

## **UBM Development AG**

### **Prolongation and Extension of the Longterm-Incentive-Programme for Executives 2017**

#### **Conditions of the Plan (*Planbedingungen*) 2017**

#### **Objectives / Preamble**

The UBM Development AG ("**UBM**" or "**Company**") pursues a business strategy that aims at the sustainable development and long-term increase of the Company's value. For this reason, the Company launched the Longterm-Incentive-Programm ("**LTIP**") in 2017.

The extension of the LTIP supporting this objective intends to ensure the continued and ongoing loyalty of the members of the Management Board of the Company and other executives (officers and senior employees) of the Company and its direct and indirect subsidiaries ("**UBM Group**") to the UBM Group, the long-term promotion of their motivation and identification with the goals of the UBM Group and the increase of the attractiveness of the UBM Group as an employer. The aim is to offer the members of the Management Board and selected executives of the UBM Group the opportunity to participate in the positive economic development of the UBM Group through the continued or first-time participation in the LTIP and in this way to provide a special performance incentive that goes beyond the existing performance-oriented, variable remuneration components. In addition, the prolongation of the LTIP is intended to further advance the ongoing development of aligning the interests of the executives of the UBM Group with those of the shareholders. Investors (in particular international investors) also expect that key employees and management participate in the success of the Company; in this respect, the prolongation and extension of the existing employee participation scheme continues to improve the Company's positioning on the capital market and thus the Company's ability to finance itself via the capital market. Due to the distortions in the capital market caused by the COVID-19 pandemic in 2020, it seems appropriate to prolong and extend the existing LTIP.

The Plan Conditions 2017 for the LTIP continue to apply unchanged, but with the following changes necessary for the prolongation and extension of the LTIP:

#### **Amendment of the second paragraph of the preamble:**

*The second paragraph of the preamble shall be amended to read as follows:*

Under the LTIP, stock options are to be granted to certain persons, which may be exercised by them after a period of three (3), four (4), five (5) or six (6) years provided that specific participation requirements are met.

#### **Amendment of clause 1. of the Plan Conditions:**

*Clause 1.3 of the Plan Conditions is supplemented by the following sentence at the end of the provision:*

In the event of multiple participations in the LTIP by Entitled Individuals, but again only up to the maximum number of stock options provided for in clause 4.1 and taking into account the maximum number of Investment Shares defined in each case, the determination authorisations of the Supervisory Board and the Management Board for Additional Entitled Individuals in accordance with these conditions of the plan shall apply mutatis mutandis, in particular for the cut-off dates set out in clauses 2.4, 2.5, 3.1 and 6.2.

#### **Amendment of clause 6. of the Plan Conditions:**

*Clause 6. of the Plan Conditions is amended to include the following paragraphs 6.4.3 and 6.4.4 as follows:*

- 6.4.3 "in the exercise period from 1 September 2022 to 26 October 2022 ("**Exercise Period 3**") if (i) the unweighted average closing prices of the share of the Company is at least EUR 40.00 in the period from 2 September 2021 (inclusive) to 31 August 2022 (inclusive) during at least five-teen (15) subsequent trading days, and (ii) the ratio of Market Capitalisation (as defined below) to Net Debt (as defined below) as of 31 December 2021 is at maximum 1 : 2.40 (one to two point forty) or below; as well as"
- 6.4.4 "in the exercise period from 1 September 2023 to 26 October 2023 ("**Exercise Period 4**") if (i) the unweighted average closing prices of the share of the Company is at least EUR 40.00 in the period from 1 September 2022 (inclusive) to 31 August 2023 (inclusive) during at least five-teen (15) subsequent trading days, and (ii) the ratio of Market Capitalisation (as defined below) to Net Debt (as defined below) as of 31 December 2022 is at maximum 1 : 2.40 (one to two point forty) or below; as well as"

*Clause 6.5 shall be amended to read as follows:*

- 6.5 "**Net Debt**" in this clause 6. means long- and short-term bonds, plus long- and short-term financial liabilities, excluding leasing liabilities and reduced by liquid funds, as determined respectively in the audited and approved consolidated annual financial statements of the Company as of 31 December 2019 (with respect to Exercise Period 1), as of 31 December 2020 (with respect to Exercise Period 2), as of 31 December 2021 (with respect to Exercise Period 3) or as of 31 December 2022 (with respect to Exercise Period 4). "**Market Capitalisation**" in this clause 6. means the number of shares issued by the Company respectively as of 31 December 2019 (with respect to Exercise Period 1), as of 31 December 2020 (with respect to Exercise Period 2), as of 31 December 2021 (with respect to Exercise Period 3) or as of 31 December 2022 (with respect to Exercise Period 4) multiplied by the closing price of the shares of the Company respectively on the last trading day of the respective year (last trading day in the year 2019 with respect to Exercise Period 1, last trading day of the year 2020 with respect to Exercise Period 2, last trading day in the year 2021 with respect to Exercise Period 3 or last trading day of the year 2022 with respect to Exercise Period 4).

**Amendment of clause 15. of the Plan Conditions:**

*The following sentence is added to clause 15:*

The conditions of the plan (*Planbedingungen*) of the LTIP adjusted in relation to its prolongation and extension become effective as of 27 May 2021.