



# Corporate Governance Report

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# Supervisory Board Report

The 2022 financial year was not easy but, all the same, it was a successful period for UBM with after-tax profit of €27m. UBM made excellent progress towards its strategic goal of becoming the leading developer of timber construction projects in Europe. The timber hybrid pipeline has grown to more than 250,000 m<sup>2</sup> in a very short time. A stable financial position with an equity ratio of over 34% and liquid funds of €323m lead the Supervisory Board to look to the future with optimism.

The Supervisory Board was informed by the Management Board, regularly and in detail, on the progress made in implementing the corporate strategy. The company's strategic orientation was also continuously evaluated and discussed with the Management Board. All necessary resolutions were examined extensively and passed unanimously. In these respects, the Supervisory Board actively accompanied and supported the company's development within the scope of its assigned responsibilities. In accordance with Section 81 of the Austrian Stock Corporation Act, the Management Board provided the Supervisory Board with regular written and verbal reports that contained timely and extensive information on the development of business and the financial position of the Group and its investments, on issues related to employees and planning, and on investment and acquisition projects. The Management Board also discussed the corporate strategy, future business policies and risk management with the Supervisory Board.

The Supervisory Board held five meetings in 2022 at which the necessary resolutions were passed. The approvals were obtained for transactions which require the consent of the Supervisory Board according to Section 95 Para. 5 of the Stock Corporation Act; in urgent cases, the decisions were taken by written vote. The average attendance at the Supervisory Board meetings equalled 90%.

The ESG Committee, which was created in 2021, held two meetings during 2022. Discussions with the Management Board at the meeting on 17 April covered the auditor's report on the voluntary review of the ESG report for 2021, the latest developments in the areas of taxonomy and the Corporate Sustainability Reporting Directive (CSRD) as

well as current and future measures and goals. The agenda for the meeting on 30 November 2022 included a report by the Management Board on recent developments in taxonomy and CSRD issues as well as UBM's progress in the area of ESG (timber construction, ESG cockpit, ESG ratings, project certification, anti-discrimination guideline, social events). The members of the ESG Committee are Iris Ortner (Chairwoman), Susanne Weiss (Deputy Chairwoman), Birgit Wagner and Anke Duchow.

The Nomination Committee did not meet in 2022 as there were no issues requiring action.

The Remuneration Committee held two meetings in 2022. The meeting on 23 March included the determination of the annual bonus for the Management Board members as well as the approval of the remuneration report and a proposal to the 141st Annual General Meeting to amend the remuneration policy. The meeting on 22 September approved an index adjustment to the annual maximum total remuneration (fixed and variable remuneration) for the members of the Management Board.

The Audit Committee met five times during the 2022 financial year. The first meeting was held on 21 February without the Management Board in accordance with Rule 81a of the Austrian Code of Corporate Governance and concentrated on the audit schedule, audit focal points and communication between the auditor and the Audit Committee. In the meeting on 23 March, the auditor reported on the status of the audit of the separate and consolidated financial statements as of 31 December 2021. The meeting of the Audit Committee on 7 April included the auditor and covered the evaluation of and preparations for the approval of the separate and consolidated financial statements for 2021. At this same meeting, the Audit Committee also discussed the selection of an auditor for the separate and consolidated financial statements as of 31 December 2022, the audit schedule for 2022, the report by the Management Board on related party transactions in 2021 and risk management. The Audit Committee meeting on 22 September 2022 was also attended by the auditor and dealt, among others, with

the report by the Management Board on the effectiveness of the internal control system, the internal audit system and risk management (fraud) as well as compliance (corruption) in the sense of C-Rules 18 and 18a of the Austrian Code of Corporate Governance and planning for the audit of the separate and consolidated financial statements. The last meeting of the year was held on 1 December and covered the report by the Management Board on the effectiveness of risk management.

The separate financial statements of UBM Development AG as of 31 December 2022, including the notes and the management report, and the consolidated financial statements as of 31 December 2022, which were prepared in accordance with International Financial Reporting Standards (IFRS), as applied in the EU, together with the Group management report, were audited by BDO Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft. The audit, which was based on the company's bookkeeping and records as well as explanations and documentation provided by the Management Board, indicated that the bookkeeping and the separate and consolidated financial statements comply with legal regulations and provide no grounds for material objections. The management reports for the company and the Group agree with the separate and consolidated financial statements. The above-mentioned auditor therefore issued an unqualified audit opinion for the separate and consolidated financial statements of the 2022 financial year.

All documents related to the financial statements, the corporate governance report, the proposal by the Management Board for the use of profits and the auditor's report were discussed in detail by the Audit Committee together with the auditors on 11 April 2023 and submitted to the Supervisory Board. Following extensive discussion and examination, the Audit Committee and the Supervisory Board approved the annual financial statements as of 31 December 2022, the management report, the corporate governance report and the Management Board's proposal for the use of profits. The separate financial statements as of 31 December 2022 are therefore considered approved. In addition, the Audit Committee and the Supervisory Board approved the consolidated



financial statements for 2022, which were prepared in accordance with IFRS, and the Group management report.

The Supervisory Board agrees with the proposal by the Management Board for the use of profits. The agenda for the Annual General Meeting, which will vote on the use of profits for the 2022 financial year, will therefore include a proposal for the payment of a €1.10 dividend per share.

The Supervisory Board would like to thank UBM's customers and shareholders for their confidence in and commitment to the company, and also commend the Management Board and the many women and men who work for UBM Development for their tireless efforts and exceptional performance during the past year.

With my best wishes,

**Karl-Heinz Strauss, MBA, FRICS**  
Chairman of the Supervisory Board

Vienna, April 2023

# Governance

## Commitment to the Austrian Code of Corporate Governance

UBM Development AG views corporate governance as a comprehensive concept within the framework of responsible and transparent management as well as the related system of wide-ranging controls. The Management Board and Supervisory Board work closely together in the interests of the company and its employees to continuously evaluate and coordinate the strategic orientation of the UBM Group. An ongoing dialogue with the relevant interest groups builds trust and creates the basis for sustainable growth in the future. One of UBM's top priorities is to develop and improve its standards for responsible and sustainable corporate management.

The Management Board and Supervisory Board issued a joint formal declaration in August 2016 which commits the UBM Group to compliance with the Austrian Code of Corporate Governance. Section 267b of the Austrian Commercial Code requires UBM, as a listed parent company whose shares are traded on a regulated market, to produce a consolidated corporate governance report as defined in Section 1 (2) of the Austrian Stock Exchange Act of 2018. As the UBM Group does not have any listed subsidiaries, the necessary disclosures are limited to the information required by Section 243c of the Austrian Commercial Code and included in the appropriate sections of this corporate governance report. UBM shares have been listed in the Prime Market, the premium segment of the Vienna Stock Exchange since 22 August 2016. This listing formally commits UBM to adherence with increased standards for transparency, quality and publication. UBM is committed to compliance with the behavioural rules defined by the Austrian Code of Corporate Governance – with reference to the deviations listed below in the comply or explain catalogue – and sees the code as a key precondition for responsible corporate management. The latest version of the Austrian Code of Corporate Governance, as issued by the Austrian Working Group for Corporate Governance, is available to the general public on the organisation's website under [www.corporate-governance.at](http://www.corporate-governance.at).

This corporate governance report is published as part of the annual report and is available on the Group's website under [www.ubm-development.com](http://www.ubm-development.com), in the submenu Investor Relations/Financial Reports or under Corporate Governance. In accordance with C-Rule 36 of the Austrian Code of Corporate Governance, the Supervisory Board also conducted a self-evaluation during 2022. The questionnaire used for the evaluation addressed, in particular, the efficiency of the Supervisory Board, its organisation and its working procedures. The findings were evaluated and discussed by the Supervisory Board.

## Comply or explain catalogue

**C-Rule 27:** In accordance with C-Rule 27 of the Austrian Code of Corporate Governance, the company's current remuneration policy states that the remuneration for each of the Management Board members must include fixed and variable components as required by the applicable legal regulations. The variable, performance-based remuneration components are designed to reflect shareholders' interests in the positive development of the company and increase the Management Board's motivation to take actions which lead to the sustainable, long-term and risk-aware optimisation of Group results. Annual variable remuneration is dependent on the attainment of parameters set by the Supervisory Board, which are based on financial or non-financial criteria or a combination of both. The inclusion of non-financial criteria is not mandatory for determining the amount of variable remuneration in order to support the objectiveness, transparency and plausibility of remuneration. The remuneration policy does not include the possibility of demanding the payback of variable remuneration components ("clawback") because this is not required by law and because civil law provides sufficient grounds for the right to claim the return of payments which were based on obviously false data.

**C-Rule 27a:** The contracts with the Management Board members, prior to the implementation of the current remuneration policy, follow the legal regulations in effect at that time and, therefore, do not include a specific provision that would limit severance compensation for the premature termination of their function without good cause to more than twice the total annual remuneration and a maximum of the remaining contract term. Moreover, these contracts currently do not specify that severance payments will not be made when a Management Board contract is terminated prematurely with good cause. The Management Board contracts do not contain any provisions which would require consideration of the circumstances under which a member leaves the company and the economic position of the company in the event of premature resignation. Compliance with C-Rule 27a of the Austria Corporate Governance Code was not yet in the foreground when the existing Management Board contracts were concluded. C-Rule 27a of the Austrian Code of Corporate Governance was implemented for the first time in 2021 in preparing the employment contract for the fourth member of the Management Board.

**C-Rule 38:** The job profile and procedure for appointing Management Board members are established on a case-by-case basis. The Supervisory Board defines a job profile when a Management Board position is to be filled, whereby particular attention is paid to the individual candidates' qualifications, experience and industry knowledge. A formally defined appointment procedure and general job profile are not used in the interests of the company because this could exclude candidates from appointments to the Management Board in spite of their exceptional qualifications and outstanding industry knowledge.

**C-Rule 39:** The establishment of an emergency committee appears to be unnecessary in view of the homogenous business activities of UBM Development AG and the comparatively low number of Supervisory Board members. Circular resolutions are used in urgent cases.

**C-Rule 49:** In line with legal regulations and L-Rule 48 of the Austrian Code of Corporate Governance, the Supervisory Board is required to approve all contracts with its members which commit these persons to performing a service for the company or a subsidiary outside their activities on the Supervisory Board for compensation that exceeds an immaterial value. The company does not, however, publish the related details for operational and confidentiality reasons. Moreover, the notes to the consolidated financial statements of UBM Development AG include disclosures on related party transactions; these disclosures cover the remuneration for services by companies in which a Supervisory Board member holds a position on a corporate body and/or an investment outside his or her activities on the Supervisory Board of UBM Development AG.

**C-Rule 83:** UBM Development AG arranged for an evaluation of the effectiveness of risk management by an auditor who is not also responsible for auditing the annual financial statements. This decision is intended to award two separate audit contracts covering different subjects to different experts. The dual control principle is further strengthened, above all through the independence of the auditor. A tender process led to the selection of PwC Wirtschaftsprüfung GmbH as the best bidder, and this firm was subsequently commissioned to evaluate the risk management system.

## Members of the Management Board

**Thomas G. Winkler** was born in Salzburg, Austria, in 1963. He completed his law degree at Salzburg University, Austria, in 1985, and graduated as Master of Laws (LL.M.) in 1987 from the University of Cape Town, South Africa. After graduating, he started his career at Erste Bank AG (formerly: Girozentrale); from 1990 he was an authorised signatory, head of Investor Relations and Corporate Spokesperson at Maculan Holding AG. From 1996 to 1998 he served as Vice President, Head of Special Projects at Magna (Europe) Holding AG. He was Head of Investor Relations at Deutsche Telekom AG in Bonn from 1998 to 2001 before moving to T-Mobile International AG & Co. KG, where he was responsible for finance as a member of the Executive Board. Mr. Winkler worked as a freelance consultant in London from 2007 to 2009. He was CFO of Lenzing AG from 2010 to 2013 and additionally served on the Supervisory Board of ÖIAG Österreichische Industrieholding AG from 2012 to 2015, finally as Deputy Chairman. He was also Chairman of the Audit Committee and an independent member of the Supervisory Board of Bashneft JSOC, Russia, up to April 2015. From 2014 to the end of 2021 he served as a Senior Advisory Board Member at Minsait, Spain. Thomas G. Winkler was appointed Chairman of the Management Board of UBM Development AG on 1 June 2016. As the Chairman of the Management Board and CEO, he is responsible for Strategy, Investor Relations & Communications, Transactions & Market Research, Legal & Compliance, Human Resources and Mergers & Acquisitions.

**Martin Löcker** was born in Leoben, Austria, in 1976. He graduated in industrial engineering and construction from the Technical University in Graz, Austria, in 2000 and subsequently received a postgraduate degree in real estate economics from the European Business School in Munich, Germany, in 2005. He joined the PORR Group and its subsidiary UBM AG in 2001 where he was responsible for projects in Austria, France and Germany. Since 2007 he has held management positions at UBM AG and UBM Development Deutschland

GmbH (formerly: Münchner Grund). He has been a member of the Management Board since 1 March 2009. In accordance with the rules of procedure for the Management Board, Martin Löcker is responsible for Project Acquisition Controlling, Project Operational Controlling, CSR & Work Safety, Quality Management, Green Building, Timber Construction and Technical Competences.

**Patric Thate** was born in Bergisch Gladbach, Germany, in 1973. After studying economics at Wuppertal and Nottingham Universities, he started his career at Deutsche Telekom in Bonn during 1999, where he held various management positions in finance until the end of 2010. He was then responsible for finance at Lenzing AG, Austria, as Vice President Global Finance until 2015. Patric Thate was also substantially involved in major international capital market transactions, including the Re-IPO of Lenzing AG. In his most recent position, he served as Head of Finance and a member of the Executive Committee of UBM Development AG. He was appointed CFO of UBM on 1 July 2017, where he is responsible for Financial Controlling & Reporting, Accounting & Consolidation, Treasury, Tax and IT.

**Martina Maly-Gärtner** was born in Vienna, Austria, in 1975 and gained hotel management operating experience at the beginning of her career with well-known international hotel chains in America, the Near East and Europe. She then served for eight years as the Vienna managing director for Michaeler & Partner, a tourism consulting and hotel development company focused on Europe. Her international professional activities since 2018 included responsibility as COO for the hotel portfolio and strategy development of Arabella Hospitality, which is headquartered in Germany. She was appointed to the Management Board of UBM Development AG as COO on 1 September 2021. In accordance with the rules of procedure for the Management Board, Martina Maly-Gärtner, MRICS, is responsible for Hotel Operations, Human Resources, Work Safety and Insurance.

## Management Board

The Management Board must have between two and six members as defined in Section 6 of the Statutes and had four members in 2022. The Supervisory Board can designate one member as chairman and one member as deputy chairman of the Management Board. If one member is appointed as chairman of the Management Board, he or she casts the deciding vote in the event of a tie. The members of the Management Board are appointed by the Supervisory Board for a maximum term of five years, whereby the renewal or extension of this appointment (in each case, for a maximum of five years) is permitted. The Supervisory Board can dismiss a member of the Management Board before the end of his or her term in office for an important reason, i.e. for a serious breach of duty or if the Annual General Meeting passes a vote of no confidence in the Management Board member. The Management Board is required to conduct its business activities in line with the rules defined by the Austrian Stock Corporation Act, the Statutes, other laws and the rules of procedure. The Supervisory Board is responsible for determining the assignment of Management Board responsibilities while, at the same time, maintaining the overall responsibility of the Management Board. The Management Board requires the prior approval of the Supervisory Board before entering into the transactions listed in Section 95 Para. 5 of the Austrian Stock Corporation Act (current version). To the extent permitted by Section 95 Para. 5 of the Austrian Stock Corporation Act, the Supervisory Board sets monetary limits for transactions which do not require its approval. The Supervisory Board is also entitled to add additional transactions to the list of legally defined cases which require its approval (Section 95 Para. 5 of the Austrian Stock Corporation Act). The Supervisory Board is required

to issue appropriate rules of procedure for the Management Board, and the Management Board must report regularly to the Supervisory Board on its activities.

Activities on behalf of the company must represent the principal occupation for the members of the Management Board. They must manage the company's business with the care of responsible and conscientious managers and in accordance with the interests of shareholders, the staff and the general public. The members of the Management Board may not take on any other employment without the approval of the Supervisory Board and may not take on an executive function in any companies that are not part of the UBM Group.

UBM is represented by two Management Board members, or by one Management Board member together with one authorised signatory. The company can also be represented by two authorised signatories, with certain legal restrictions. Any deputy Management Board members have the same rights of representation as regular Management Board members.

The following table lists the Management Board members, their dates of birth, their positions, the date of their initial appointment and the expected end of their term in office.

### **Supervisory Board positions or comparable functions in Austrian or foreign companies (which are not included in the financial statements):**

None of the Management Board members serve on a supervisory board or hold a comparable function in an Austrian or foreign company (that is not included in the financial statements).

#### **Members of the Management Board**

<b>Name</b>	<b>Date of birth</b>	<b>Position</b>	<b>Member since</b>	<b>Appointed until</b>
Thomas G. Winkler	24.6.1963	Chairman of the Management Board	1.6.2016	20.4.2026
Martin Löcker	13.3.1976	Management Board	1.3.2009	20.4.2026
Patric Thate	25.5.1973	Management Board	1.7.2017	20.4.2026
Martina Maly-Gärtner	3.1.1975	Management Board	1.9.2021	30.4.2026

**Executive and non-executive board positions in material subsidiaries:**

The Management Board members Thomas G. Winkler, Martina Maly-Gärtner, Patric Thate and Martin Löcker have executive functions in individual project companies, but do not hold any executive or supervisory board positions in material subsidiaries.

**Supervisory Board**

The UBM Supervisory Board is composed of members elected by the Annual General Meeting. In addition, the Works Council is authorised by Section 110 Para. 1 of the Austrian Labour Constitutional Act to delegate a specific number of members to the Supervisory Board. Section 9 of the Statutes states that the Supervisory Board must have a minimum of three and a maximum of 12 members elected by the Annual General Meeting. In 2022, the Supervisory Board had eight members elected by the Annual General Meeting plus four additional members designated by the Works Council as employee representatives.

The members of the Supervisory Board are elected up to the end of the Annual General Meeting which votes on the release from liability of the Supervisory Board for the fourth financial year after their election unless the Annual General Meeting specifies a shorter term for one or all of the elected members; the financial year in which the Supervisory Board member is elected does not count towards this term. The re-election of a board member is permitted, also for retiring members. If an elected Supervisory Board member retires before the end of his or her term, a substitute must only be elected at the next Annual General Meeting. However, an Extraordinary General Meeting must be held within six weeks to elect a substitute if the number of Supervisory Board members falls below three. A substitute member is elected for the remaining term of the former Supervisory Board member, unless decided otherwise by the Annual General Meeting.

The Annual General Meeting can recall a Supervisory Board member before the end of his or her term with a resolution

based on a simple majority of the votes cast. Any member of the Supervisory Board can resign, without due cause, by notifying the chairperson of the Supervisory Board in writing, subject to a notice period of 21 days. This notice period can be shortened by the chairperson of the Supervisory Board, or a deputy in the event the chairperson resigns.

A substitute member can be elected concurrently with a regular Supervisory Board member, whereby the substitute would fill the seat effective immediately if the Supervisory Board member retires before the end of his or her term. If multiple substitutes are elected, the order in which they are to replace a retiring Supervisory Board member must be determined. A substitute member can also be elected for multiple Supervisory Board members to fill a seat on the Supervisory Board if any of these members steps down prematurely. The term of office of a substitute member ends with the election of a successor to the former Supervisory Board member or, at the latest, with the end of the term of the former Supervisory Board member. If the term of office of a substitute member ends because a successor to a former Supervisory Board member has been elected, the substitute member can still serve as a substitute for the other Supervisory Board members he or she has been chosen to represent.

The Supervisory Board elects a chairperson and one or more deputies from among its members each year at a meeting held after the Annual General Meeting. If there are two deputies, the order in which they are to substitute for the chairperson must be determined. Their terms of office end with the next Annual General Meeting. A replacement must be elected immediately if the chairperson or one of the elected deputies resigns. If, in this election, no candidate receives a simple majority of the vote cast, a run-off must be held between the persons who received the most votes. If the run-off results in a tie, lots will be drawn to decide the election. If the chairperson or one of the elected deputies resigns, the Supervisory Board must immediately hold a new election to appoint a successor. The chairperson and deputies can resign at any time by notifying the Supervisory Board in writing and in keeping with a 14-day notice period; however, they are not required to resign from the Supervisory Board at the same time.



Every deputy chairperson has the same rights and responsibilities as the chairperson he or she represents. This also applies to casting the decisive vote for resolutions and in elections. If the chairperson and his deputies are prevented from carrying out their duties, this obligation passes to the oldest Supervisory Board member (in terms of age) for the duration of the impairment. Declarations of intent by the Supervisory Board and its committees must be submitted by the chairperson of the Supervisory Board, or by his deputy if he or she is incapacitated.

The Supervisory Board issues rules of procedure in line with the responsibilities defined by law and the Statutes. Resolutions by the Supervisory Board on its rules of procedure require a simple majority of the members elected by the Annual General Meeting and must also comply with the general requirements for resolutions.

The Supervisory Board can form committees from among its members. Their responsibilities and powers as well as their general rules of procedure are determined by the Supervisory Board. The authority to take decisions can also be delegated to the committees, which can be established as permanent bodies or for individual tasks. The employee representatives on the Supervisory Board are entitled to designate voting members to the committees based on the ratio specified by Section 110 Para. 1 of the Austrian Labour Constitutional Act. This does not apply to meetings and voting which involve relationships between the company and the Management Board members, with the exception of resolutions on the appointment or recall of a Management Board member as well as resolutions to grant options in company shares.

The Supervisory Board passes resolutions in its regular meetings. These meetings are to be held as often as required by the interests of the company and at least once each quarter. Five regular Supervisory Board meetings were held in 2022. The chairperson determines the form of the meeting, the way in which resolutions are passed outside of meetings and the procedure for counting votes. The Management Board members attend all meetings of the Supervisory Board and its committees, unless otherwise decided by the person chairing the meeting.

A member of the Supervisory Board can designate another member in writing to represent him or her at a meeting. A member represented in this way is not included in determining the quorum for the meeting. The right to chair the meeting cannot be delegated. A member who is unable to attend a meeting of the Supervisory Board or its committees is entitled to submit his or her vote on individual agenda items in writing through another board or committee member.

The Supervisory Board is considered to have a quorum when all members have been correctly invited to attend and when at least three members, including the chairperson or a deputy, participate in the decision-making process. A topic of negotiation which is not on the agenda can only be ruled on by the Supervisory Board if all members are present or represented and no member objects. The Supervisory Board passes its resolutions by simple majority of the votes cast, whereby abstentions are not counted as votes. In the case of a tie - also in elections - the chairperson casts the deciding vote. A deputy representing the chairperson is also entitled to cast the deciding vote on resolutions and in elections; this also applies to committee chairpersons.

**Members of the Supervisory Board**

Name	Date of birth	Position	Member since	Appointed until
Karl-Heinz Strauss <sup>1</sup>	27.11.1960	Chairman	14.4.2011	AGM 2024
Iris Ortner <sup>2</sup>	31.8.1974	Deputy Chair	14.4.2011	AGM 2024
Susanne Weiss <sup>3</sup>	15.4.1961	Member	15.1.2015	AGM 2024
Klaus Ortner <sup>4</sup>	26.6.1944	Member	15.1.2015	AGM 2024
Ludwig Steinbauer <sup>3</sup>	26.10.1965	Member	15.1.2015	AGM 2024
Paul Unterluggauer	28.4.1967	Member	15.1.2015	AGM 2024
Bernhard Vanas <sup>3</sup>	10.7.1954	Member	15.1.2015	AGM 2024
Birgit Wagner <sup>3</sup>	9.1.1972	Member	29.5.2019	AGM 2024
Anke Duchow	19.1.1968	Member	27.5.2019	n/a <sup>5</sup>
Martin Mann	14.2.1972	Member	30.6.2016	n/a <sup>5</sup>
Hannes Muster	28.11.1967	Member	30.6.2016	n/a <sup>5</sup>
Günter Schnötzing	20.8.1973	Member	30.6.2016	n/a <sup>5</sup>

<sup>1</sup> Karl-Heinz Strauss was Deputy Chairman of the Supervisory Board from 27 February 2013 until 18 September 2014 and has been Chairman since 18 September 2014

<sup>2</sup> Iris Ortner has been Deputy Chairwoman of the Supervisory Board since 18 September 2014 and previously served as a member of the Supervisory Board from 2 July 2003 to 5 May 2010

<sup>3</sup> Independent member who does not hold more than 10% of the shares (C-Rule 54)

<sup>4</sup> Klaus Ortner was previously a member of the Supervisory Board from 18 March 2000 to 14 May 2014

<sup>5</sup> Appointed by the Works Council on 30 June 2016 as well as on 27 May 2019 in accordance with Section 110 Paragraph 1 of the Austrian Labour Constitutional Act

**Composition of the Supervisory Board**

The above table shows the members elected to the Supervisory Board in 2019 together with their date of birth, their position, the date of their initial appointment to the Supervisory Board and the expected end of their term. As of 31 December 2022, the members of UBM's Supervisory Board held additional positions on supervisory boards or exercised comparable functions in Austrian and foreign companies (that are not included in the consolidated financial statements). These positions are listed in the table on page 106.

**Criteria for independence**

C-Rule 53 of the Austrian Code of Corporate Governance requires the majority of the Supervisory Board members elected by the Annual General Meeting or appointed by shareholders in line with the Statutes to be independent of the company and its Management Board. A Supervisory Board member is considered to be independent if he or she does not have any business or personal relationships with the company or its Management Board which would constitute a material conflict of interests and could therefore influence the member's behaviour.

These principles form the basis for the independence criteria established by the UBM Supervisory Board, which are available for review by the general public on the UBM website:

- a) The Supervisory Board member did not serve as a member of the Management Board or key employee of UBM or one of its subsidiaries during the past five years.
- b) The Supervisory Board member does not at the present time or did not during the past year have any business relationships with UBM or one of its subsidiaries in a scope material for that member. The same applies to relationships with companies in which a member of the Supervisory Board has a considerable economic interest, but does not apply to functions in UBM corporate bodies; knowledge of Group issues and the mere exercise of activities as a management board member or managing director by a Supervisory Board member do not, as a rule, lead to the involved company being viewed as a "company in which a member of the Supervisory Board has a considerable economic interest" as long as circumstances do not give rise to speculation that the Supervisory Board member gains a direct personal benefit from a business transaction with these companies. The approval of individual transactions by the Supervisory Board pursuant to L-Rule 48 does not automatically lead to classification as not independent.
- c) The Supervisory Board member did not serve as an auditor of UBM or as a shareholder or employee of the company that audited UBM during the past three years.
- d) The Supervisory Board member is not a member of the management board of another company in which a member of the UBM Management Board serves on that supervisory board.
- e) The Supervisory Board member has not served on the Supervisory Board for more than 15 years. This does not apply to Supervisory Board members who are shareholders with a direct investment in the company or who represent the interests of such shareholders.
- f) The Supervisory Board member is not a close family member (direct offspring, spouse, life partner, parent, uncle, aunt, sibling, niece, nephew) of a member of the UBM Management Board or a person to whom any of the aforementioned items (a to e) items apply.

In accordance with these criteria, the following Supervisory Board members have declared themselves to be independent: Karl-Heinz Strauss (Chairman), Birgit Wagner, Ludwig Steinbauer, Bernhard Vanas and Susanne Weiss.

**Additional functions of the Supervisory Board members**

Name	Company	Function
Karl-Heinz Strauss	PORR Bau GmbH PORR GmbH & Co. KGaA PORR SUISSE AG	Chairman of the Supervisory Board Chairman of the Supervisory Board President of the Administrative Board
Iris Ortner	ELIN GmbH PORR AG <sup>1</sup> OEBAG Lichtensteinische Landesbank (Österreich) AG TKT Engineering Sp. z.o.o. (Poland) Blue Code International AG (Switzerland)	Chairwoman of the Supervisory Board Supervisory Board member Supervisory Board member Supervisory Board member Deputy Chairwoman of the Supervisory Board Supervisory Board member
Susanne Weiss	ROFA AG PORR AG <sup>1</sup> Wacker Chemie AG <sup>1</sup> Spielvereinigung Unterhaching Fußball GmbH & Co. KGaA	Chairwoman of the Supervisory Board Supervisory Board member Supervisory Board member Supervisory Board member
Klaus Ortner	ELIN GmbH PORR AG <sup>1</sup>	Supervisory Board member Deputy Chairman of the Supervisory Board
Ludwig Steinbauer	Klinikum Austria Gesundheitsgruppe GmbH	Supervisory Board member
Paul Unterluggauer	ELIN GmbH	Deputy Chairman of the Supervisory Board
Bernhard Vanas	PORR AG <sup>1</sup> Wolfgang Denzel Holding AG Bankhaus Denzel AG Wolfgang Denzel AG Wolfgang Denzel Auto AG	Supervisory Board member Supervisory Board member Supervisory Board member Supervisory Board member Supervisory Board member
Birgit Wagner	-	-
Anke Duchow	-	-
Martin Mann	-	-
Hannes Muster	-	-
Günter Schnötzing	-	-

<sup>1</sup> Listed**Committees**

The Statutes allow the Supervisory Board to establish committees from among its members. To support and ensure the efficient handling of complex issues, the Audit Committee, Nomination Committee and Remuneration Committee were active in 2022 as was the ESG Committee which was established on 25 February 2021.

**Audit Committee:** The responsibilities of the Audit Committee include (i) monitoring the accounting process and issuing recommendations or suggestions to ensure its reliability; (ii) monitoring the effectiveness of the Group's internal control system, internal audit system (where appropriate) and risk management system; (iii) monitoring the auditing of the separate and consolidated financial statements under consideration of the findings and conclusions in the reports published by the Regulatory Authority on Auditors in accordance

with Section 4 Para. 2 (12) of the Supervision of Auditors Act (APAG); (iv) assessing and monitoring the independence of the chartered auditors, in particular as regards any additional services they may have provided for UBM; (v) reporting to the Supervisory Board on the results of the audit, stating how the audit contributed to the reliability of financial reporting and the role played by the Audit Committee in this process; (vi) assessing the annual financial statements and preparing their approval, evaluating the proposal for the use of profit, the management report and the corporate governance report, and reporting on the audit findings to the Supervisory Board; (vii) examining the consolidated financial statements, the Group management report and the consolidated corporate governance report as well as reporting to the Supervisory Board on the audit findings; and (viii) conducting the procedures for the selection of the auditor under consideration of the appropriateness of the fee and preparing the Supervisory Board's recommendation for the appointment of the auditor.

The Audit Committee met five times during the 2022 financial year. The first meeting of the Audit Committee during the reporting year was held on 21 February 2022 without the Management Board in accordance with Rule 81a of the Austrian Code of Corporate Governance and concentrated on the audit schedule, audit focal points and communication between the auditor and the Audit Committee. In the meeting on 23 March, the auditor reported on the status of the audit of the separate and consolidated financial statements as of 31 December 2021. The meeting on 7 April 2022 included the auditor and covered the evaluation of and preparations for the approval of the separate and consolidated financial statements for 2021. At this same meeting, the Supervisory Board dealt with the selection of an auditor for the separate and consolidated financial statements as of 31 December 2022, the audit schedule for 2022 and the reports by the Management Board on related party transactions in 2021 and risk management.

The Audit Committee meeting on 22 September 2022 was also attended by the auditor and dealt, among others, with the report by the Management Board on the effectiveness of the internal control system, the internal audit system and risk

management (fraud) as well as compliance (corruption) in the sense of C-Rules 18 and 18a of the Austrian Code of Corporate Governance and planning for the audit of the separate and consolidated financial statements. The last meeting of the reporting year was held on 1 December and dealt with the report by the Management Board on the functioning of risk management. The members of the Audit Committee are Karl-Heinz Strauss (Chairman), Iris Ortner, Bernhard Vanas (financial expert) and Susanne Weiss.

**Nomination Committee:** The responsibilities of this committee are as follows: (i) to prepare appointments to the Management Board, including succession planning: in advance of an appointment to Management Board, the Nomination Committee defines a profile for the position, which also reflects the corporate strategy and state of the company, and prepares the decision for the full Supervisory Board; (ii) to recommend candidates for positions on the Supervisory Board when seats become available: the Nomination Committee is involved in planning for appointments to the Supervisory Board. It proposes candidates for positions on the Supervisory Board; after approval by the full Supervisory Board, these recommendations are presented to the Annual General Meeting for a decision. Recommendations for appointments to the Supervisory Board must be based on the qualifications and personal skills of the members and be selected to achieve a balance of specialists in line with UBM's structure and business. Appropriate consideration must also be given to diversity with regard to gender, age and internationality. Persons who have been convicted of a crime which questions their professional reliability are excluded from recommendations for appointments to the Supervisory Board.

The Nomination Committee did not meet in 2022 as there were no issues requiring action. The members of this committee are Karl-Heinz Strauss (Chairman), Iris Ortner and Susanne Weiss.

**Remuneration Committee:** This committee is responsible for the following duties in connection with the current remuneration policy and in accordance with applicable legal regulations: (i) matters related to the remuneration of the Manage-

ment Board members and the content of the employment contracts with these persons, in particular, the definition and implementation of the underlying principles for the remuneration of the Management Board members and the criteria for the variable remuneration components in line with C-Rules 27 (above all, the preparation of a catalogue for the variable remuneration components), 27a and 28 of the Austrian Code of Corporate Governance; (ii) evaluating the remuneration policy for the Management Board members at regular intervals; (iii) approving the assumption of sideline activities by the Management Board members.

The Remuneration Committee held two meetings during the reporting year. Consultations at the meeting on 23 March 2022 included the determination of the annual bonus for the members of the Management Board as well as the approval of the remuneration report and a proposal to the 141st Annual General Meeting to amend the remuneration policy. The meeting on 22 September approved an index adjustment to the annual maximum total remuneration (fixed and variable remuneration) for the members of the Management Board. The members of the Remuneration Committee are Karl-Heinz Strauss (Chairman), Iris Ortner and Susanne Weiss (remuneration expert).

**ESG Committee:** The activities of the ESG Committee include the analysis of sustainability criteria and social responsibility concepts in corporate processes – in particular, identifying the most important environmental, social and governance factors (ESG) that are determined by the company's sector affiliation and business model and subject to regional influence. ESG focuses on including the factors which result from a company's influence on or through the environment (ecological), society and corporate governance. The ESG Committee is also responsible for overseeing and supporting actions in line with the ESG catalogue of measures with clear assignment of responsibilities at Management Board and Supervisory Board levels. It also monitors and evaluates the implemented ESG measures – above all, the impact of procurement and development processes on ecosystems, on the use of resources, on the direct and indirect neighbourhood, and on good corporate management.

The ESG Committee met twice in 2022. Discussions with the Management Board at the meeting on 17 May covered the auditor's report on the voluntary review of the ESG report for 2021, the latest developments in the areas of taxonomy and the Corporate Sustainability Reporting Directive (CSRD) as well as current and future measures and goals. The agenda for the meeting on 30 November 2022 included a report by the Management Board on recent developments in taxonomy and CSRD issues as well as UBM's progress in the area of ESG (timber construction, ESG cockpit, ESG ratings, project certification, anti-discrimination guideline, social events). The members of the ESG Committee are Iris Ortner (Chairwoman), Susanne Weiss (Deputy Chairwoman), Birgit Wagner and Anke Duchow.

## Support for women

UBM is reinforcing its efforts to increase the share of women in its organisation. In comparison with other companies in the real estate sector, the UBM Group had a positive standing with 24 women in key positions (Supervisory Board, managing directors, authorised signatories and key staff at UBM Development AG and its subsidiaries) as of 31 December 2022 (31 December 2021: 24). As a company that believes in sustainable operations, UBM places high priority on socially relevant topics that include equal opportunities in the workplace. Activities to achieve and maintain equal opportunities are focused, in particular, on the identification of suitable female candidates when managers and staff are recruited. Seventy-four new employees were hired during 2022: 41 women and 33 men (excluding hotel employees). There are no salary differences between men and women who perform the same activity and have the same qualifications. Women are specifically addressed in job advertisements. In order to support the work-life balance, the company offers flexible working hours through a flexi-time system.

UBM is proactively and sustainably committed to a working environment free of discrimination and a culture of mutual respect and appreciation among all employees. The company treats all employees equally – regardless of gender,

social background, sexual orientation, nationality, religion or age. Any form of discrimination is categorically opposed.

### **Diversity concept in connection with appointments to the Management Board and Supervisory Board**

With regard to the composition of the Management and Supervisory Boards, the Supervisory Board does not follow a specific diversity concept. UBM is increasing its efforts to raise the percentage of women in the overall workforce and in management positions. Moreover, employees – regardless of their function and hierarchical level – are never discriminated against because of their gender, social background, sexual orientation, nationality, religion or age. The Supervisory Board therefore views the establishment of diversity targets for control bodies to be neither expedient nor useful. Education and professional experience play a significant role because a person under consideration for a Supervisory Board position must be capable of optimally performing his or her duties. These preconditions are not defined in advance in an abstract manner but evaluated on a case-by-case basis. Consequently, the expertise and specific requirements for the respective employment situation are the only deciding factors in preparing proposals for the Annual General Meeting. The Supervisory Board also believes these same principles apply to the composition of the Management Board.

### **Remuneration**

Information on the remuneration of the Management Board and Supervisory Board is provided in the remuneration report which will be presented at the 142nd Annual General Meeting in 2023.