

Basic principles of the remuneration system for members of the Supervisory Board of Instone Real Estate Group AG

The remuneration system for the members of Supervisory Board takes into account the requirements of the German Stock Corporation Act and the recommendations of the German Corporate Governance Code. The remuneration of the members of the Supervisory Board is appropriate to their activities and the situation of the Company.

The remuneration of the Supervisory Board is set out in Article 13 of the Articles of Association of Instone Real Estate Group AG (and Article 14 of Instone Real Estate Group SE after the conversion into a European company becomes effective) and consists solely of fixed remuneration. The members of the Supervisory Board are not paid performance-based remuneration. Fixed remuneration for members of the Supervisory Board in line with market standards enhances the independence of the Supervisory Board from the economic performance of the Company and thus promotes the independent exercise of the monitoring and advisory function of the Supervisory Board. The remuneration system thereby contributes to the long-term development of the Company. Granting appropriate remuneration also ensures that an appointment as a member of the Supervisory Board of the Company remains attractive for capable and qualified new members. The remuneration takes into account the different time requirements and workloads on the various committees of the Supervisory Board and the duties of the Chairman of the Supervisory Board or of a committee:

- ▶ The members of the Supervisory Board receive fixed annual remuneration of EUR 75,000. The Chairman of the Supervisory Board receives double this remuneration, the Deputy Chairman receives one-and-a-half times this remuneration.
- ▶ The members of the Audit Committee receive additional flat-rate remuneration of EUR 15,000. The members of the Remuneration and Nomination Committee receive additional flat-rate remuneration of EUR 7,500 per financial year for their work on these committees.
- ▶ The members of the Supervisory Board also have their expenses reimbursed by the Company. Attendance fees are not paid. Moreover, the Company has included the members of the Supervisory Board in a D&O group insurance policy for members of executive bodies at the Company's expense.

If a member of the Supervisory Board is not on the Supervisory Board or a committee for the entire financial year, their remuneration is reduced pro rata temporis. The Company reimburses each member for the VAT payable on his or her remuneration, to the extent that this is incurred and claimed by the Supervisory Board member in question. The remuneration of the members of the Supervisory Board is payable after the end of the financial year.

The remuneration system and the amount of remuneration are regularly reviewed by the Company when there are reasonable grounds to do so, or at least every four years. In doing so, the Company considers, for instance, the requirements of the work of the Supervisory Board, the time taken for the members of the Supervisory Board to perform their duties and the amount and development of supervisory board remuneration at peer group companies. To this end, the Supervisory Board has instructed an independent compensation consultant to carry out a peer review in 2021. By contrast, the remuneration of the Supervisory Board and the remuneration of the employees of the Instone Group are not compared on account of the fundamentally different activities and functions of the two groups. If members of the Supervisory Board are subject to (potential) conflicts of interest when reviewing or adjusting the remuneration system, the regulations of the Rules of Procedure of the Supervisory Board apply, which stipulate disclosure obligations for (potential) conflicts of interest in particular and can prohibit participation or voting.

In future, the Annual General Meeting will adopt a resolution on the remuneration system of the Supervisory Board for any material change in the remuneration system, or at least every four years. If the Annual General Meeting has not approved the remuneration system, a revised remuneration system must be submitted for a resolution by no later than the next Annual General Meeting.