

## 9. REMUNERATION REPORT

This Remuneration Report provides a complete overview of the remuneration, including all benefits in whatever form, granted or due, during the financial year 2019/2020 to each of the Non-Executive Directors and members of the Executive Committee. Since this financial year (which started on 1 July 2019) was extended until 31 December 2020 by decision of the General Meeting of 8 June 2020 (for the reason of optimising audit and accounting processes within the Aedifica Group), this Remuneration Report covers the entire extended financial year, i.e., the 18-month period from 1 July 2019 to 31 December 2020 and hence is based on the remuneration principles applied during this period.

Over the course of 2020, a new Remuneration Policy was developed which will be submitted for approval to the Ordinary General Meeting of 11 May 2021. This new Remuneration Policy, included in full in chapter 8 of this report, contains significant changes to the remuneration principles applied in the past and aims to enhance the link between the Company's remuneration and business strategy, long-term interests, and sustainability. The main changes, as compared to past practice, are described in section 8.5 (changes compared to the current policy).

However, the Company already made certain changes to its remuneration practices in 2020 in order to address shareholder concerns expressed at the Ordinary General Meeting of 22 October 2019 (see section 9.2.1).

The abolition of the Management Committee (within the meaning of article 524bis of the Belgian Company Code) on 8 June 2020 following the entry into force on 1 January 2020 of the Belgian Code of Companies and Associations (CSA), which replaces the Belgian Company Code, and the simultaneous establishment of the Executive Committee (composed of the same members as those of the former Management Committee), did not lead to any change in the remuneration policy over the last financial year.

### 9.1 REMUNERATION OF THE NON-EXECUTIVE DIRECTORS FOR THE EXTENDED FINANCIAL YEAR 2019/2020

The Company's Ordinary General Meetings of 28 October 2016 and 22 October 2019 have set the following remuneration for the Non-Executive Directors:

- each Non-Executive Director receives a fixed annual remuneration of €15,000; and an attendance fee of €1,000 per Board meeting attended;
- the Chairperson of the Board of Directors receives an additional fixed annual remuneration of €35,000;
- the members of the Audit and Risk Committee receive each an additional fixed annual remuneration of €5,000 for their committee membership, apart from the Chair who receives an additional fixed annual remuneration of €15,000; each member also receives an attendance fee of €900 per meeting;
- the members of the Nomination and Remuneration Committee and of the Investment Committee do not receive any additional fixed annual remuneration for these committee memberships, except for the Chairs who each receive a fixed annual remuneration of €10,000; each member of the Nomination and Remuneration Committee and of the Investment Committee receives an attendance fee of €900 per meeting.

Name	Board of Directors Attendance	Audit and Risk Committee Attendance	Nomination and Remuneration Committee Attendance	Investment Committee Attendance	Fixed remuneration (€)	Attendance fees (€)	Total remuneration (€)
Jean Franken	25/25	-	13/13	10/10	37,500	43,700	81,200
Eric Hohl	21/21	-	-	-	26,667 <sup>1</sup>	19,000	45,667
Pertti Huuskonen	8/9	-	-	-	8,445	7,000	15,445
Katrien Kesteloot	24/25	7/8	-	-	30,000	28,300	58,300
Elisabeth May-Roberti	22/25	-	13/13	-	37,500	31,700	69,200
Marleen Willekens	23/25	8/8	-	-	45,000	28,200	73,200
Luc Plasman	25/25	-	13/13	10/10	22,500	43,700	66,200
Adeline Simont	19/21	-	-	-	20,000	17,000	37,000
Serge Wibaut	24/25	8/8	-	10/10	82,500	38,200	120,700
<b>Total</b>					<b>310,112</b>	<b>256,800</b>	<b>566,912</b>

The table above provides an overview of the Non-Executive Directors' attendance at Board and committee meetings and the remuneration received for the extended financial year 2019/2020 (i.e. for the period from 1 June 2019 to 31 December 2020).

Non-Executive Directors do not receive performance-related remuneration (such as bonuses, shares or stock options), benefits in kind, or benefits related to pension plans. Consequently, the ratio of fixed to variable remuneration is 100% fixed and 0% variable.

For the financial year 2019/2020, the Non-Executive Directors had no obligation to hold shares of the Company (see chapter 2 of the Corporate Governance Statement for more details).

### 9.2 REMUNERATION OF THE MEMBERS OF THE EXECUTIVE COMMITTEE FOR THE EXTENDED FINANCIAL YEAR 2019/2020

Over the extended financial year 2019/2020, the Executive Committee consisted exclusively of Executive Directors.

1. This amount includes a fixed annual remuneration of €5,000 as remuneration for Mr Hohl's special assignment as final responsible for the internal audit (in accordance with Article 17 of the RREC Law).

The remuneration policy in place up to the end of 2020 provided for a total remuneration package for the Executive Committee consisting of:

- fixed remuneration (arising from the management agreements and the 'long term incentive plan'),
- variable remuneration (for which no claw-back in favour of the Company is applicable),

- post-retirement benefits (defined contribution plan and associated benefits), and

- other components of the remuneration (insurance for death before retirement, hospitalisation, medical coverage, benefits-in-kind – use of a company car).

The members of the Executive Committee receive no additional compensation to carry out the duties related to their office as Director of Aedifica and its subsidiaries and receive no remuneration from Aedifica's subsidiaries.

Name	Fixed remuneration		Variable remuneration (€)	Pension plan contribution (€)	Other benefits (€)	Total remuneration (€)	Ratio of fixed / variable remuneration (€)	
	Annual fixed remuneration (€)	Long term incentive plan (€)						
Stefaan Gielens (CEO)	18m	753,363	464,000 <sup>1</sup>	376,681	102,081	47,010	1,743,135	78/22
	12m	502,242	309,333	251,121	68,054	31,34	1,162,090	
Ingrid Daerden (CFO)	18m	458,832	231,000 <sup>1</sup>	229,416	54,552	22,039	995,839	77/23
	12m	305,888	154,000	152,944	36,368	14,693	663,893	
Laurence Gacoin (COO) <sup>2</sup>	18m	391,612	161,377 <sup>1</sup>	195,806	41,556	27,073	817,425	76/24
	12m	293,709	121,033	146,855	31,167	20,305	613,069	
Charles-Antoine van Aelst (CIO)	18m	329,173	222,000 <sup>1</sup>	164,587	34,788	20,939	771,487	79/21
	12m	219,449	148,000	109,725	23,192	13,959	514,325	
Sven Bogaerts (CLO/CM&AO)	18m	456,082	225,000 <sup>1</sup>	228,041	45,915	4,851	959,889	76/24
	12m	304,055	150,000	152,027	30,610	3,234	639,926	

Note: the amounts shown in the first row for each person listed represent the actual amounts paid over the extended financial year (18 months period from 1 July 2019 until 31 December 2020); the amounts shown in the second row provide a pro rata calculation over 12 months for illustrative purposes.

For information purposes, note that the ratio between the total remuneration of the CEO for 2019/2020 and the average remuneration of personnel amounts to 9; the ratio between the total remuneration of the CEO for 2019/2020 and the lowest remuneration of personnel amounts to 26.

For the financial year 2019/2020, the members of the Executive Committee had no obligation to hold a minimum number of shares of the Company (see chapter 2 of the Corporate Governance Statement for more details).

## 9.2.1 Fixed remuneration

The fixed remuneration consists of a fixed cash remuneration, as set out in the management agreements with individual members of the Executive Committee (paid out in twelve instalments), and of a 'long-term incentive plan' for the members of the Executive Committee, as established by the Board of Directors based on the recommendation from the Nomination and Remuneration Committee.

Since the financial year 2009/2010, the Company has granted to the members of the (then) Management Committee (now Executive Committee), as part of their fixed remuneration, an annual cash bonus from which net proceeds after taxes are to be used entirely to purchase Aedifica shares at a discount. This 'long-term incentive plan' was first announced in the 2008/2009 Annual Financial Report and is described further hereafter.

The Board of Directors decided on 12 November 2019 in compliance with the limitations of the (then) article 520ter of the Belgian Companies Code to grant to the members of the (then) Management

1. These amounts consist of the amounts granted under the annual long term incentive plan granted during the extended financial year 2019/2020 (as described below) as well as a last payment of the ad hoc long term incentive plan of 14 May 2019 granted to the members of the (then) Management Committee further to the Company achieving its long-term strategy to become a pure-play investor in European healthcare real estate decided by the Board of Directors on 14 May 2019 (the 'Adhoc LTIP') (as reported on in the Remuneration Report 2018/2019). 50% of the Adhoc LTIP was paid out in financial year 2018/2019; 50% was paid out in financial year 2019/2020.

2. The mandate of Ms Laurence Gacoin as Director and member of the Executive Committee ended on 30 October 2020.

Committee, within the context of the annual long-term incentive plan, for the period from 1 July 2019 until 30 June 2020, a gross remuneration of €234,000 for the CEO, €131,000 for the CFO and COO each, €121,000 for the CIO and €125,000 for the CLO/CM&AO (the '2019/2020 LTIP'). After deducting withholding taxes, they purchased shares at a unit price equal to the last known closing share price multiplied by a factor amounting to 100/120th, in accordance with comment 36/16 of the Belgian Income Tax Code, i.e., at a share price of €89.50 (= the closing share price per 12 December 2019 of €107.40, multiplied with 100/120). In execution of this 'long-term incentive plan', the CEO has acquired 1,215 shares and the (then) Management Committee's members in aggregate have acquired 2,641 shares (CFO and COO each 680 shares; CIO 633 shares and CLO/CM&AO 648 shares). The members of the Management Committee are irrevocably committed to hold these shares for a period of three years, it being understood that (i) a contractual 'claw back' arrangement had been included in the addenda to the management agreements whereby a (partial) return obligation of the shares obtained in execution of the 2019/2020 LTIP was provided for in the event of termination of the management agreements in certain cases and within certain periods and (ii) such claw-back arrangement would lapse, among other things, in the event of a public bid and a change of control over Aedifica. The shares sold by Aedifica were part of the treasury shares held by the Company that were acquired on the stock exchange.

In compliance with the limitations of the (then) Article 520ter of the Belgian Companies Code, the Board of Directors decided on 12 November 2019 to grant to the members of the (then) Management Committee gross remuneration of €234,000 for the CEO, €131,000 each for the CFO and COO, €121,000 for the CIO and €125,000 for the CLO/CM&AO for the period from 1 July 2019 until 30 June 2020, all within the context of the annual long-term incentive plan (the '2019/2020 LTIP'). After deducting withholding taxes, these executives purchased shares at a unit price equal to the last known closing share price multiplied by a factor amounting to 100/120<sup>th</sup>, in accordance with comment 36/16 of the Belgian Income Tax Code, i.e., at a share price of €89,50 (the closing share price on 12 December 2019 of €107,40, multiplied by 100/120). In execution of this 'long-term incentive plan', the CEO has acquired 1.215 shares and the other members of the (then) Management Committee's members acquired 2.641 shares in aggregate (CFO and COO: 680 shares each; CIO: 633 shares; CLO/CM&AO: 648 shares each). The members of the Management Committee are irrevocably committed to hold these shares for a period of three years, it being understood that (i) a contractual 'claw back' arrangement had been included in the addenda to the management agreements whereby a (partial) return obligation for the shares obtained in execution of the 2019/2020 LTIP was provided for in the event of termination of the management agreements in certain cases and within certain periods and (ii) such claw-back arrangement would lapse, among other things, in the event of a public bid and a change of control of Aedifica. The shares sold by Aedifica were part of the treasury shares held by the Company that were acquired on the stock exchange.

Given the lack of clarity under Belgian law as to the precise scope of said Article 520ter of the Belgian Companies Code and certain adverse shareholders' reactions voiced at the occasion of the last Ordinary General Meeting of 22 October 2019 with respect to certain modalities of the LTIP (notably the provision that the lock-up obligation would lapse in the events of a public offer and a change of control), the Board of Directors decided on 17 December 2020 to amend the terms of the 2019/2020 LTIP plan and of the Ad hoc LTIP (see footnote to reasonably remove any doubt as to the possibility for the Board of Directors to approve the plans (in accordance with (then) Article 520ter Belgian Companies Act (currently 7:91 BCCA)), to accommodate shareholders' concerns and to align the modalities of both LTIP plans with the modalities of the 2020 LTIP. This, as set out in the 2020 LTIP, provides for a vesting scheme spread over a three-year period and for vesting conditions, that are otherwise aligned with what is market practice and generally considered to be acceptable (including the removal of the takeover and change of control clauses from the good leaver exceptions).

At the time of the termination of her management agreement effective 30 October 2020, Ms Laurence Gacoin returned 204 shares acquired under the 2019/2020 LTIP to the Company.

### 9.2.2 Variable remuneration

As set out in the remuneration report 2018/2019, the Board of Directors decided on 3 September 2019, with respect to the 2019/2020 financial year, to set the annual variable remuneration of the members of Executive Committee at a maximum amount of 50% of the annual remuneration excluding sundry benefits, post-retirement benefits and 'long-term term incentive plan', whereby the effective amount would be determined by the Board of Directors based on consolidated quantitative and qualitative criteria (weighting factor): EPRA Earnings\* per share equal to at least 90% of the budgeted amount (65%), consolidated EBIT margin\* (operating result before result on portfolio divided by net rental income) (10%) and other personal targets (25%).

On 22 September 2020, the Board of Directors concluded upon recommendation of the Nomination and Remuneration Committee that all quantitative and qualitative criteria set out in the 2018/2019 Annual Financial Report with respect to the initial twelve-month period of the financial year 2019/2020 (ending 30 June 2020) were

met for the payment of the maximum variable remuneration to the members of the Executive Committee for the period. During the same meeting, the Board of Directors, based on the recommendation of the Nomination and Remuneration Committee also set the quantitative and qualitative criteria for the last six months of the extended financial year (period 1 July 2020 – 31 December 2021).

On 16 March 2021, the Board of Directors concluded, based on the recommendation of the Nomination and Remuneration Committee that all quantitative and qualitative criteria set out in the Board's decision of 22 September 2020 with respect to the last 6 months of the extended financial year 2019/2020 (period 1 July 2020 – 31 December 2020) were met for the payment of the maximum variable remuneration to the members of the Executive Committee for the period.

With the above considerations in mind and given that the individual goals were also met, all Executive Committee members are entitled to 100% of the maximum variable remuneration for the extended financial year (1 July 2020 - 31 December 2021).

#### Period 1 July 2019 – 30 June 2020

	Relative weighting	Achievement on 30.06.2020
Consolidated EPRA Earnings* per share equal to at least 90% of the budgeted amount (i.e., €3.60 on 30.06.2020, based on a weighted average number of shares over the period of 24,601,158 shares)	65%	EPRA Earnings* per share of €4.00 based on a weighted average number of shares over the period of 25,031,317 shares Target level exceeded
Consolidated EBIT margin* (operating result before result on portfolio divided by net rental income)	10%	Target level exceeded
Individuals qualitative and organisation-building targets	25%	Individual targets levels achieved

#### Period 1 July 2020 – 31 December 2020

	Relative weighting	Achievement on 31.12.2020
Consolidated EPRA Earnings* per share equal to at least 90% of the budgeted amount (i.e., €6.05 on 31.12.2020 (over the extended financial year), based on a weighted average number of shares over the period of 25,853,168 shares)	80%	EPRA Earnings* per share of €6.14 based on a weighted average number of shares over the period of 26,512,206 shares Target level exceeded
Consolidated EBIT margin* (operating result before result on portfolio divided by net rental income)	20%	Target level exceeded



### 9.2.3 Post-retirement benefits

The members of the Executive Committee benefit from a group insurance policy consisting of a 'defined-contribution scheme', managed through private insurance plans with a guaranteed return. The contributions under this pension scheme are exclusively financed by the Company and do not require personal contributions from the beneficiaries.

### 9.2.4 Other components of the remuneration

The members of the Executive Committee benefit from hospitalisation and invalidity insurance and coverage for accidents at work. Each Executive Manager benefits from a company car. In the extended financial year 2019/2020, the cost to the Company (rental charge and petrol) was €34.587 excl. VAT for the CEO and a combined total of €75,358 excl. VAT for the other Executive Managers. Each Executive Manager also uses a company provided laptop and a smartphone. Moreover, the Company grants each executive a fixed allowance for representation expenses of €300 per month.

### 9.2.5 Contractual provisions of the management agreements

The management agreements signed with the Executive Managers may be terminated either by each party giving notice according to the applicable legal and contractual conditions, or in the following circumstances:

- immediately in case of serious misconduct;
- immediately in the event that the market authority (FSMA) withdraws its fit and proper approval of the Executive Manager;
- immediately if the Executive Manager does not act as Executive Manager during a period of 3 months, except in case of illness or accident;
- immediately if the Executive Manager cannot act as Executive Manager during a period of 6 months, in case of illness or accident.

The only case in which a contractual indemnity granted to a member of the Executive Committee could exceed 12 months of remuneration is in the event that the management agreement with the CEO is terminated within six months after a public takeover bid by Aedifica and without serious fault on the part of the CEO; in this case, the CEO is eligible to obtain an indemnity equal to 18 months' remuneration. The Nomination and Remuneration Committee recalls that this clause was included in the management agreement signed with the CEO in 2006. In accordance with article 12 of the Act of 6 April 2010, this indemnity payment does therefore not require approval by the general meeting. Since then, no such contractual clauses have been included in the agreements concluded with (other) members of Aedifica's Executive Committee members.



### 9.3 COMPARATIVE INFORMATION ON THE CHANGE OF REMUNERATION AND COMPANY PERFORMANCE OVER THE PAST 5 FINANCIAL YEARS

In an interest to increase transparency of past, current and future remuneration and in alignment with investor interests and the legislative environment, the table below demonstrates the change of remuneration for members of the Board of Directors, the CEO and each of the other members of the Executive Committee (in office over the past financial year) in comparison to performance of the Group and average remuneration of Aedifica employees over a 5-year period.

Since the financial year 2016/2017 (decision of the Annual General Meeting of 28 October 2016<sup>1</sup>), the remuneration of the Non-Executive Directors has not been changed, except for:

– the decision of the Annual General Meeting of 22 October 2019:

1. to increase the fixed annual remuneration of the Chair of the Audit and Risk Committee from €10,000 to €15,000 (resulting in a total fixed annual remuneration as Director and Chair of the Audit and Risk Committee of €30,000); and

2. to grant an additional fixed annual remuneration of €5,000 to each other member of the Audit and Risk Committee;

– the decision of the Board of Directors to grant to Mr Hohl an additional fixed annual remuneration of €5,000 for his special assignment as responsible for the internal audit (in accordance with Article 17 of the RREC legislation); and

– the remuneration of Mr Franken in his capacity as Director of Immo NV/SA on behalf of the Company in accordance with article 73 of the RREC Law (according to which an independent Director of Aedifica had to sit in the Board of Immo as (then) Institutional RREC) for the period from 31 October 2018 un 27 March 2019 (including) (total remuneration for the aforementioned period of €6,000 fixed remuneration and €4,000 attendance fees).

There were no other changes to the remuneration of the Non-Executive Directors over the last 5 years and thus their remuneration varies thus only from year to year in view of the number of meetings of the Board of Directors and of the Board committees.

Annual change in %	FY 2015/2016 vs 2014/2015	FY 2016/2017 vs 2015/2016	FY 2017/2018 vs 2016/2017	FY 2018/2019 vs 2017/2018	FY 2019/2020 vs 2018/2019 <sup>2</sup>
<b>Remuneration of the Non-Executive Directors</b>					
<b>Remuneration of the CEO (total)</b>					
Stefaan Gielens	3%	14%	7%	23%	12%
<b>Average remuneration of the other members of the Executive Committee (total)</b>					
Sven Bogaerts				33%	62%
Ingrid Daerden					15%
Charles-Antoine van Aelst				28%	37%
Laurence Gacoin	6%	22%	8%	27%	15%
<b>Total cost of Executive Committee (including CEO)<sup>3</sup></b>	<b>4%</b>	<b>14%</b>	<b>37%<sup>4</sup></b>	<b>14%</b>	<b>15%<sup>6</sup></b>
<b>Company's performance<sup>5</sup></b>					
Investment properties (including assets held for sale)	15%	34%	13%	33%	62%
Investment properties (including assets held for sale) + WIP	23%	19%	31%	25%	64%
Rental income	20%	32%	16%	29%	34%
EPRA Earnings	35%	40%	22%	24%	34%
EPRA EPS	2%	30%	3%	15%	9%
<b>Average remuneration on a full-time equivalent basis of employees of Aedifica NV/SA<sup>7</sup></b>					
Employees of the Company	-3.1%	13.8%	4.6%	17.7%	13.1%

1. The Annual General Meeting of 28 October 2016 decided to increase 1) the fixed annual remuneration of (i) the Chair of the Board of Directors from €13,600 to €50,000, (ii) the Chairs of the Board Committees from €11,330 to €25,000 and (iii) the other Directors from €11,330 to €15,000, and 2) the attendance fees per Director per meeting for meetings of (i) the Board of Directors from €850 to €1,000 and (ii) the Board Committees from €800 to €900.

## 9.4 MAIN CHANGES FOR 2021

### 9.4.1 Non-Executive Directors

#### 9.4.1.1 Increase in fixed remuneration

Taking into account the impact of the growth and internationalisation of the Company on the complexity of the Board decision-making processes, including the required time commitment, and taking into account the need to attract internationally experienced Board profiles, the Board of Directors proposes to the General Meeting of 11 May 2021 to increase gross fixed remuneration (i) for the Chairperson of the Board of Directors from €50,000 to €90,000 and (ii) for the other Non-Executive Directors from €15,000 to €35,000, on an annual basis, starting on 1 January 2021.

This proposal is made upon recommendation of the Nomination and Remuneration Committee after having conducted a benchmarking exercise against the entire BEL 20 index, based on which it appeared that the total annual fee for both the Chairperson and the other members of the Board of Directors falls significantly below the market 25<sup>th</sup> percentile and is also out of step with the remuneration levels of Aedifica's peers. Subject to the General Meeting's approval of the proposed increases, the revised remuneration levels of the Non-Executive Directors will still not exceed the market 25<sup>th</sup> percentile.

Moreover, no change is proposed with respect to the attendance fees for meetings of the Board and of its Committees.

#### 9.4.1.2 Share ownership requirement

See section 8.1.2 of the remuneration policy for more details.



## 9.4.2 Members of the Executive Committee

### 9.4.2.1 Fixed remuneration

The Board of Directors sets the fixed remuneration annually, taking into account factors such as:

- position and corresponding responsibilities;
- experience and competencies;
- applicable (social and tax) regulations;
- international growth of the Company;
- performance of the Company;
- benchmarks with peers provided by the Nomination and Remuneration Committee (ensuring that the Company can attract and retain experienced executive profiles).

The annual fixed remuneration may be reviewed and adapted taking into account the preceding factors and within the framework of the proposed remuneration policy.

For the 2021 financial year, the Board of Directors decided on 17 December 2020 that the amount of the annual fixed remuneration of the members of the Executive Committee under their management agreements will remain unchanged (save for indexation), with the exception of the fixed annual remuneration of the CIO which is increased by a gross amount of €25,000 to align it more closely with the remuneration of the other members of the Executive Committee.

Additionally, the Board of Directors decided on 16 March 2021 in application of the Article 7:91 of the Belgian Code on Companies and Associations to grant to the members of the Executive

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2. For comparative purposes, the remuneration paid by the Company over the extended financial year 2019/2020 (running from 1 July 2019 until 31 December 2020) was annualized from 18 months to 12 months.
3. This concerns the total remuneration paid to the members of the Executive Committee, including former management members.
4. The substantial change in remuneration can be explained by the changed composition of the Executive Committee which increased in number of members (from 4 to 6 members).
5. The calculation for the financial year 2019/2020 is based on annualised figures, except for the first two parameters (investment properties (including assets held for sale / + work in progress), which are based on the balance sheet total as at 31.12.2020).
6. The change can in remuneration can be explained by an increase in the remuneration of the members of the Executive Committee as from 1 July 2019 as decided by the Board of Directors during the financial year 2018/2019 on the basis of a benchmark performed by the independent specialist consultant Willis Towers Watson in 2019. The benchmark group consisted of 32 companies from Belgium, Germany, France and the Netherlands: AG Real Estate, Ascencio, Atenor, Banimmo, Befimmo, Cofinimmo, Home Invest, Immobel, Leaseinvest, Montea, Warehouses De Pauw, GAGFAH M Immobilien-Management, LEG Immobilien, Altarea Cogedim, Crédit Agricole Immobilier, Icade, Orpea, Poste Immo, Société Foncière Lyonnaise, Altera Vastgoed, Redevco, Vastned Groep, Wereldhave, Alinso Group, Codic International, Deutsche Wohnen, Hochtief, Foncière des Régions, Gécina, Klépierre, Unibail Rodamco and OVG Real Estate.
7. The average remuneration of employees is calculated on the basis of 'wages and direct social benefits' on an annual basis divided by the number of employees on an annual basis.



Committee for the financial year 2021, within the context of the annual long-term incentive plan, a gross remuneration of €175,000 for the CEO and €100,000 for each other members of the Executive Committee, under the same terms and conditions as in the '2020 LTIP' of which the net proceeds will have to be entirely used to acquire Aedifica shares (as described above).

#### Transition provision

The newly proposed long-term incentive plan will deliver its first award only in early 2024, upon completion of the first three-year performance cycle (2021-2023) and subject to achievement of the KPI's over the performance cycle. Therefore, in order to avoid a material loss in remuneration over the years 2021 and 2022 for the members of the Executive Committee, the current long-term incentive plan will be extended for the coming two years (2021 and 2022) and will cease to exist in 2023.

#### 9.4.2.2 Variable remuneration

A new system of variable remuneration is proposed in the remuneration policy consisting of a short-term and long-term variable remuneration plan with the goal of creating a better alignment of the members of the Executive Committee's variable remuneration with actual company and personal performance (pay-for-performance). Consequently, the existing long-term incentive plan which was previously part of the fixed remuneration will become entirely conditional (subject to the realisation of performance targets) and will thus become part of the variable remuneration.

See section 8.2.1.2 of the remuneration policy for more details.

#### 9.4.2.3 Clawback

See section 8.2.2.3 of the remuneration policy for more details.

#### 9.4.2.4 Share ownership requirement

See section 8.2.2.2 of the remuneration policy for more details.