

Remuneration Policy for the members of the Management Board and the Supervisory Board of Flughafen Wien Aktiengesellschaft

The Supervisory Board resolved upon the following Remuneration Policy pursuant to Section 78a of the Austrian Stock Corporation Act (AktG) as proposed by the Steering and Personnel Committee in its function as the Remuneration Committee in accordance with Rule 43 of the Austrian Corporate Governance Code:

A. REMUNERATION POLICY FOR THE MEMBERS OF THE MANAGEMENT BOARD

I. Preamble

The Supervisory Board defines the principles of remuneration for the members of the Management Board by means of the following Remuneration Policy. The remuneration of the members of the Management Board must be established in reasonable proportion to the tasks and performance of the individual Management Board member as well as to the overall situation of the company. Moreover, the remuneration scheme needs to be adequate in terms of customary compensation and provide long-term incentives with regard to sustainable business development as well as to promote both the corporate strategy and the long-term development of the company.

The remuneration of the Management Board is comprised of the following:

- » a fixed remuneration component (basic salary including pension expenses and non-cash benefits),
- » annual performance-based remuneration components, and
- » long-term performance-based remuneration components.

In order to promote the sustainable development of the company, the variable remuneration components are dependent on the attainment of defined targets for the respective financial year (annual targets) as well as long-term targets. Aside from financial targets, the remuneration policy also includes non-financial objectives determining performance-based compensation to promote the corporate strategy.

II. Basic salary

For the term of the current employment contract until 30 September 2020, the members of the Management Board agreed to a basic salary adjusted according to the consumer price index. This basic salary was negotiated by the Supervisory Board (Steering and Personnel Committee) based on the qualification, tasks and performance of the individual members of the Management Board.

For the term of the current employment contract until 30 September 2020, each member of the Management Board receives a CPI-adjusted, gross annual basic salary of EUR 348,384.68.

In accordance with the new employment contract with a term of five years, each member of the Management Board will receive a CPI-adjusted, gross annual basic salary of EUR 356,000 from 1 October 2020 to

30 September 2025. In addition, the Management Board has waived 10 per cent of its basic salary since the establishment of the short-time work scheme.

III. Performance-based remuneration

Aside from their basic salary, the members of the Management Board receive a bonus related to performance and success ("**performance-based remuneration**").

The performance-based remuneration scheme currently includes an annual component related to the results of the respective financial year as well as a long-term component related to the attainment of targets set for several years.

The annual performance-based remuneration component may amount to up to 50 per cent of the gross annual basic salary in the respective financial year. The long-term performance-based remuneration component may amount to up to 50 per cent of the gross annual basic salaries in the performance period. In sum, the performance-based remuneration is capped at 100 per cent of the gross annual basic salary.

The target agreements with the Management Board determining performance-based remuneration are negotiated by the Steering and Personnel Committee. In required coordination with the Management Board, the Steering and Personnel Committee resolves upon the target agreement for the respective performance period in accordance with the Remuneration Policy.

Performance-based remuneration is designed to ensure a balanced approach between short-term target attainment, long-term success and the sustainable creation of value. It serves as an incentive to implement a balanced and success-oriented corporate strategy.

Moreover, the employment contract with the members of the Management Board stipulates as follows: If the basis for variable remuneration proves to be incorrect after payment is made, the respective Management Board member is obliged to return the resulting difference to the current basis for variable remuneration in full.

a. Annual variable remuneration (up to 50 per cent of the gross annual basic salary)

The Steering and Personnel Committee negotiates the targets for the respective financial year with the Management Board at the beginning of each financial year. In light of the crisis-related travel restrictions in the financial year 2020, both sides agreed on the implementation of a cost-saving programme as well as the reduction of investments with clearly defined targets, including reductions in case of non-fulfilment with regard to the agreed targets and a lower limit without any payment of performance-based remuneration. The upper limit of variable compensation is defined by the capped annual performance-based remuneration at up to 50 per cent of fixed remuneration. As the company intends to receive financial support from the emergency aid fund of the Austrian federal government, the bonus payment for 2020 will be reduced to 50 per cent of the agreed bonus payment for 2019 in accordance with the emergency aid guidelines. The Steering and Personnel Committee may negotiate supplementary or otherwise appropriate success parameters with the Management Board in subsequent years (e.g. Group net profit for the period as a target) as it sees fit in the interest of the company.

The Steering and Personnel Committee ensures that the agreed annual variable remuneration promotes the corporate strategy as well as long-term development of the company by defining ambitious financial performance targets as well as a corresponding incentive to increase the profitability of the company.

b. Long-term variable remuneration (up to 50 per cent of the gross annual basic salary for each year within the performance period)

The long-term targets are currently defined for a period of three years based on several weighted criteria. The Management Board and the Steering and Personnel Committee agreed on the following criteria for the current long-term period until 2021:

» **Liquidity management (weighting 33 1/3%)**

The Supervisory Board negotiates an ambitious target value that needs to be defined at the end of the financial years 2020 and 2021 in order to ensure the liquidity of the company. While falling below this target value results in a bonus reduction, there is also a lower limit to define the minimum target value for any bonus to be paid at all.

» **Modernisation of Terminal 2 completed according to cost and time plan (weighting 33 1/3%)**

This operational target is fully attained when the modernisation of Terminal 2 is completed according to the cost and time schedule; the original cost and time schedule has already been adjusted due to COVID-19. The Supervisory Board set up corresponding reductions in case of any delays or cost overruns, going as far as entirely cancelling the bonus.

» **Restructuring target (weighting 33 1/3%)**

The Supervisory Board negotiates the development and implementation of a cost-saving as well as efficiency enhancement programme; this also includes streamlining the organisation and presenting the programme as well as a detailed implementation roadmap to the Supervisory Board.

If the targets are attained within the financial year in the performance period, the members of the Management Board receive an advance payment of half the long-term variable remuneration. All other payments are postponed and made at the end of the performance period. The members of the Management Board are obliged to return any advance payments that exceeded the calculated variable remuneration with regard to target attainment at the end of the performance period.

Long-time variable remuneration promotes the corporate strategy as well as the long-term development of the company by providing incentives to ensure a positive financial as well as non-financial business development and the attainment of strategically significant, operational targets.

The Steering and Personnel Committee may negotiate supplementary, adjusted or otherwise appropriate success parameters with the Management Board (e.g. EBIDTA margin, dividend, service quality assessment etc.) as it sees fit in the interest of the company.

The Management Board does not receive any share-based remuneration.

IV. Other benefits

The members of the Management Board are granted the following other benefits to ensure a customary and competitive overall remuneration.

Additional pension scheme

The company pays 15 per cent of the Management Board member's annual remuneration (basic salary plus performance-based remuneration) into a pension fund (contribution-oriented commitment to a pension fund). These contributions are non-forfeitable.

Continued remuneration in case of sickness

If sickness results in incapacity to work, the company grants the member of the Management Board continued payment of the basic salary to the legally provided extent for employees.

Sick pay contributions

If a member of the Management Board is entitled to sick pay from their statutory health insurance, the company will contribute to their sick pay in the amount of the difference between their sick pay and their basic salary for the duration of six months instead of their continued remuneration.

Company car

Management Board members are entitled to a company car of upper midsize class and a driver. The company car may also be used for (driving from their place of residence or holiday to their place of employment and back as well as for) private purposes. Any additional taxable amounts are to be borne by the Management Board.

The costs of operating and using the company car are borne by the company.

Aside from legal liability insurance, the company also takes out comprehensive and passenger insurance with appropriate coverage.

The target period for company cars to be used before acquiring a new vehicle is four years.

Insurance benefits

The company has taken out legal expense insurance, accident insurance and D&O insurance on behalf of the members of the Management Board. The respective insurance premiums are to be paid by the company. The insurance coverage of the D&O insurance is determined in keeping with the market and with regard to the size and risks of the company. The accident insurance coverage is based on the amount of two annual gross basic salaries.

Business trips

Miles earned for business trips as members of frequent-flyer programmes may also be used for private purposes.

Vacation

Members of the Management Board are entitled to an annual holiday leave of 36 working days.

V. Information on terms of office and the termination of Management Board contracts

All current Management Board contracts were concluded for the maximum legal period of five years.

The new Management Board contracts of the two current members of the Management Board enter into force on 1 October 2020 and end on 30 September 2025. The term of office may be reduced to three years by decision of the Supervisory Board no later than 30 September 2022. Moreover, the members of the Management Board may be removed from office in accordance with the Austrian Stock Corporation Act (AktG).

In the event of an effective premature termination of a Management Board member, any claims of compensation in accordance with rule 27a Austrian Corporate Governance Code are limited to no more than 24 monthly salaries. In the event of premature termination of a Management Board contract for any reason whatsoever, the Management Board member is not entitled to any severance payments.

VI. Remuneration and employment conditions for employees

When preparing the Remuneration Policy, the Supervisory Board took into account that the employees of the company hold a significant share in the company by means of the employee foundation. Therefore, the employees of the company have a direct stake in the sustainable increase of shareholder value through profit distribution as well as in ambitious business development reflected in the share price of the company. In other words, the Remuneration Policy is also intended to align the interests of employees with the interests of the Management Board members.

Furthermore, the Supervisory Board took into account the average salary of employees in the company and established corresponding limits to Management Board salaries to make sure that both Management Board and employee salaries are in keeping with the market and remain in socially acceptable relation to each other.

VII. Deviation from the Remuneration Policy

The company may temporarily deviate from this Remuneration Policy under extraordinary circumstances. Any deviations from the Remuneration Policy including an explanation as to the kind of extraordinary circumstances are to be reported to the Annual General Meeting.

Extraordinary circumstances are considered to be:

- » The unexpected resignation or dismissal for an important reason of a Management Board member, if the corresponding vacant position appears impossible to fill within the framework of this Remuneration Policy and the company is at risk of harm. In this event, the company may deviate from Sections II. and III. of this Remuneration Policy.
- » Changing the basis for calculating non-financial performance criteria, resulting in the company's inability to determine the attainment of targets, if the company is therefore legally obliged to define an equivalent substitute criterion together with the member of the Management Board. In this event, the company may deviate from the definition of the respective non-financial performance criterion, including the corresponding target agreement.

VIII. Definition and review of the Remuneration Policy

The Steering and Personnel Committee prepares a draft remuneration policy in consultation with approved remuneration and legal advisors. The Steering and Personnel Committee pays particular attention to market-compliant remuneration and takes the remuneration schemes of comparable companies into account.

The Steering and Personnel Committee reviews the Management Board's attainment of agreed targets with regard to performance-based remuneration every year and considers such attainment in the definition of new target agreements. Special attention is paid to the definition of ambitious targets in line with the corporate strategy.

B. REMUNERATION POLICY FOR THE MEMBERS OF THE SUPERVISORY BOARD

At the 28th Annual General Meeting of Flughafen Wien AG on 31 May 2016, the Annual General Meeting decided in favour of the following remuneration scheme for the Supervisory Board for the same as well as subsequent years, unless decided otherwise by future Annual General Meetings:

- » for the Chairman/Chairwoman _____ EUR 16,200
- » for each deputy _____ EUR 13,500
- » for each ordinary member of the Supervisory Board _____ EUR 10,800

In addition, each member of the Supervisory Board receives a standard attendance fee of EUR 500 per meeting of the Supervisory Board or one of its committees.

The contents of the resolution by the Annual General Meeting of 31 May 2016 with regard to the remuneration of members of the Supervisory Board are incorporated into this Remuneration Policy.