



## THE CPI PROPERTY GROUP REMUNERATION POLICY

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## 1 INTRODUCTION

- 1.1 CPI PROPERTY GROUP (the “**Company**”) established this remuneration policy (the “**Remuneration Policy**”) with respect to the remuneration paid by the Company to the Directors (as defined below), in accordance with the provisions of the Luxembourg law of 24 May 2011 on the exercise of certain rights of shareholders in general meetings of listed companies, as amended (the “**Law**”).
- 1.2 This Remuneration Policy has been prepared and recommended by the Remuneration, Nomination, and Related Party Transaction Committee (the “**Remuneration Committee**”) and was approved by the Board of Directors of the Company (the “**Board**”).
- 1.3 The Company is committed to structuring the remuneration in such a way as to ensure that the remuneration contributes to the Company’s strategy, long-term interests and sustainability and reflects the level of quality and skills required of members of the Board and of the executive management of the Company, while respecting principles of non-discrimination and equal treatment.

## 2 APPLICABILITY

- 2.1 This Remuneration Policy applies to the directors of the Company, defined under article 1 (6) no 3 of the Law as “any member of an administrative, management, or supervisory body of a company as well as the chief executive officer and, if such a function exists within the company, the deputy chief executive officer” (together the “**Directors**”), i.e.:
  - 2.1.1 the members of the Board;
  - 2.1.2 the executive management of the Company.
- 2.2 The following shall be considered as individuals exercising an executive role (the “**Executive Directors**”):
  - 2.2.1 the executive members of the Board;
  - 2.2.2 the executive management of the Company.
- 2.3 The following Directors shall be considered as individuals exercising independent or non-executive role:
  - 2.3.1 the independent members of the Board (the “**Independent Directors**”); and
  - 2.3.2 the non-executive members of the Board (the “**Non-Executive Directors**”).

## 3 PRINCIPLES OF REMUNERATION

- 3.1 The remuneration paid by the Company in accordance with this Remuneration Policy aims to attract, retain and motivate key talent and provide adequate compensation in consideration of the responsibilities, competency and time spent in their roles. It also aims to encourage and reward superior performance and creation of shareholder value.
- 3.2 The remuneration will be regularly benchmarked against external comparator markets as relevant and appropriate (e.g. industry, geography).
- 3.3 Consistent with the Company’s policy, the gender of a director will have no influence on the remuneration received by a director.

## **4 PRINCIPLES OF REMUNERATION FOR EXECUTIVE DIRECTORS**

### **4.1 Overview**

The remuneration of Executive Directors consists of a combination of fixed and variable elements.

- 4.1.1 The fixed elements of remuneration are based on competence, experience, seniority, and responsibility.
- 4.1.2 The variable elements of remuneration are linked to the variable performance, such as KPIs of the Company and individual performance goals.
- 4.1.3 The Executive Directors, who are also members of the Board, shall not receive any compensation for the performance of their roles as a member of the Board.

### **4.2 Fixed Remuneration**

- 4.2.1 The fixed remuneration consists of the following elements:
  - (i) a base remuneration (paid monthly, quarterly or in other periodic intervals agreed with the relevant individual), fees for memberships of subsidiaries bodies' or other forms of remuneration (according to the requirements of the relevant jurisdiction);
  - (ii) benefits; and
  - (iii) allowances.
- 4.2.2 The fixed remuneration paid to an Executive Director reflects the individual's role, experience, responsibility, performance, the number of functions allocated to the Executive Director, responsibilities for specific tasks additional to his/her role and the amount of variable remuneration the Executive Director is entitled to, economic climate, market conditions, the Company performance and increases elsewhere in the Company. The base remuneration is benchmarked on a regular basis against relevant competitors as appropriate. The number of functions allocated to the Executive Director, notably if the Executive Director is a member of committees, is not relevant for the remuneration of the Executive Director.
- 4.2.3 The benefits include but are not limited to the provision of medical insurance, life and disability assurance, company car or cash allowance, tax compliance support, credits, advance payments, lunch allowance and other minor ancillary benefits.
- 4.2.4 The amount of fixed remuneration may be subject to an annual review. The Company will be mindful of the pay and employment conditions of employees in the Group as a whole, in particular when considering the level of any increase in the fixed remuneration for the Executive Directors.
- 4.2.5 Expenses that are incurred by the Executive Directors in undertaking their role are reimbursed.

### 4.3 Variable Remuneration

#### 4.3.1 Annual Bonus

- (i) An annual bonus is paid for performance over the previous financial year while taking into consideration also long-term performance of the respective Executive Director and the Company.
- (ii) The annual bonus shall be linked to the Company's KPIs and value creation measures. The KPIs for the Executive Directors are set by the Remuneration Committee at the beginning of each year. The selection of the KPIs may include rental growth, achieving higher credit rating by rating agencies and/or higher rating by the sustainability rating companies on the Company's environmental, social and corporate governance (ESG) performance, project-related targets, targets regarding staff turnover, diversity and sustainability objectives, portfolio performance-related targets, adherence to financial policies and more.
- (iii) The Board shall regularly consider the company's nonfinancial objectives, including in particular the social and environmental risks. Nonfinancial objectives may be included in the annual bonus.
- (iv) 5% of any discretionary annual bonus compensation of the Executive Directors will be linked to the Environmental, Social and Corporate Governance Committee's (the "ESG Committee") judgement of whether the Executive Directors are meeting the Company's short term and long-term environmental targets. The conclusions of the ESG Committee about the fulfilment of environmental targets by the Executive Directors will be communicated to the Remuneration Committee and included in the overall evaluation of annual KPIs.
- (v) The variable performance criteria contribute to the long-term and short-term goals of the Company and drive and reward performance of the Executive Directors against annual financial, nonfinancial and personal objectives.

#### 4.3.2 Compensation in shares

In order to link the remuneration of the Executive Directors to the performance of the Company, upon recommendation of the Remuneration Committee, the Board may decide that part of the annual bonus will be awarded to the Executive Director in the form of shares in the Company or its subsidiaries.

**4.4** The Remuneration Committee retains the discretion to review the performance measures, weightings and targets from year to year to ensure continued alignment with Company strategy.

**4.5** Upon recommendation of the Remuneration Committee, the Board may consider approval of special payments. Special payments may be made in recognition of outstanding performance; in recognition of acting appointments; to retain key executives; or to cover extraordinary circumstances. All special payments require the approval of the Board in respect of the Chairman of the Board and the Remuneration Committee in respect of other Directors.

## **5 PRINCIPLES OF REMUNERATION FOR INDEPENDENT DIRECTORS AND NON-EXECUTIVE DIRECTORS**

### **5.1 Independent Directors**

5.1.1 The remuneration of Independent Directors shall be fixed at a fee in the amount of EUR 5,000 per calendar month. The Board can decide at its sole discretion about the payment of additional fees up to EUR 5,000 per calendar month to an Independent Director. Independent Directors shall not receive any variable remuneration.

5.1.2 The amount of fixed remuneration of Independent Directors may be subject to an annual review.

### **5.2 Non-Executive Directors**

The Non-Executive Directors, that are not the Independent Directors, such as Directors representing shareholders of the Company, shall not receive any remuneration from the Company, unless the Remuneration Committee decides otherwise during an annual review.

## **6 INFORMATION ON AGREEMENTS WITH DIRECTORS**

6.1 The duration of the contracts and arrangements with Directors may be for unlimited or limited time period.

6.2 The contracts or arrangements with a limited term shall oblige the relevant Director to provide his/her services to the Company for at least the length of the term of his/her appointment.

6.3 The Company shall be entitled to immediately terminate any contracts or arrangements with directors for relevant material breach in accordance with applicable law.

6.4 Redundancy is provided for in each Director's contract.

## **7 REMUNERATION COMMITTEE**

7.1 The Board has established the Remuneration Committee.

7.2 The Remuneration Committee presents proposals to the Board concerning remuneration, nomination, and incentive programs to be offered to the Directors, review the Company's remuneration policy and recommend its updates and supervise the implementation of the Company's remuneration policy. The Remuneration Committee also deals with nominations and related party transactions.

7.3 All members of the Remuneration Committee are independent.

7.4 The Remuneration Committee will hold a minimum of two meetings every year.

7.5 The Board determines the rules and procedures applicable to the Remuneration Committee.

## **8 AMENDMENTS TO THE REMUNERATION POLICY AND VOTE**

- 8.1** Any suggested material changes, amendments or updates to the Remuneration Policy shall be submitted by the Remuneration Committee to the vote of the general meeting of the Company's shareholders.
- 8.2** The Remuneration Committee shall submit the remuneration policy to the vote of the general meeting of the Company's shareholders every four years.

## **9 RELATIONSHIP TO PAY AND EMPLOYMENT CONDITIONS WITHIN THE GROUP**

- 9.1** The Remuneration Committee and the Board considered the employment conditions of employees of the Company and its group when establishing the Remuneration Policy.
- 9.2** While the Group's remuneration policy follows the same fundamental principles across the whole group, remuneration offered to employees and the Directors reflect difference in market practices, seniority and role. The Directors are compensated according to a similar framework as other employees, but the quantum differs due to responsibilities attached to their role.
- 9.3** The Remuneration Committee and the Board considers from time to time if it maintains an equitable relationship between changes in the average individual remuneration within the Company and the remuneration of the Directors.
- 9.4** The balance of diversity, skills, experience and backgrounds is an important criterion that must be considered when creating development and succession plans and choosing individuals that should be appointed to the Board and other senior management roles. For this reason, the Company is committed to considering factors such as gender, sexual orientation, cultural background, age, ethnicity, nationality when filling such senior management roles.
- 9.5** The Board rejects any form of discrimination and harassment based on a sex, sexual orientation, race, gender or gender identity or expression, colour, creed, religion, age, national origin, ethnicity, disability, ancestry, veteran or military status, pregnancy, genetic information, marital status, citizenship status, philosophical or political beliefs, wealth, social background, state of health, or any other characteristic protected by law. The Company is committed to enforcing the Company's Diversity and Non-Discrimination Policy at all levels in order to create an environment of respect for and appreciation of individual differences that will be free from direct or indirect discrimination, harassment, retaliation and/or sexual assault.

## **10 REMUNERATION REPORT**

- 10.1** The Company discloses the remuneration paid to Directors on an annual basis in its Remuneration Report. The Remuneration Report provides detailed information on the different components of fixed and variable remuneration paid to the Directors, including all bonuses and other benefits.
- 10.2** The Remuneration Reports will be available on the Company's website.

## **11 FINAL PROVISIONS**

- 11.1** This Remuneration Policy will be in effect in the financial years 2024, 2025, 2026 and 2027 unless the Company's shareholders at the Company's general meeting adopts a resolution modifying it while it is in effect.
- 11.2** The Remuneration Committee and the Board shall regularly revisit and reevaluate this Remuneration Policy considering development of the Company's business and applicable laws.
- 11.3** This Remuneration Policy was approved by the Board 23 April 2024.
- 11.4** The Board submitted this Remuneration Policy to the vote of the Company's shareholders at the Company's general meeting held on 30 May 2024.