sustainable, long-term rental income, which is partly achieved by the efficient management and development of the property portfolio. Changes in net rental income focuses on the portfolio properties and reflects the importance of continuing to develop the existing assets.

The Supervisory Board sets a target and an upper and lower threshold for the performance criterion of net rental income at the start of each financial year. Target achievement is 100% when the target set for net rental income is achieved. If the change in net rental income from the portfolio properties in the financial year on a like-for-like basis is below the lower threshold, the target achievement is 0%. If

the upper threshold for net rental income is reached or exceeded, the target achievement for this criterion is 150%. A change in net rental income above the upper threshold does not mean that target achievement is increased further. Target achievement between the set thresholds and the set target value is determined by means of linear interpolation.

NET RENTAL INCOME



Change in net rental income from the portfolio properties on a like-for-like basis in the financial year

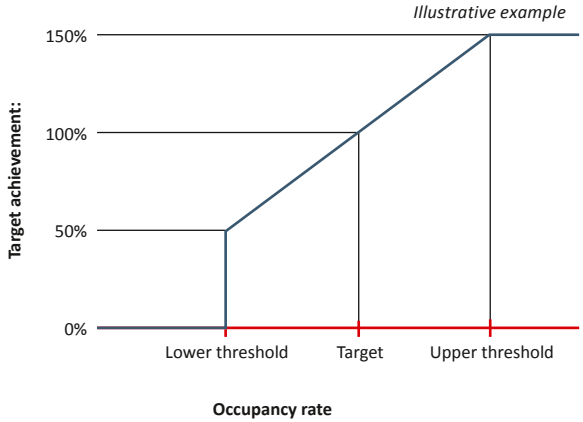
Occupancy rate

The occupancy rate indicates how high the share of rented units is or how high the vacancy rate is for properties owned by the company. The company calculates a period-based vacancy rate here as target rent for the vacant space compared to total target rent. In an additional calculation for the economic vacancy rate, the rental losses for vacancies are adjusted for contractual rent guarantee claims.

The company has generated stable rental income in recent years with a regionally diversified portfolio and a high occupancy rate by market standards. Using net rental income in the STI provides an incentive to maintain net rental income at a high level.

The Supervisory Board sets a target and an upper and lower threshold for the performance criterion of the occupancy rate. Target achievement is 100% when the set target for occupancy rate is achieved. If the achieved occupancy rate falls short of the lower threshold, target achievement is 0%. If the upper threshold is reached or exceeded, occupancy rate target achievement is 150%. A rise in occupancy rate above the upper threshold does not mean that target achievement is increased further. Target achievement between the set thresholds and the set target value is determined by means of linear interpolation.

OCCUPANCY RATE



Sustainability target(s)

The sustainability targets reflect HAMBORNER REIT AG's social, entrepreneurial and environmental responsibilities. They are derived from the sustainability strategy, which is part of the overall strategy, and so contribute directly to implementing key strategic initiatives.

Organising training courses for employees on the subjects of IT security and compliance has been defined as the ESG or sustainability target for the financial year 2025. For financial years from 2026 onwards the Supervisory Board defines up to two ESG performance criteria for the STI annually, in order to set specific incentives for the main sustainability initiatives in the respective financial year. These ESG performance criteria may relate to climate change or energy efficiency targets (such as CO_2 reduction), targets relating to employees and tenants, and targets relating to good and responsible corporate governance. The set ESG performance criteria are weighted in aggregate at 20%. The specific ESG performance criteria are disclosed in the remuneration report for the respective financial year.

The Supervisory Board sets a target and an upper and lower threshold for each chosen performance criterion of the sustainability targets. Target achievement is 100% when the set target is achieved. Target achievement for the performance criteria may range from 0% if the target is significantly missed to 150% if it is significantly exceeded. Target achievement between the set thresholds and the set target value is determined by means of linear interpolation.

c. Criteria-based modifier

The criteria-based modifier allows the Supervisory Board to a judge the Management Board's individual and / or collective performance in addition to the target achievement in the performance criteria. Criteria for assessing the modifier are set by the Supervisory Board. They are defined in line with the company strategy, and may include strategic projects as well as operating measures. The modifier ranges between 0.8–1.2.

d. STI reporting in the remuneration report

To illustrate the pay for performance approach of the STI, the target amount in euros, targets and target achievement corridors (lower and upper threshold) for the performance criteria of net rental income and occupancy rate – the performance criteria for the sustainability targets – the annual modifier criteria, and target achievement for the relevant financial year with the resulting payment are published in the following year's remuneration report for each Management Board member.

6.2.2. Long-term variable remuneration (LTI)

a. Basic information on the LTI

The second results-based remuneration element is long-term variable remuneration (LTI). The purpose of this is to encourage sustainable and long-term growth, and it accounts for the majority of the variable remuneration. The LTI has a performance period of four years, and as such is designed as a long-term incentive. The LTI is structured as a performance share plan. Management Board members participate directly in the company's share price growth through the use of virtual shares (performance shares). This helps to further align the interests of the Management Board and shareholders.

The number of contingent virtual performance shares for the annual tranches is set at the beginning of each financial year. The target amount is divided by the arithmetical mean of the closing prices of the company's shares over the last 20 trading days before the start of the performance period. The performance period begins on 1 January of the respective financial year, and closes at the end of the third financial year after allocation.

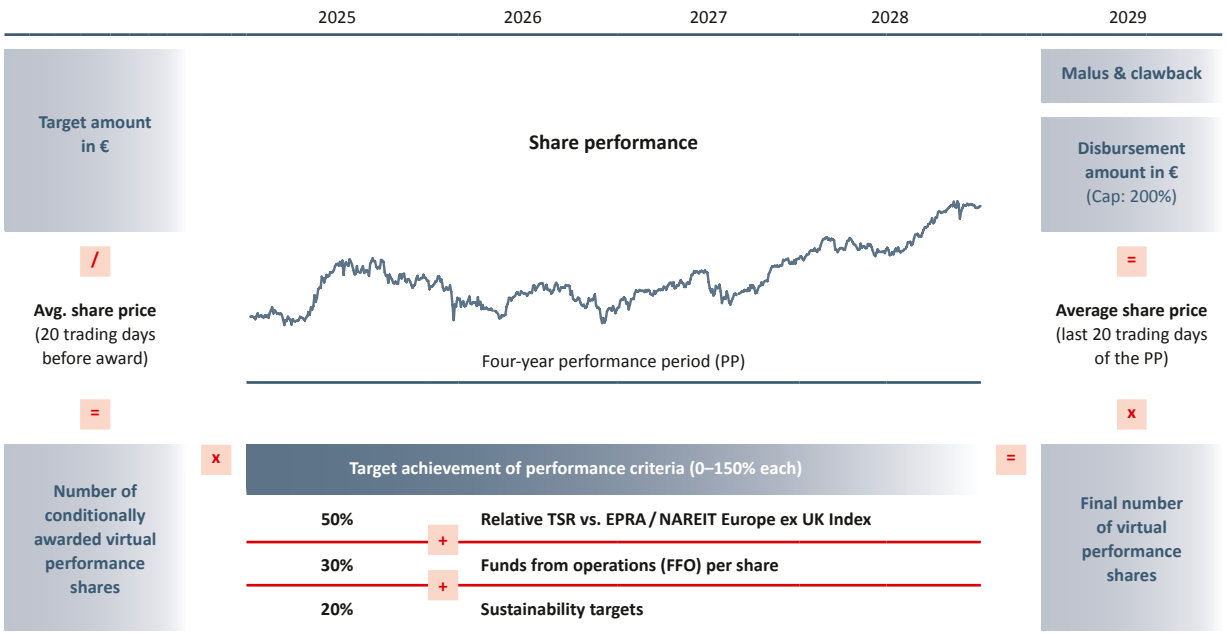
The main performance criteria are relative total shareholder return (rTSR, 50% weighting), funds from operations per share (FFO per share, 30% weighting) and up to two sustainability performance criteria (sustainability target(s), 20% weighting in total). The performance criteria permits target achievement at any figure between 0%–150%.

The virtual performance shares, which are initially granted contingently, have a term of four years from the start of the performance period. The virtual performance shares are paid out in cash on maturity.

The payment amount is calculated as the final total number of virtual performance shares as determined by target achievement, multiplied by the arithmetical mean of the closing prices of HAMBORNER's shares on the last 20 trading days before the end of the performance period. The maximum payment is capped at 200% of the target amount for each tranche.

The LTI is set out as follows in the overview:

OVERVIEW OF LTI IN THE REMUNERATION SYSTEM



In the event of exceptional events or developments (e.g., but not exclusively, the sale of a company, a merger with another company, or material changes to the accounting and measurement policies, significant changes to the company strategy, a pandemic, severe geopolitical crises, such as war), which mean that the LTI payment amount is higher or lower than it would be without this exceptional event, the Supervisory Board shall be entitled to reduce or increase the amount at its own reasonable discretion. This also applies if capital measures (e.g. capital increase with subscription rights, spin-off, scrip dividends, (reverse) splits) are taken during the performance period.

The LTI is based on the fact that company shares are listed until the date of the final due payment, and adequate free float is available for trading. If the listing ends with the consent of the Supervisory Board or if there is inadequate free float (at least 15%), the LTI is settled regularly based on the closing price over the period in which the arithmetical mean over the last 20 trading days is last available to HAMBORNER REIT AG. In addition, with respect to the relationship between the Management Board's work and long-term company performance, an equivalent LTI compensation model without reference to the share price is agreed here for the remaining term of the respective agreement.

b. Performance criteria

Relative total shareholder return (TSR)

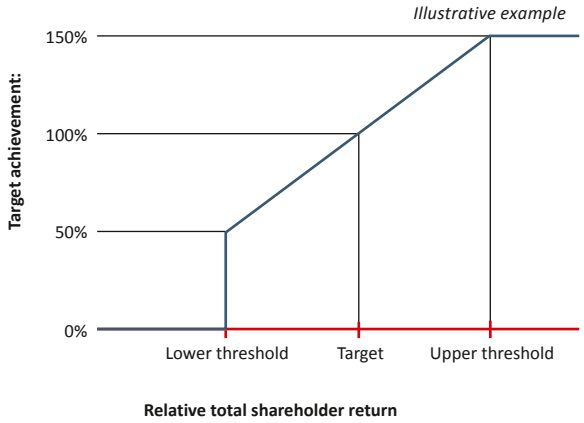
Relative TSR is used as an external performance criterion aligned with the capital market, and is given a 50% weighting. The TSR is calculated as the share price performance plus notionally reinvested dividends during the performance period. This performance criterion takes account of TSR performance during the performance period measured against a peer group defined by the Supervisory Board. By implementing relative TSR in the LTI, a relative performance measurement which draws comparison with relevant competitors is used to determine target achievement, thereby creating an incentive for long-term outperformance compared with the relevant groups, and bringing the interests of both Management Board and shareholders into closer alignment.

The Supervisory Board selected EPRA / NAREIT Europe ex UK Index (total return) as the relevant peer group. This index consists of various European companies in the property sector (including REITs). HAMBORNER REIT AG is also part of the EPRA / NAREIT Europe ex UK Index. As a result, the comparison with the EPRA / NAREIT Europe ex UK Index provides an opportunity to measure the company against relevant competitors. In the event that the EPRA / NAREIT Europe ex UK Index no longer exists in future in its current form, the Supervisory Board will use a new index as a relevant peer group, and will report on this in the remuneration report.

To calculate the TSR of HAMBORNER shares and the EPRA / NAREIT Europe ex UK Index during the performance period, we determine the arithmetical mean of the closing prices over the last 20 trading days prior to the start of the performance period and before the end of the performance period and compare them. The notionally reinvested gross dividends are also taken into account when calculating the arithmetical mean of the closing prices at the end of the performance period. The relative TSR reflects the difference between the HAMBORNER TSR and the EPRA / NAREIT Europe ex UK Index TSR.

The target for relative TSR and the target corridor with upper and lower thresholds are set by the Supervisory Board before or at the beginning of each performance period. Target achievement is 100% when the target for relative TSR is achieved. If relative TSR falls short of the lower threshold, target achievement is 0%. If the relative TSR upper threshold is reached or exceeded, target achievement is 150%. A rise in relative TSR above the upper threshold does not mean that target achievement is increased further. Target achievement between the set thresholds and the set target value is determined by means of linear interpolation.

RELATIVE TOTAL SHAREHOLDER RETURN



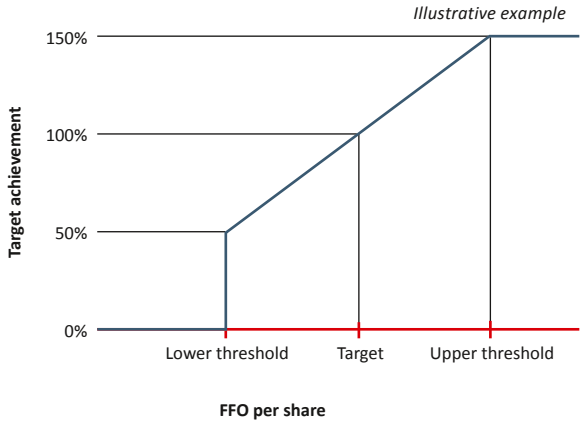
Funds from operations (FFO) per share

The FFO is a significant profitability indicator that can be used to assess the operating performance. It has a weighting of 30% in the LTI and serves as an important control parameter for the company. The company strategy provides for the focusing of the corporate governance on this indicator, among others. FFO is used in value-oriented corporate management to show the funds generated that are available for investments, repayments and dividend distributions to the shareholders in particular. Average FFO per share is used for the remuneration system, which represents the arithmetic mean of the annual FFO per share figures over the performance period. FFO per share as reported in the company's financial statements is generally the relevant metric. If a capital measure is implemented, the FFO per weighted number of shares that takes into account the number of shares in the financial year on a pro rata basis will be used instead for the financial year in which the capital measure was implemented. For the financial year following the capital measure the Supervisory Board may use an FFO per share with a different number of shares, if the use of FFO per share according to the company's financial statements does not adequately reflect the performance in the financial year. If the Supervisory Board makes use of this option, it is noted in the remuneration report for the respective financial year. The precise calculation of average FFO per share and the annual figures for FFO per share are disclosed in the remuneration report for the year in which the respective LTI tranche ends.

The target for FFO per share, and target corridor with upper and lower thresholds, are set by the Supervisory Board before or at the beginning of each performance period. If the defined target value for the FFO per share is achieved, target achievement is 100%. If the FFO per share is under the lower limit, target achievement is 0%. If the upper threshold for the FFO per share is achieved or exceeded, the target achievement for the FFO per share will be 150%. A rise in FFO per share above the upper threshold does not lead to any further

increase in target achievement. Target achievement between the set thresholds and the set target value is determined by means of linear interpolation.

TARGET ACHIEVEMENT FOR FFO PER SHARE



Sustainability target(s)

The sustainability targets reflect HAMBORNER REIT AG's social, entrepreneurial and environmental responsibilities. They are derived from the sustainability strategy, which is part of the overall strategy, and so contribute directly to implementing key strategic initiatives.

For the 2025 LTI tranche the ESG or sustainability target is to close a certain ratio of leases with green lease clauses in the context of new lets, contract renewals or the exercise of options. For the LTI tranches from the 2026 financial year onwards, the Supervisory Board defines up to two ESG performance criteria annually, in order to set specific incentives for the main long-term sustainability initiatives. These ESG performance criteria may relate to climate change or energy efficiency targets (such as CO_2 reduction), targets relating to employees and tenants, and targets relating to good and responsible corporate governance. The set ESG performance criteria are weighted in aggregate at 20%. The specific ESG performance criteria are disclosed in the remuneration report for the respective financial year.

The Supervisory Board sets a target and an upper and lower threshold for each chosen performance criterion of the sustainability targets before or at the start of each performance period. Target achievement is 100% when the set target is achieved. Target achievement for the performance criteria may range from 0% if the target is significantly missed to 150% if it is significantly exceeded. Target achievement between the set thresholds and the set target value is determined by means of linear interpolation.

c. LTI reporting in the remuneration report

In order to illustrate the pay-for-performance approach in the LTI and ensure good transparency, the target amount in euros, targets, target achievement corridors (lower and upper threshold), and target achievement of LTI performance criteria with the resulting payment, are published after the end of the performance period in the remuneration report for each Management Board member.

6.3. SHAREHOLDING REQUIREMENT (SHARE OWNERSHIP GUIDELINES)

Shareholding requirements (share ownership guidelines) for Management Board members are defined to further reconcile the interests of Management Board and shareholders. They require each Management Board member to hold a substantial number of company shares for the duration of their appointment and for two years after. The shareholding requirement is another key element which helps align the remuneration system with the company's long-term and sustainable growth. The obligation amounts to 150% of the gross fixed remuneration for the CEO and 100% of the respective gross fixed remuneration for the ordinary members of the Management Board. These shares must be acquired within five years. The Management Board members must hold 20% of the defined minimum number of shares in each year of the acquisition phase.

6.4. MALUS AND CLAWBACK RULES

The Supervisory Board has the option of reducing or retaining unpaid variable remuneration elements in full (compliance malus) or demanding the return of paid variable remuneration elements (compliance clawback) in the event of a material breach by Management Board members of statutory requirements, service requirements, the company's internal code of conduct, or the company's compliance guidelines. In addition, the Supervisory Board must have the option of correcting the calculation of variable remuneration elements based on incorrect data, for example, incorrect consolidated financial statements, when these elements are calculated or paid, or demanding the return of variable remuneration elements which have already been paid (performance clawback). Possible claims for compensation remain unaffected by assertion of the right to demand return or reduction of variable remuneration.

6.5. MAXIMUM REMUNERATION

In order to pay appropriate remuneration even if targets have been exceeded by a significant amount, variable remuneration element payments are limited to 150% (STI) or 200% (LTI) of the respective target amount. Further to this, and in accordance with section 87a paragraph 1 (2) (1) AktG, the Supervisory Board defined a maximum payment for Management Board members, which limits the maximum payment of all remuneration components for a financial year. The maximum remuneration for the CEO is €1,700,000, and €1,300,000 for other Management Board members.

7. Legal transactions relating to remuneration

7.1. SERVICE AGREEMENT TERMS, TERMINATION OPTIONS

Management Board member service agreements are concluded for the duration of the appointment to the Management Board. The Supervisory Board therefore meets the requirements of section 84 AktG, in particular the maximum duration of five years. The service agreements do not provide any ordinary termination options pursuant to this Act. The right to terminate the service agreement without notice remains unaffected.

Furthermore, the Management Board service agreements end with the expiry of the calendar month in which the Management Board member reaches the statutory pension age.

7.2. COMMITMENTS AT THE END OF THE TERM

In the event of the Supervisory Board revoking the appointment of a member of the Management Board, the member of the Management Board will receive as compensation for early termination the present value (basis: 2%) of the gross fixed annual salary plus STI and LTI that would have arisen by the regular end of their contract, whereby severance pay may not exceed twice the gross annual fixed remuneration plus STI and LTI, assuming 100% target achievement (severance cap).

Furthermore, the member of the Management Board will receive an STI pro rata temporis up to the date of dismissal, to be determined at the discretion of the Supervisory Board. The LTI is paid in accordance with the originally agreed measurement principles (performance criteria, performance period, etc.) and maturity dates, and is reduced pro rata temporis for the financial year in which the Management Board member departs.

Severance shall not be owed if the service agreement has been terminated without notice or if the conditions for termination of the service agreement without notice existed on the date on which the appointment was revoked. In the event of termination without notice for good cause by the company, or in the event that the service agreement is terminated by the Management Board member without good cause through self-initiated termination, all contingent virtual performance shares of the LTI shall expire without compensation.

If an active Management Board member dies, the fixed remuneration shall be paid to surviving dependents for the month in which the member died and for the six months following this month, but not beyond the scheduled end of the agreement. The STI is paid immediately at its target amount in the event that the Management Board member becomes permanently incapacitated for work or dies. With regard to LTI, in the event of permanent incapacity for work or death of the Management Board member, all allocated virtual performance shares which have not yet completed the performance period are paid immediately. The payment matches the cumulative target amount of all outstanding tranches; for the financial year in which the service agreement ends, the target amount is reduced by one twelfth for each month in which the service agreement has not been in place in this financial year.

7.3. NO OTHER SEVERANCE COMPENSATION

In addition, the remuneration system includes no commitment to provide severance pay. This also applies specifically in the event that the Management Board appointment is terminated early due to change of control.

7.4. JOINING/LEAVING THE MANAGEMENT BOARD DURING THE YEAR

In the event that a Management Board member joins or leaves during a financial year, total remuneration is reduced pro rata temporis.

7.5. SECONDARY EMPLOYMENT OF MEMBERS OF THE MANAGEMENT BOARD

With respect to external Supervisory Board mandates, the Supervisory Board decides whether and to what extent the remuneration for these should be taken into account for remuneration under this remuneration system.

8. Temporary deviations

If exceptional circumstances arise (e.g. in the event of severe economic or financial crisis), the Supervisory Board shall be entitled to temporarily deviate from the remuneration system in accordance with section 87a paragraph 2 (2) AktG, if this is essential for the long-term well-being of the company. Adverse market trends shall not be deemed exceptional circumstances which allow the above clause to apply. In the event of a deviation, remuneration must continue to be based on the company's long-term and sustainable growth, and must remain in line with the company's results and the Management Board member's performance. A deviation from the remuneration system in the above-mentioned circumstances is only permitted following careful analysis of these exceptional circumstances and the potential responses, following an appropriate Supervisory Board resolution proposed by the Executive and Nomination Committee, which defines the exceptional circumstances and the necessity of a deviation.

A temporary deviation from the remuneration system is possible for the following elements: deferral periods, durations and performance criteria for STI and LTI, and ranges of possible target achievement for the individual elements of variable remuneration.

If the remuneration's incentivising effect cannot be adequately restored by modifying the existing remuneration element, the Supervisory Board shall also be entitled to temporarily provide additional remuneration elements, or to replace individual remuneration elements with others. In the event of a temporary deviation from the remuneration system, information on the deviations shall be provided in the following remuneration report, including an explanation of why the deviations were necessary, and details of the specific parts of the remuneration system to which the deviations relate.

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