

Compensation report

This compensation report, which is an integral part of the Management Report, describes the essential features of the compensation systems for the Executive Board and Supervisory Board. In addition, the compensation received for 2021 by each member of the Executive Board and Supervisory Board of HOCHTIEF Aktiengesellschaft is individually disclosed. The report complies with the requirements of Section 162 of the German Stock Corporations Act (AktG) as well as the recommendations and requirements of the German Corporate Governance Code (GCGC).

Compensation of members of the Executive Board

Review of compensation in 2021

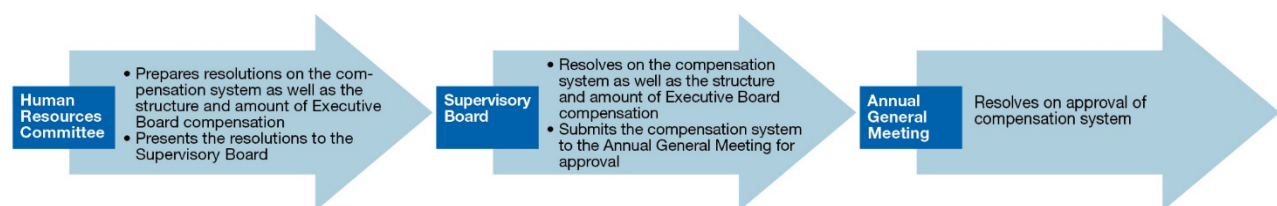
Compensation system

The current compensation system for members of the Executive Board is geared toward long-term, sustainable management. Criteria for determining the appropriateness of compensation comprise the duties of each member of the Executive Board, their personal performance, the economic situation, the performance and future prospects of the Company, as well as the customary level of compensation, taking peer companies into account. The objective of the compensation system is to support successful and sustainable management by linking the compensation of Executive Board members to both the short-term and long-term performance of the Company. It comprises personal and corporate performance parameters. Variable compensation components have a predominantly multi-year assessment basis and thus provide long-term incentives. The structure of long-term variable compensation, which also reflects share price performance, additionally ensures that the goals of management are aligned with immediate shareholder interests. The current compensation system for members of the Executive Board was adopted by resolution of the Supervisory Board following preparation by the Human Resources Committee and approved by the Annual General Meeting on May 6, 2021 (agenda item 6) with a majority of 94.29% of votes cast.

Determination and review of the compensation system

The Supervisory Board as a whole is responsible for adopting resolutions on the compensation system for members of the Executive Board and for setting individual compensation. In this, the Supervisory Board is supported by the Human Resources Committee. The latter oversees the appropriate structuring of the compensation system and prepares resolutions for the Supervisory Board.

In the event of material changes to the compensation system and, from 2021 at minimum once every four years, the compensation system is submitted to the Annual General Meeting for approval.



The compensation report was prepared jointly by the Executive Board and the Supervisory Board and audited in terms of its form and content by the audit firm KPMG AG Wirtschaftsprüfungsgesellschaft.

Relevant changes

At its meeting in September 2021, the Supervisory Board appointed Martina Steffen (51) as a new Executive Board member and Labor Director of the Group for a period of three years. She has assumed responsibility for Human Resources and environmental, social and governance (ESG) matters.

In the course of the reappointments and new appointments since 2020, service contracts were agreed with Ignacio Legorburu, Peter Sassenfeld, and Martina Steffen under the new compensation system.

Principles for determining compensation

The Executive Board compensation system contributes significantly to advancing the Group strategy.

Both the compensation system and the performance criteria (targets) for its variable components incentivize the Group's long-term, sustainable development.

The compensation system contributes significantly to ensuring alignment with the interests of shareholders, clients, employees, and other stakeholders.

Executive Board member performance is suitably recognized by setting adequate and ambitious performance criteria (targets) for the variable remuneration components (pay for performance).

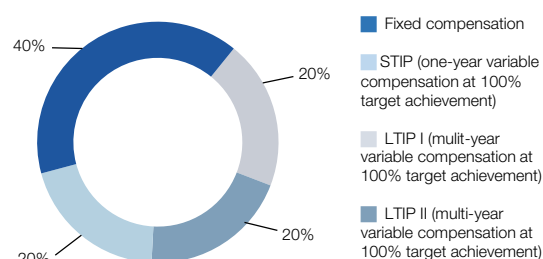
The design of the compensation system reflects current market practice.

Setting of target compensation

In detail, the total target compensation comprises non-performance-related fixed compensation, fringe benefits, performance-related variable compensation comprising a Short-term Incentive Plan (STIP) and two Long-term Incentive Plans (LTIP I/II), and pension payments or pension benefits.

Fixed compensation makes up 40% of target direct compensation, while variable compensation components equate to 60% of target direct compensation. About two-thirds of variable compensation (LTIP I/II) are not at the immediate disposal of Executive Board members. This amount is dependent upon the development of future performance indicators and thus geared to the Company's long-term business performance.

Compensation structure (Target direct compensation excluding fringe benefits and pension payments/pension expense)



The following table shows the contractually agreed target compensation with 100% target achievement and the compensation structure as a percentage of target total compensation for 2020 and 2021.

Target compensation (EUR thousand)	Fernández Verdes Chairman of the Executive Board Date joined: April 15, 2012				Legorburo Member of the Executive Board Date joined: May 7, 2014				von Matuschka Member of the Executive Board Date joined: May 7, 2014			
	2020	(%)	2021	(%)	2020	(%)	2021	(%)	2020	(%)	2021	(%)
Fixed compensation	1,300	25.59	1,324	25.42	348	27.10	354	26.78	406	27.38	413	27.10
Fringe benefits	33	0.65	15	0.29	16	1.25	16	1.21	29	1.96	29	1.90
Total	1,333	26.24	1,339	25.71	364	28.35	370	27.99	435	29.34	442	29.00
One-year variable compensation Short-term Incentive Plan	854	16.81	870	16.71	203	15.81	207	15.66	232	15.64	236	15.49
Multi-year variable compensation												
Long-term incentive component I ¹	676	13.31	689	13.23	203	15.81	207	15.66	232	15.64	236	15.49
Long-term incentive component II ² (five-year duration)	676	13.31	689	13.23	203	15.81	207	15.66	232	15.64	236	15.49
Total target direct compensation	3,539	69.67	3,587	68.88	973	75.78	991	74.97	1,131	76.26	1,150	75.47
Pension payments/pension expense	1,541	30.33	1,621	31.13	311	24.22	331	25.04	352	23.74	374	24.54
Total target overall compensation	5,080	100	5,208	100	1,284	100	1,322	100	1,483	100	1,524	100

Target compensation (EUR thousand)	Sassenfeld Chief Financial Officer Date joined: November 1, 2011				Steffen Member of the Executive Board Date joined: September 16, 2021			
	2020	(%)	2021	(%)	2020	(%)	2021	(%)
Fixed compensation	696	27.25	709	26.98	–	–	104	32.70
Fringe benefits	20	0.78	23	0.88	–	–	3	0.94
Total	716	28.03	732	27.86	–	–	107	33.64
One-year variable compensation Short-term Incentive Plan	406	15.90	413	15.72	–	–	60	18.87
Multi-year variable compensation								
Long-term incentive component I ¹	406	15.90	413	15.72	–	–	60	18.87
Long-term incentive component II ² (five-year duration)	406	15.90	413	15.72	–	–	60	18.87
Total target direct compensation	1,934	75.73	1,971	75.02	–	–	287	90.25
Pension payments/pension expense	620	24.28	657	25.00	–	–	31	9.75
Total target overall compensation	2,554	100	2,628	100	–	–	318	100

¹ Transfer of shares with three-year or previously two-year lock-up period

² Granted as long-term incentive plan (for details of the plans, please see pages 256 to 258); amount at grant date

Compliance with maximum compensation

In order to ensure that the compensation system has a balanced risk-reward profile and corresponding incentive effect, the variable compensation components are structured in such a way that they can fall in amount to zero or rise to a maximum of 200%. Additionally, caps are agreed when granting LTIPs.

Since 2020, a total compensation cap has been set for new Executive Board members and for reappointments of Executive Board members. Under the new compensation system, the maximum annual compensation is EUR 9 million for the Chairman of the Executive Board and EUR 6 million for ordinary members of the Executive Board. HOCHTIEF defines maximum compensation as the total personnel expense for an Executive Board member for a given year.

In the course of the reappointments and new appointments made, corresponding maximum compensation was agreed with Ignacio Legorburo, Peter Sassenfeld, and Martina Steffen. The maximum compensation for 2021 will first be able to be reviewed in 2025 to 2027 following exercise of the 2022 Long-term Incentive Plan, which is granted for 2021.

Appropriateness of compensation

The Supervisory Board regularly reviews the system and the appropriateness of individual compensation components as well as of compensation as a whole. In this connection, it considers the amount and structure of executive board compensation at peer companies (horizontal benchmark) and the ratio of Executive Board compensation to employee compensation, including over time (vertical benchmark).

The review for appropriateness and market conformity of Executive Board compensation has to date been based on comparison with compensation at the companies listed in the MDAX index. Given HOCHTIEF's index inclusion and the key indicators sales, number of employees, and market capitalization, the MDAX comparison is a valid benchmark.

For the vertical benchmark, the Supervisory Board looks at compensation both at the level of managerial employees and at the level of the workforce in Germany over time.

Application of the compensation system in 2021

Compensation components		Structure	Objectives and strategic aim
Fixed compensation		Fixed contractual compensation paid in twelve monthly installments.	<ul style="list-style-type: none"> Reflects Executive Board role, experience, area of responsibility, and market conditions. Ensures adequate income to prevent entering into inappropriate risks.
Fringe benefits		Costs of preventive medical examinations, insurance, amounts to be recognized for tax purposes for private use of company cars, expatriation expenses, tax consulting costs (incurred for dealing with foreign earnings from service for HOCHTIEF).	<ul style="list-style-type: none"> Reimbursement of costs and compensation for economic disadvantages that arise in relation to Executive Board service.
Variable compensation	Short-term Incentive Plan (STIP)	One-year variable compensation , dependent on financial and non-financial performance criteria (targets).	<ul style="list-style-type: none"> Achievement of business goals for the respective year. Incentivizes profitable growth and stable cash flow. Takes into account operational success at Group level. Firmly enshrines the sustainability strategy in Executive Board compensation.
	Long-term Incentive Plan I (LTIP I)/Share ownership	Multi-year variable compensation , dependent on financial and non-financial performance criteria (targets). Paid out by transfer of shares.	<ul style="list-style-type: none"> Provides incentive to sustainably increase corporate value over the long term. Focus on capital market performance. Takes the interests of our stakeholders into account.
	Long-term Incentive Plan II (LTIP II)	Multi-year variable compensation , dependent on financial and non-financial performance criteria (targets). Paid out by the granting of an annual long-term incentive plan.	<ul style="list-style-type: none"> Provides incentive to sustainably increase corporate value over the long term. Focus on capital market performance and stable cash flow. Takes the interests of our stakeholders into account.
Pension payment/pension benefits		<ul style="list-style-type: none"> Newly appointed Executive Board members (from 2021) receive a lump-sum pension payment that is paid out directly. The other Executive Board members receive an individual pension award setting the minimum pension age at 65. 	<ul style="list-style-type: none"> Provides adequate retirement benefits.
Maximum total compensation		<ul style="list-style-type: none"> Variable compensation may decrease to zero or increase to 200%. Maximum amounts (caps) for the long-term incentive plans. For Executive Board members subject to the new compensation system, the maximum annual compensation is EUR 9 million for the Chairman of the Executive Board and EUR 6 million for ordinary members of the Executive Board. 	<ul style="list-style-type: none"> Avoids inappropriately high payouts.
Malus/clawback arrangement		<ul style="list-style-type: none"> Clawback right under Section 87 (2) of the German Stock Corporations Act (AktG). For Executive Board members subject to the new compensation system, it is possible to reduce or claw back variable compensation components in the event of serious breaches of statutory obligations or in-house codes of conduct. 	<ul style="list-style-type: none"> Ensures appropriateness of variable compensation. Ensures sustainable corporate development.
Continuation of payment in the event of illness		<ul style="list-style-type: none"> In the event of incapacity, entitlement to the fixed annual salary and the pro rata variable compensation is retained for a period of 12 months. 	<ul style="list-style-type: none"> Provides adequate sickness benefits.
Arrangements in the event of termination of contract		<ul style="list-style-type: none"> In the event of early termination, severance awards will not exceed the value of two years' annual compensation (severance cap). There is no special right of termination or entitlement to any severance award in the event of a change of control. If their contract is not extended, Executive Board members who were appointed before 2021 receive a severance award equaling one year's fixed compensation. In the event of termination of contract, multi-year variable compensation components are paid out in accordance with the originally agreed targets and the contractually specified due dates or holding periods. The contracts do not include a post-contractual non-compete clause. In exercise of its professional judgment, the Supervisory Board is authorized to agree a post-contractual non-compete clause (with compensation) in suitable cases. 	<ul style="list-style-type: none"> Cap on benefits in the event of early termination of Executive Board service in accordance with the German Corporate Governance Code. Avoidance of inappropriately high payments.
Sideline activities		<ul style="list-style-type: none"> Interests in companies and paid or unpaid sideline activities—including office in supervisory bodies or advisory boards—that affect the interests of HOCHTIEF, its subsidiaries or associates, or Executive Board service may only be assumed with the approval of the Supervisory Board. There is normally no entitlement to further compensation for holding office on the boards of other companies in which the Company has a direct or indirect interest. Only in exceptional cases may the Supervisory Board resolve not to deduct any such compensation. Under new Executive Board contracts and upon reappointment of Executive Board members from 2020 onward, it is stipulated that, upon assumption of supervisory board positions outside the Group, the Supervisory Board will decide whether and to what extent the compensation is also to be deducted in such cases. 	<ul style="list-style-type: none"> Focus on Executive Board service. Avoidance of inappropriately high payments.

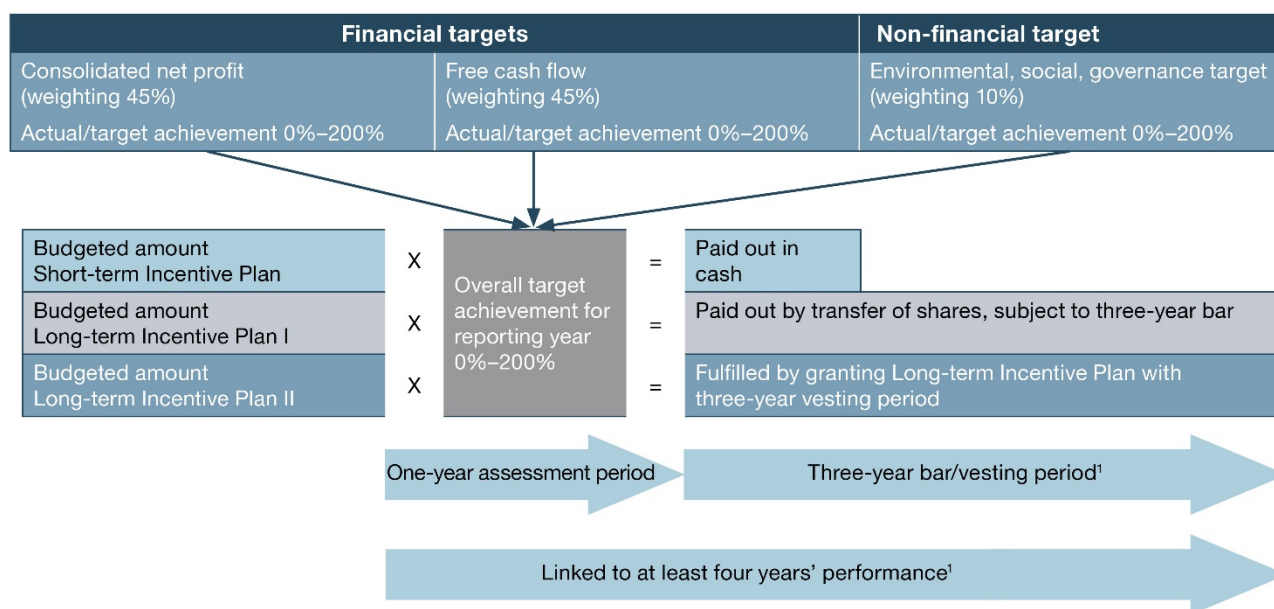
Fixed compensation

Fixed compensation for members of the Executive was paid pro rata as a monthly salary.

Fringe benefits

In addition to the fixed compensation, the members of the Executive Board also received fringe benefits. These primarily comprised amounts to be recognized for tax purposes for private use of company cars and other non-cash benefits.

Variable compensation



¹ A two-year lock-up period also applies for old contracts, so a three-year performance period also applies in these cases.

Variable compensation is intended to provide the right incentives for the Executive Board to act in keeping with the corporate strategy and in the interests of shareholders, clients, employees, and other stakeholders. In order to ensure that the corporate strategy is implemented in line with the long-term and sustainable development of the Company, financial and non-financial annual targets are derived whose attainment is incentivized with variable compensation. The variable compensation is intended as remuneration for performance. If targets are not met, variable compensation can drop to zero.

Performance criteria	Weighting	Incentive effect and strategic goal
Consolidated net profit	45%	Generating net income enables the Group to reinvest in the business, seize growth opportunities, and distribute profits to shareholders.
Adjusted free cash flow	45%	Targeting cash-backed profit ensures earnings quality and requires management to focus on free cash flow.
ESG target 2021 Implementation of a compliance certificate in America	10%	<p>Certification ensures that HOCHTIEF's compliance system meets the requirements of internationally recognized auditing standards for compliance management systems.</p> <p>The certification process as such involves an additional in-depth review of the regulations and measures implemented within the Group</p>

As a rule, 90% of variable compensation for members of the Executive Board is tied to financial targets and 10% to a non-financial environmental, social, and governance (ESG) target. In accordance with the corporate strategy, financial targets are based 50% on consolidated net profit and 50% on adjusted free cash flow. Generating net income enables the Group to reinvest in the business, seize growth opportunities, and distribute profits to shareholders. Targeting cash-backed profit ensures earnings quality and requires management to focus on free cash flow. Focusing on consolidated net profit and free cash flow is therefore an integral and essential part of the Group strategy.

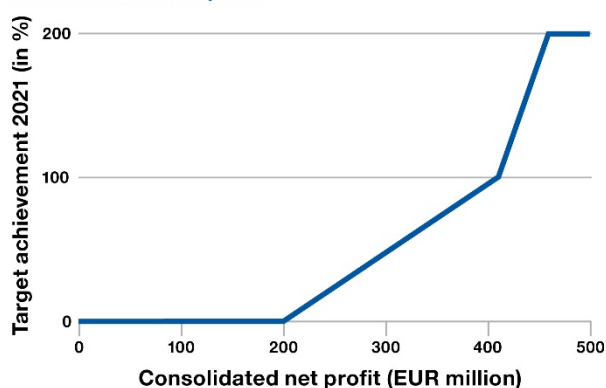
In addition, an ESG target is included as a non-financial target. The Supervisory Board will use its professional judgment in defining this target and also retains the authority to set two or three ESG targets as well as, in the same connection, raising ESG targets to 20% of the total.

Both for the individual financial targets and for the ESG target, the potential target achievement rate ranges from 0% to 200%. If actual target achievement is at or below the lower end of that range, the target achievement rate is always 0%. Should the target achievement rate be 0% for all targets, the overall target achievement rate is also 0% and there is no STIP and LTIP I payout and no Long-term Incentive Plan award to fulfill the LTIP II compensation component. If actual target achievement is at or above the upper end of the range, the 200% maximum target achievement rate applies. Within the range, target achievement progresses on a straight-line basis.

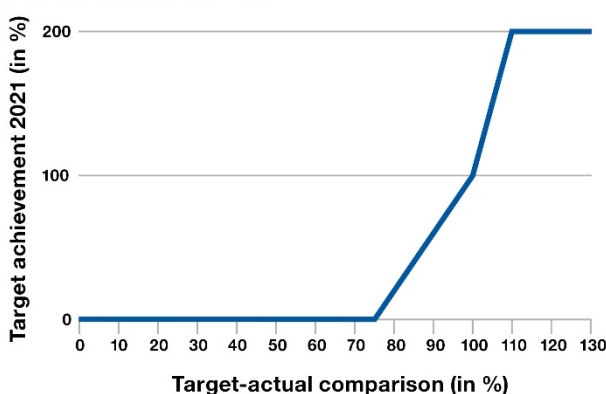
In the exercise of its professional judgment and having regard to budgeting, the Supervisory Board will set targets for the key performance indicators of consolidated net profit and (adjusted) free cash flow as well as for the ESG target prior to or at the beginning of each financial year. These are set uniformly for all members of the Executive Board. The targets and benchmark parameters are not subsequently altered.

At the end of each year, on the basis of Group performance in the year concerned, the Supervisory Board determines overall target achievement for variable compensation on approval of the annual financial statements. For the purposes of target/actual comparison—if there have been any material acquisitions, divestments, or other non-recurring events—the target achievement rates for the financial targets are adjusted to factor out the effect of the transactions concerned. In accordance with the first sentence of Recommendation G.11 of the German Corporate Governance Code, the Supervisory Board is required to have the option of allowing for exceptional developments to an appropriate extent when determining target achievement.

Consolidated net profit

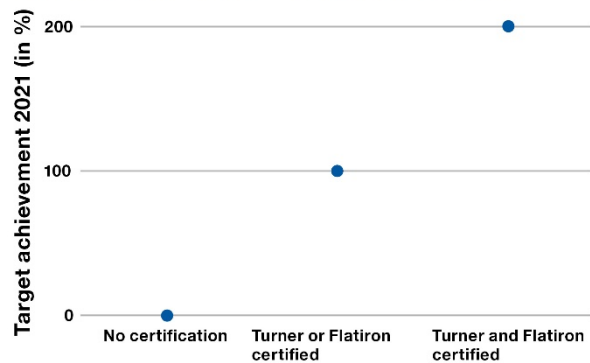


Adjusted free cash flow

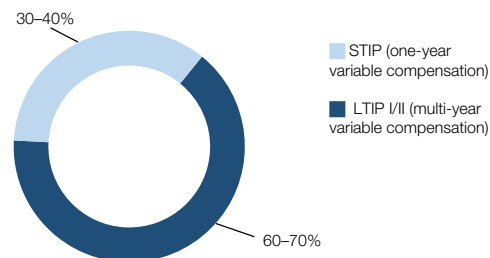


For 2021, 90% of overall target achievement in respect of variable compensation for members of the Executive Board was tied to financial targets and 10% to a non-financial sustainability target. Consolidated net profit amounted to EUR 207.9 million in 2021. This represents a target achievement rate of 3.8% for this financial target. Since the plan/actual comparison of adjusted free cash flow amounted to 54.8%, the target achievement rate for this financial target was 0% in 2021. In addition, the implementation of a compliance certificate for the companies Turner and Flatiron was set as a non-financial ESG target for 2021. Certification ensures that HOCHTIEF's compliance system meets the requirements of internationally recognized auditing standards for compliance management systems. The certification process as such involves an additional in-depth review of the rules and measures implemented within the Group. The achievement rate for the ESG target was 200%, since both the subsidiary Turner and Flatiron received the compliance certificate. Taking into account the relevant weighting, the overall target achievement for the variable compensation for 2021 is 21.7%.

ESG target/Compliance certification America



Variable compensation

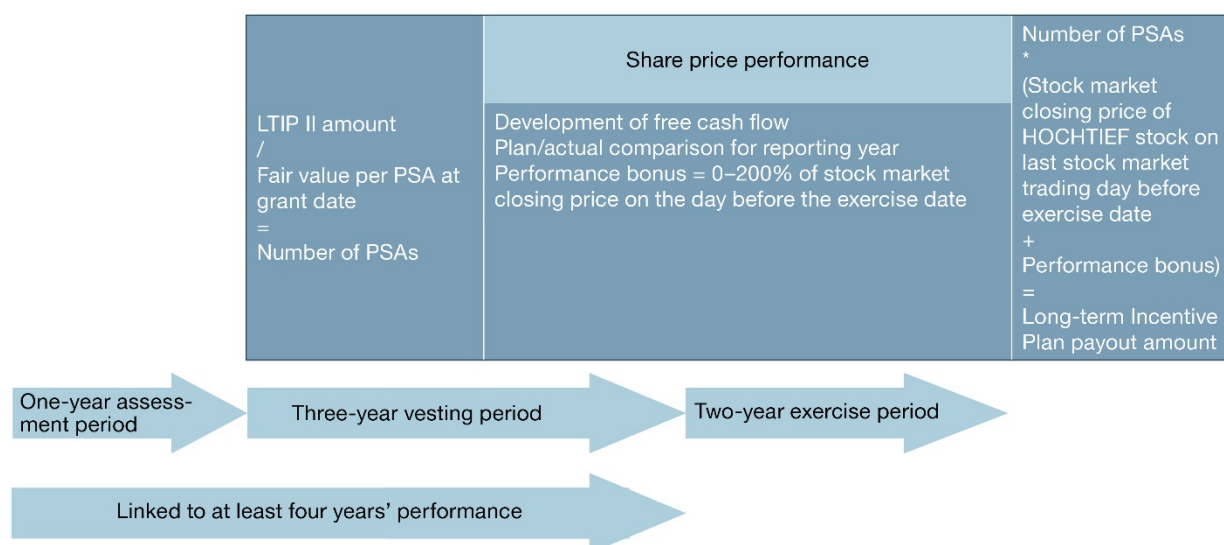


Depending on the composition of each Executive Board member's compensation, about one-third of the variable compensation is paid out in cash (STIP). About another one-third of post-tax variable compensation is paid by transferring shares in HOCHTIEF Aktiengesellschaft to an Executive Board member's custody account. Executive Board members can freely dispose of these dividend-bearing shares only after a three-year vesting period¹ (LTIP I – Deferral). This ensures share ownership in HOCHTIEF by members of the Executive Board.

The remaining approximately one-third of the variable compensation is matched by granting a Long-term Incentive Plan (LTIP II), which is relaunched annually and has a three-year vesting period. This ensures that the amounts awarded for long-term incentive components I (deferral) and II are dependent on achievement of the targets for the respective year and thus are linked to a minimum of four years' performance.

Under the Long-term Incentive Plan, Executive Board members are granted performance stock awards (PSAs). For this purpose, the amount for the LTIP II compensation component is converted into a quantity of performance stock awards based on the fair value per PSA. Under the plan conditions, for each PSA exercised within a two-year exercise period following a three-year waiting period, Executive Board members receive a payment entitlement equal to the closing price of HOCHTIEF stock on the last stock market trading day before the exercise date, plus a performance bonus. The size of the performance bonus depends on target achievement on adjusted free cash flow in the last complete year before the exercise date. The performance bonus can be between 0 and 200% of the stock market closing price of HOCHTIEF stock on the last stock market trading day before the exercise date. Both the stock price and the performance bonus are capped so that the amount of compensation stays appropriate even in the event of exceptional, unforeseeable developments.

¹ Existing contracts are still subject to a two-year lock-up period and thus three years' performance.



Long-term Incentive Plans exercised in 2021

	Number of PSAs	LTIP 2017 Exercise period	Amount paid out (EUR thousand)
Fernández Verdes	5,449	from the day after the approval of the Consolidated Financial Statements 2019 until the day of approval of the Consolidated Financial Statements 2021	796
Legorburo	1,734		253
von Matuschka	1,981		301
Sassenfeld	3,467		527
Total	12,631		

Long-term Incentive Plans granted and not yet exercised¹

	Number of PSAs	LTIP 2018 Exercise period	Maximum gain per PSA (in EUR)	Number of PSAs	LTIP 2019 Exercise period	Maximum gain per PSA (in EUR)	Number of PSAs	LTIP 2021 Exercise period	Maximum gain per PSA (in EUR)	Expense (EUR thousand) 2020	2021
Fernández Verdes	5,714	from the day after the approval of the Consolidated Financial Statements 2020 until the day of approval of the Consolidated Financial Statements 2022	533.70	6,344	from the day after the approval of the Consolidated Financial Statements 2021 until the day of approval of the Consolidated Financial Statements 2023	477.12	0	from the day after the approval of the Consolidated Financial Statements 2023 until the day of approval of the Consolidated Financial Statements 2025	292.95	334	86
Legorburo	1,715			1,905			1,534			98	65
von Matuschka	1,960			2,177			1,754			112	86
Sassenfeld	3,430			3,809			3,069			196	151
Total	12,819			14,235			6,357			740	388

¹ For 2019, no LTIP 2020 was granted in 2020.

Share ownership

As a result of the LTIP I component being granted in shares, the Executive Board members hold barred HOCHTIEF shares as follows:

	Number of barred shares as of December 31, 2021 from the granting of LTIP Component I in the last two/three years	Value based on average price of HOCHTIEF share ³ in 2021 (EUR thousand)	Value as percentage of fixed compensation
Fernández Verdes	0 ¹	0	0
Legorburo	1,226 ²	88	25
von Matuschka	1,293 ²	93	23
Sassenfeld	2,453 ²	176	25

¹ Marcelino Fernández Verdes waived the payment of his variable compensation for the years 2019 and 2020.

² The Executive Board members waived their variable compensation for 2019.

³ The annual average price of a HOCHTIEF share was EUR 71.66.

Pension payments/pension benefits

A company pension is no longer provided for new appointees from 2021 onward. Newly appointed Executive Board members receive a lump-sum pension payment to establish private pension provision that is paid out directly. The pension payment will be between 20% and 40% of the applicable fixed compensation. This eliminates all interest-rate risks and other biometric risks to the Company with regard to financing pension benefits. It also cuts out the complexity resulting from actuarial calculations and administration. Financing retirement provision is thus placed in the hands of Executive Board members. The pension payments are not used as a basis for setting the variable compensation components.

All members of the Executive Board who were appointed before 2021 have company pension plans in the form of individual contractual pension arrangements that provide for a minimum pension age of 65. The amount of the pension is determined as a percentage of fixed compensation, the percentage rising with the number of years in office. The maximum amount an Executive Board member can receive is 65% of their final fixed compensation. Surviving dependants receive 60% of the pension. For material modifications to existing contracts, the Human Resources Committee reviews pension provision for the members of the Executive Board as well as the resulting annual and long-term pension expense to the Company. With the aid of an actuarial report, the annual pension expense (service cost) needed to meet the vested pension benefits, including surviving dependants' benefits, is calculated for life from retirement age. Retirement and surviving dependants' benefits are reviewed every three years in accordance with Section 16 of the German Occupational Pensions Act (BetrAVG) and adjusted for the increase in the German consumer price index over the comparison period.

The table below shows the pension expense incurred for 2021 and the amount of the pension obligations for members of the Executive Board in office in the reporting year:

(EUR thousand)		Service cost or pension payment	Interest expense	Total	Present value of pension benefits
Fernández Verdes	2021	1,621	145	1,766	16,002
	2020	1,541	163	1,704	14,472
Legorburo	2021	331	23	354	2,544
	2020	311	25	336	2,307
von Matuschka	2021	374	26	400	2,880
	2020	352	28	380	2,616
Sassenfeld	2021	657	65	722	6,966
	2020	620	74	694	6,545
Steffen (pension payment)	2021	31	–	31	–
	2020	–	–	–	–
Executive Board total	2021	3,014	259	3,273	28,392
	2020	2,824	290	3,114	25,940

Malus/clawback arrangement

Pursuant to Section 87 (2) of the German Stock Corporations Act (AktG), variable compensation is subject to a clawback right in the event of deterioration in the Company's situation.

In addition, from 2020, all new Executive Board contracts and those entered into with existing members of the Executive Board on reappointment featured malus/clawback arrangements that make it possible to reduce or claw back variable compensation components in the event of serious breaches of statutory obligations or in-house codes of conduct. The limited-term clawback right continues to apply after termination of Executive Board service. Its exercise is subject to the professional judgment of the Supervisory Board.

In the reporting year, the Supervisory Board did not reduce or claw back any variable compensation components.

Continuation of payment in the event of illness

In the event of medically certified incapacity, Executive Board members retain the right to their fixed annual salary and pro rata entitlements to variable compensation for the duration of 12 months, but not beyond the termination of their contract. The same applies if an Executive Board member is prevented from performing his or her duties on account of other reasons for which they are not responsible.

There was no such case of illness in the reporting year.

Arrangements in the event of termination of contract

In case of early termination of Executive Board mandates, severance payments will not exceed the value of two years' annual compensation (severance cap) and compensation will not be payable for more than the remaining term of the contract. There is no special right of termination or entitlement to any severance award in the event of a change of control.

If their contract is not extended, Executive Board members who were appointed before 2021 receive a severance award equaling one year's fixed compensation. For the severance award to be payable, an Executive Board member must, on termination of contract, be in at least the second term of office as a member of the Executive Board and under the age of 65.

In the event of termination of contract, multi-year variable compensation components are paid out in accordance with the originally agreed targets and the contractually specified due dates or holding periods.

The contracts do not include a post-contractual non-compete clause. In exercise of its professional judgment, the Supervisory Board is authorized to agree a post-contractual non-compete clause (with compensation) in suitable cases.

No agreements on termination of contract were entered into in 2021.

Loans and advances

No loans or advances have been granted to any member of the Executive Board.

Exercise of sideline activities by Executive Board members

Interests in companies and paid or unpaid sideline activities—including office in supervisory bodies or advisory boards—that affect the interests of HOCHTIEF, its subsidiaries or associates or Executive Board service may only be assumed with the approval of the Supervisory Board. Compensation for holding office on the boards of other companies in which HOCHTIEF has a direct or indirect interest was either not paid out to the Executive Board members or was set off against their Executive Board compensation. Only in exceptional cases may the Supervisory Board resolve not to deduct any such compensation. All corresponding sideline activities were deducted in the reporting year.

Furthermore, under new Executive Board contracts and upon reappointment of Executive Board members from 2020 onward, it was stipulated that, upon assumption of supervisory board positions outside the Group, the Supervisory Board will decide whether and to what extent the compensation is to be deducted also in such cases.

The relevant Executive Board members did not assume any supervisory board positions outside the Group in the reporting year.

Disclosures on the amount of Executive Board compensation in 2021 and 2020

Disclosure of compensation granted and owed to active Executive Board members

The following table shows the compensation granted and owed to active Executive Board members for the years 2020 and 2021. The compensation granted and owed shows the compensation contractually due to the Executive Board member for the service performed in full in the relevant year.

Compensation granted and owed

	Fernández Verdes Chairman of the Executive Board Date joined: April 15, 2012				Legorburo Member of the Executive Board Date joined: May 7, 2014				von Matuschka Member of the Executive Board Date joined: May 7, 2014			
	2020		2021		2020		2021		2020		2021	
	(EUR thousand)	(in %)	(EUR thousand)	(in %)	(EUR thousand)	(in %)	(EUR thousand)	(in %)	(EUR thousand)	(in %)	(EUR thousand)	(in %)
Fixed compensation	1,300	97.52	1,324	72.51	348	38.88	354	70.10	406	39.00	413	69.41
Fringe benefits	33	2.48	15	0.82	16	1.79	16	3.17	29	2.79	29	4.87
Total	1,333	100.00	1,339	73.33	364	40.67	370	73.27	435	41.79	442	74.28
One-year variable compensation												
Short-term Incentive Plan for 2020	0 ⁴	0.00	–	–	177	19.78	–	–	202	19.40	–	–
Short-term Incentive Plan for 2021	–	–	189	10.35	–	–	45	8.91	–	–	51	8.57
Multi-year variable compensation												
Long-term Incentive Plan I for 2020 ¹	0 ⁴	0.00	–	–	177	19.78	–	–	202	19.40	–	–
Long-term Incentive Plan I for 2021 ¹	–	–	149	8.16	–	–	45	8.91	–	–	51	8.57
Long-term Incentive Plan II for 2020 ^{2,3} (LTIP 2021 – five-year duration)	0 ⁴	0.00	–	–	177	19.78	–	–	202	19.40	–	–
Long-term Incentive Plan II for 2021 ^{2,3} (LTIP 2022 – five-year duration)	–	–	149	8.16	–	–	45	8.91	–	–	51	8.57
Total	1,333	100	1,826	100	895	100	505	100	1,041	100	595	100
Pension payment	–	–	–	–	–	–	–	–	–	–	–	–
Total overall compensation	1,333	100	1,826	100	895	100	505	100	1,041	100	595	100

¹ Transfer of shares with three-year or previously two-year lock-up period

² Granted as long-term incentive plan (for details of the plans, please see pages 256 to 258); amount at grant date

³ On reaching the age of 65, retirement, incapacity to work, or termination of employment by mutual agreement, the performance stock awards may still be exercised.

⁴ In 2020, Marcelino Fernández Verdes has waived his entitlement to variable compensation (STIP / LTIP I / LTIP II)

Compensation granted and owed

	Sassenfeld Chief Financial Officer Date joined: November 1, 2011				Steffen Member of the Executive Board Date joined: September 16, 2021			
	2020		2021		2020		2021	
	(EUR thousand)	(in %)	(EUR thousand)	(in %)	(EUR thousand)	(in %)	(EUR thousand)	(in %)
Fixed compensation	696	39.21	709	70.76	–	–	104	58.76
Fringe benefits	20	1.13	23	2.30	–	–	3	1.69
Total	716	40.34	732	73.06	–	–	107	60.45
One-year variable compensation								
Short-term Incentive Plan for 2020	353	19.89	–	–	–	–	–	–
Short-term Incentive Plan for 2021	–	–	90	8.98	–	–	13	7.34
Multi-year variable compensation								
Long-term Incentive Plan I for 2020 ¹	353	19.89	–	–	–	–	–	–
Long-term Incentive Plan I for 2021 ¹	–	–	90	8.98	–	–	13	7.34
Long-term Incentive Plan II for 2020 ^{2,3} (LTIP 2021 – five-year duration)	353	19.89	–	–	–	–	–	–
Long-term Incentive Plan II for 2021 ^{2,3} (LTIP 2022 – five-year duration)	–	0	90	8.98	–	–	13	7.34
Total	1,775	100	1,002	100	–	–	146	82
Pension payment	–	–	–	–	–	–	31	18
Total overall compensation	1,775	100	1,002	100	–	–	177	100

¹ Transfer of shares with three-year or previously two-year lock-up period

² Granted as long-term incentive plan (for details of the plans, please see pages 256 to 258); amount at grant date

³ On reaching the age of 65, retirement, incapacity to work, or termination of employment by mutual agreement, the performance stock awards may still be exercised.

Disclosure of compensation of former Executive Board members

In 2021, the contractually agreed pensions were paid out to Executive Board members who left the company after December 31, 2011. Dr. Rohr received a pension of EUR 349 thousand and Dr. Stieler received a pension of EUR 291 thousand. In each case, this represents 100% of the total compensation paid irrespective of performance.

Pension payments to other former members of the Executive Board amounted to EUR 3,656 thousand in 2021 (2020: EUR 3,788 thousand).

Compensation of members of the Supervisory Board

Structure of Supervisory Board compensation

By resolution of the Annual General Meeting of May 6, 2015, Supervisory Board members receive only fixed remuneration. The compensation system for Supervisory Board members, including the compensation arrangement under Section 18 of the Articles of Association, was confirmed by resolution of the Annual General Meeting of May 6, 2021.

In accordance with Section 18 (1) of the Articles of Association, each member of the Supervisory Board receives a fixed compensation of EUR 65,000 per calendar year plus a fee of EUR 2,000 per meeting of the Supervisory Board or the Audit Committee attended and a fee of EUR 1,500 per meeting of any other committee of the Supervisory Board attended. In addition, members of the Supervisory Board receive reimbursement of their expenses including any value added tax which may be payable on their compensation.

In accordance with Section 18 (2) of the Articles of Association, the Chairman of the Supervisory Board receives three times the amount of the above fixed fee, their deputy and the chairman of any committee of the Supervisory Board are paid twice the amount, and the other members of such committees are paid one and a half times the amount. Any member of the Supervisory Board who holds more than one of these positions at any time receives the appropriate payment for the position to which the highest payment is attached. Persons who are members of the Supervisory Board for only part of any financial year receive a pro rata share of the compensation for the financial year concerned calculated on the basis of the duration of their membership.

The fixed compensation and the attendance fees are due at the end of the respective year. The Supervisory Board compensation and the attendance fees for 2021 were paid in January 2022.

Disclosures on the amount of Supervisory Board compensation in 2021 and 2020

The expense for fixed compensation, meeting attendance fees, and compensation for offices held at Group companies came to EUR 2,245 thousand (2020: EUR 2,213 thousand, excluding value added tax) in 2021.

The following table shows the amount of total compensation payable to the individual Supervisory Board members compared with the prior year. In addition, individual members of the Supervisory Board of HOCHTIEF Aktiengesellschaft who hold offices at Group companies received compensation for their services, which is also shown in the table.

	2020		2021		2020		2021	
	Fixed compensation (excluding value added tax)	in %	Fixed compensation (excluding value added tax)	in %	Attendance fees (excluding value added tax)	in %	Attendance fees (excluding value added tax)	in %
(EUR)								
Pedro López Jiménez	195,000	55.11	195,000	54.12	13,500	3.82	15,000	4.16
Matthias Maurer	130,000	86.67	130,000	84.69	20,000	13.33	23,500	15.31
Fritz Bank (from May 6, 2021)	–	–	63,646	79.91	–	–	10,000	12.56
Beate Bell	97,500	87.84	97,500	86.67	13,500	12.16	15,000	13.33
Christoph Breimann	65,000	84.42	65,000	84.42	12,000	15.58	12,000	15.58
Carsten Burckhardt	97,500	84.42	97,500	84.42	18,000	15.58	18,000	15.58
José Luis del Valle Pérez	97,500	36.89	97,500	35.74	21,500	8.13	25,000	9.16
Natalie Drews (from June 4, 2021)	–	–	46,854	82.41	–	–	4,000	7.04
Ángel García Altozano	130,000	86.67	130,000	85.53	20,000	13.33	22,000	14.47
Dr. rer. pol. h. c. Francisco Javier García Sanz	65,000	84.42	65,000	86.67	12,000	15.58	10,000	13.33
Patricia Geibel-Conrad	97,500	82.98	97,500	81.59	20,000	17.02	22,000	18.41
Arno Gellweiler (until May 6, 2021)	97,500	89.45	34,125	81.98	11,500	10.55	7,500	18.02
Luis Nogueira Miguelsanz	97,500	82.98	97,500	81.59	20,000	17.02	22,000	18.41
Nikolaos Paraskevopoulos	97,500	89.04	97,500	89.04	12,000	10.96	12,000	10.96
Sabine Roth (until May 6, 2021)	97,500	82.98	34,125	73.98	20,000	17.02	12,000	26.02
Nicole Simons	97,500	86.28	97,500	81.93	11,500	10.18	17,500	14.71
Klaus Stümper	97,500	81.93	97,500	79.59	21,500	18.07	25,000	20.41
Christine Wolff	97,500	87.84	97,500	86.67	13,500	12.16	15,000	13.33
Supervisory Board total	1,657,500	74.91	1,641,250	73.10	260,500	11.77	287,500	12.80

	2020		2021		2020	2021
	Compensation for offices held at subsidiaries of HOCHTIEF Aktiengesellschaft	in %	Compensation for offices held at subsidiaries of HOCHTIEF Aktiengesellschaft	in %	Total compensation (excluding value added tax)	Total compensation (excluding value added tax)
(EUR)						
Pedro López Jiménez	145,320	41.07	150,304	41.72	353,820	360,304
Matthias Maurer	–	–	–	–	150,000	153,500
Fritz Bank (from May 6, 2021)	–	–	6,000	7.53	–	79,646
Beate Bell	–	–	–	–	111,000	112,500
Christoph Breimann	–	–	–	–	77,000	77,000
Carsten Burckhardt	–	–	–	–	115,500	115,500
José Luis del Valle Pérez	145,320	54.98	150,304	55.10	264,320	272,804
Natalie Drews (from June 4, 2021)	–	–	6,000	10.55	–	56,854
Ángel García Altozano	–	–	–	–	150,000	152,000
Dr. rer. pol. h. c. Francisco Javier García Sanz	–	–	–	–	77,000	75,000
Patricia Geibel-Conrad	–	–	–	–	117,500	119,500
Arno Gellweiler (until May 6, 2021)	–	–	–	–	109,000	41,625
Luis Nogueira Miguelsanz	–	–	–	–	117,500	119,500
Nikolaos Paraskevopoulos	–	–	–	–	109,500	109,500
Sabine Roth (until May 6, 2021)	–	–	–	–	117,500	46,125
Nicole Simons	4,000	3.54	4,000	3.36	113,000	119,000
Klaus Stümper	–	–	–	–	119,000	122,500
Christine Wolff	–	–	–	–	111,000	112,500
Supervisory Board total	294,640	13.32	316,608	14.10	2,212,640	2,245,358

Comparative presentation of compensation and income developments

The following overview shows the relative development of the compensation granted and owed to Executive Board and Supervisory Board members in the respective year compared with the average compensation of employees (full-time equivalents) in Germany and key earnings indicators.

(Compensation information in EUR thousand and change in %)	2020	Change	2021
Key earnings indicators			
Operational consolidated net profit under IFRS (EUR million)	477	- 5 %	454
Nominal consolidated net profit under IFRS (EUR million)	427	- 51 %	208
Net profit of HOCHTIEF Aktiengesellschaft under German GAAP (HGB) (EUR million)	524	- 70 %	157
Employee compensation¹			
HOCHTIEF Aktiengesellschaft employees in Germany	73	+ 2 %	75
Executive Board compensation			
Incumbent Executive Board members			
Marcelino Fernández Verdes	1,333	+ 37 %	1,826
Ignacio Legorburo	895	- 44 %	505
Nikolaus von Matuschka	1,041	- 43 %	595
Peter Sassenfeld	1,775	- 44 %	1,002
Martina Steffen (from Sept. 16, 2021)	-	-	177
Former Executive Board members			
Dr. Martin Rohr (Executive Board member until May 17, 2012)	346	+ 1 %	349
Dr. Frank Stieler (Executive Board member until March 31, 2013)	0	-	291
Other former Executive Board members	3,788	- 3 %	3,656
Supervisory Board compensation			
Incumbent Supervisory Board members			
Pedro López Jiménez	354	+ 2 %	360
Matthias Maurer	150	+ 2 %	154
Fritz Bank (from May 6, 2021)	-	-	80
Beate Bell	111	+ 1 %	113
Christoph Breimann	77	0 %	77
Carsten Burckhardt	116	0 %	116
José Luis del Valle Pérez	264	+ 3 %	273
Natalie Drews (from June 4, 2021)	-	-	57
Angel García Altozano	150	+ 1 %	152
Dr. rer. pol. h. c. Francisco Javier García Sanz	77	- 3 %	75
Patricia Geibel-Conrad	118	+ 2 %	120
Luis Nogueira Miguelsanz	118	+ 2 %	120
Nikolaos Paraskevopoulos	110	0 %	110
Nicole Simons	113	+ 5 %	119
Klaus Stümper	119	+ 3 %	123
Christine Wolff	111	+ 1 %	113
Former Supervisory Board members			
Arno Gellweiler (until May 6, 2021)	109	- 62 %	42
Sabine Roth (until May 6, 2021)	118	- 61 %	46

¹ Fixed and variable compensation of all employees in Germany including trainees, work-study students, and interns.

Compensation outlook for 2022

No changes to the compensation systems applicable to Executive Board and Supervisory Board members are currently planned for 2022.

Independent Auditor's Assurance Report on Examination of the Remuneration Report pursuant to Section 162 (3) AktG

To HOCHTIEF Aktiengesellschaft, Essen

Opinion

We have formally examined the remuneration report of HOCHTIEF Aktiengesellschaft, Essen, for the financial year from 1 January to 31 December 2021 to determine whether the disclosures pursuant to Section 162 (1) and (2) AktG have been made in the remuneration report. In accordance with Section 162 (3) AktG, we have not examined the content of the remuneration report.

In our opinion, the accompanying remuneration report complies, in all material respects, with the disclosure requirements pursuant to Section 162 (1) and (2) AktG. Our opinion does not cover the content of the remuneration report.

Basis for Opinion

We conducted our examination of the remuneration report in compliance with Section 162 (3) AktG taking into account the *IDW assurance standard: Examination of the remuneration report pursuant to Section 162 (3) AktG (IDW AsS 870 (08.2021))*. Our responsibilities under this regulation and this standard are further described in the "Our Responsibilities" section of our assurance report. Our audit firm has applied the IDW Standard on Quality Management 1: Requirements for Quality Management in Audit Firms (IDW QS 1). We have complied with our professional duties pursuant to the German Public Accountants Act [WPO] and the Professional Charter for Auditors/Chartered Accountants [BS WP/vBP], including the independence requirements.

Responsibilities of the Management Board and the Supervisory Board

The Management Board and the Supervisory Board are responsible for the preparation of the remuneration report, including the related disclosures, in accordance with the requirements of Section 162 AktG. The management and the Supervisory Board are also responsible for such internal control as they have determined necessary to enable the preparation of the remuneration report that is free from material misstatement, whether due to fraud or error.

Our Responsibilities

Our objectives are to obtain reasonable assurance about whether the remuneration report complies, in all material respects, with the disclosure requirements pursuant to Section 162 (1) and (2) AktG, and to issue an assurance report that includes our opinion.

We planned and performed our examination to obtain evidence about the formal completeness of the remuneration report by comparing the disclosures made in the remuneration report with the disclosures required by Section 162 (1) and (2) AktG. In accordance with Section 162 (3) AktG, we have not examined whether the disclosures are correct or individual disclosures are complete or whether the remuneration report is fairly presented.

Essen, February 23, 2022

KPMG AG

Wirtschaftsprüfungsgesellschaft

[Original German version signed by:]

Ufer
Wirtschaftsprüfer
[German Public Auditor]

Salzmann
Wirtschaftsprüferin
[German Public Auditor]