

Compensation report

This compensation report describes the essential features of the compensation systems for the Executive Board and Supervisory Board. In addition, the compensation received for 2023 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). The compensation report for 2022 was approved by the Annual General Meeting on April 26, 2023 (agenda item 6) with a majority of 94.45% of votes cast.

Compensation of members of the Executive Board

Review of compensation in 2023

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 April 26, 2023 (agenda item 11) with a majority of 94.18% 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 is audited in terms of its form and content by the audit firm Deloitte GmbH Wirtschaftsprüfungsgesellschaft.



Relevant changes

As part of the realignment of Corporate Headquarters—following completion of the acquisition of CIMIC and the continuing global evolution of the HOCHTIEF Group in new business areas—the Supervisory Board restructured Executive Board responsibilities in line with the changed requirements.

In this connection, Mr. Ignacio Legorburo and Mr. Nikolaus von Matuschka resigned from the Executive Board effective April 16, 2023 to continue the expansion of the European operating business.

On the other hand, Ángel Muriel Bernal was appointed as a new member of the Executive Board, assuming the role of Chief Operating Officer effective April 17, 2023.

With these changes, all Executive Board contracts were modified in line with the new compensation system.

When majority shareholder ACS set up the Long-Term Incentive Plan 2023–28, ACS granted Executive Board members Peter Sassenfeld and Martina Steffen 200,000 options each under Long-Term Incentive Plan 2. The Supervisory Board approved the granting of these options subject to the resolutive condition that the next Annual General Meeting make a corresponding amendment to the compensation system.

Executive Board members Juan Santamaría Cases and Ángel Muriel Bernal are employed by both ACS and HOCHTIEF. Under their contracts with ACS, they participate in the ACS Long-Term Incentive Plan 2023–28 for their services to the ACS Group.

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.

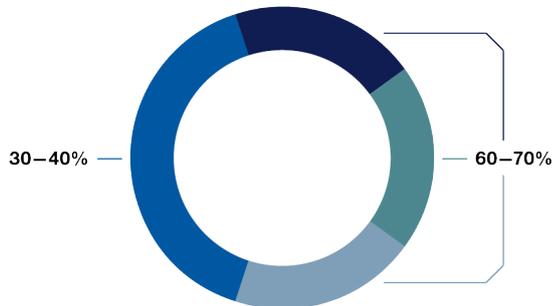
Setting of target compensation

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 between 30% and 40% of target direct compensation, while variable compensation components equate to between 60% and 70% 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)



- Fixed compensation
- one-year variable compensation at 100% target achievement
- multi-year variable compensation at 100% target achievement
- multi-year variable compensation at 100% target achievement

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 2022 and 2023.

Target compensation

	Santamaría Cases Chairman of the Executive Board Date joined: July 20, 2022				Legorburo Member of the Executive Board Date joined: May 7, 2014 Date left: April 16, 2023				von Matuschka Member of the Executive Board Date joined: May 7, 2014 Date left: April 16, 2023			
	2022 (pro rata from entry)	(%)	2023	(%)	2022	(%)	2023 (pro rata until leaving)	(%)	2022	(%)	2023 (pro rata until leaving)	(%)
(EUR thousand)												
Fixed compensation	215	31.85	499	23.42	365	27.32	111	29.60	426	27.59	129	19.34
Fringe benefits	7	1.04	1	0.05	16	1.20	5	1.33	29	1.88	9	1.35
Total	222	32.89	500	23.47	381	28.52	116	30.93	455	29.47	138	20.69
One-year variable compensation Short-term Incentive Plan	146	21.63	649	30.46	213	15.94	65	17.33	244	15.80	74	11.09
Multi-year variable compensation												
Long-term Incentive Plan I ¹	121	17.93	416	19.52	213	15.94	65	17.33	244	15.80	74	11.09
Long-term Incentive Plan II ² (five-year duration)	121	17.93	416	19.52	213	15.94	65	17.33	244	15.80	74	11.09
Total target direct compensation	610	90	1,981	93	1,020	76	311	83	1,187	77	360	54
Pension payment/pension expense	65	10	150	7	316	24	64	17	357	23	307	46
Total target overall compensation	675	100	2,131	100	1,336	100	375	100	1,544	100	667	100

Target compensation

	Muriel Bernal Member of the Executive Board Date joined: April 17, 2023				Sassenfeld Chief Financial Officer Date joined: November 1, 2011				Steffen Member of the Executive Board Date joined: September 16, 2021			
	2022	(%)	2023 (pro rata from entry)	(%)	2022	(%)	2023	(%)	2022	(%)	2023	(%)
(EUR thousand)												
Fixed compensation	-	-	191	24.39	731	27.49	760	30.50	366	32.56	381	32.56
Fringe benefits	-	-	2	0.26	23	0.86	26	1.04	9	0.80	9	0.77
Total	-	-	193	24.65	754	28.35	786	31.54	375	33.36	390	33.33
One-year variable compensation Short-term Incentive Plan	-	-	241	30.78	426	16.02	443	17.78	213	18.95	222	18.97
Multi-year variable compensation												
Long-term Incentive Plan I ¹	-	-	153	19.54	426	16.02	443	17.78	213	18.95	222	18.97
Long-term Incentive Plan II ² (five-year duration)	-	-	153	19.54	426	16.02	443	17.78	213	18.95	222	18.97
Total target direct compensation	-	-	740	95	2,032	76	2,115	85	1,014	90	1,056	90
Pension payment/pension expense	-	-	43	5	627	24	377	15	110	10	114	10
Total target overall compensation	-	-	783	100	2,659	100	2,492	100	1,124	100	1,170	100

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

² Granted as Long-term Incentive Plan (for details of the plans, please see pages 292 to 293); amount at grant date

Third-party remuneration

When majority shareholder ACS set up the Long-Term Incentive Plan 2023–28, ACS granted Executive Board members Peter Sassenfeld and Martina Steffen 200,000 options each under Long-Term Incentive Plan 2. The Supervisory Board approved the granting of these options subject to the resolutive condition that the next Annual General Meeting make a corresponding amendment to the compensation system. ACS does not pass on the cost of the ACS stock options to HOCHTIEF.

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 the maximum compensation as the total compensation paid for the year in question (including fringe benefits, current service cost for post-employment benefits or the cost of the pension payment for the year concerned, and the amount paid out under the Long-term Incentive Plan for that year).

In the course of the reappointments and new appointments made, corresponding maximum compensation was agreed with all Executive Board members in office at year-end. The maximum compensation for 2023 will first be able to be reviewed in 2027 to 2029 following exercise of the 2024 Long-term Incentive Plan, which is granted for 2023.

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 2023

Compensation components	Structure	Objectives and strategic aim
Fixed compensation	Fixed contractual compensation paid in 12 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.	<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)	<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	<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)	<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.



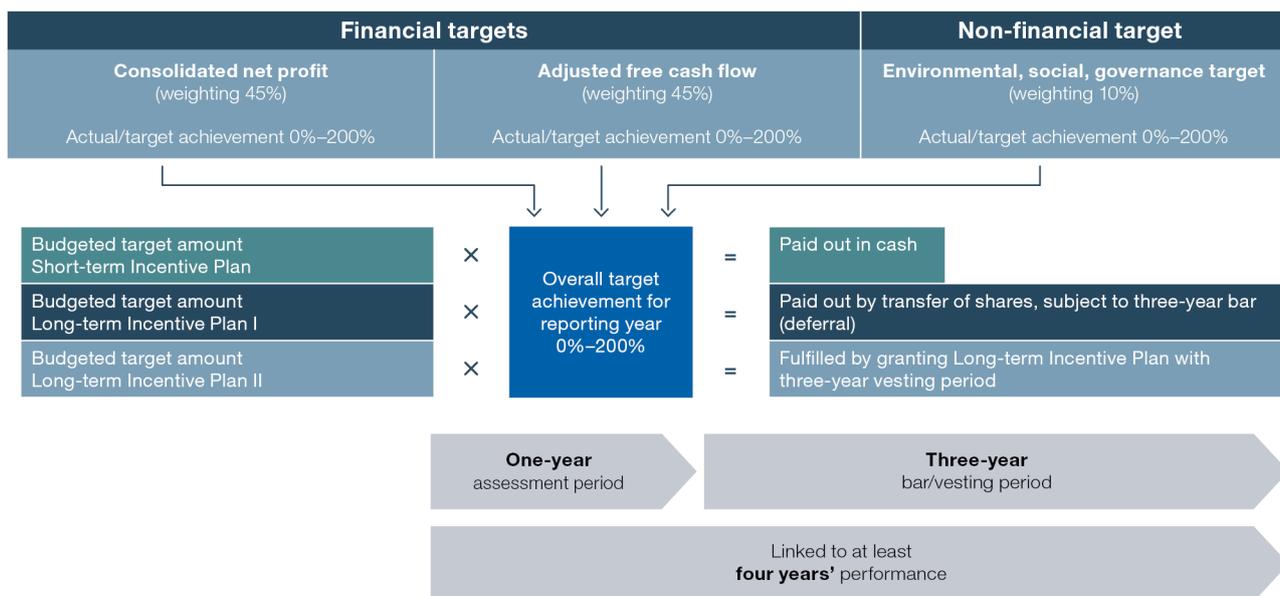
Fixed compensation

Fixed compensation for members of the Executive Board 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



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 2023 1. Completion of the standard for greenhouse gas accounting and reporting in the HOCHTIEF Group 2. Development of a decarbonization roadmap (net zero pathway) for the HOCHTIEF Group	10%	Both ESG targets are important for implementation of the adopted Sustainability Plan 2025.

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.

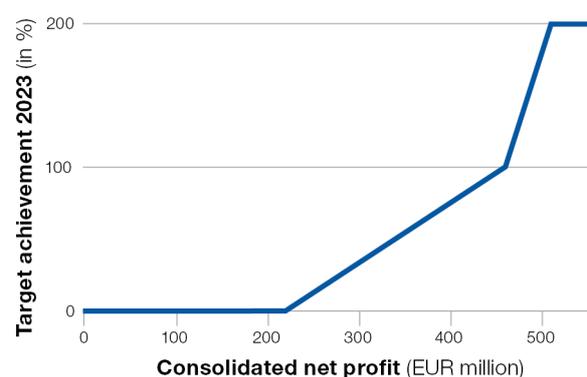
In addition, an ESG target is included as a non-financial target. The Supervisory Board will use its professional judgment in defining this target and also retains the authority to set two or three ESG targets as well as, in the same connection, raising ESG targets to 20% of the total.

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.

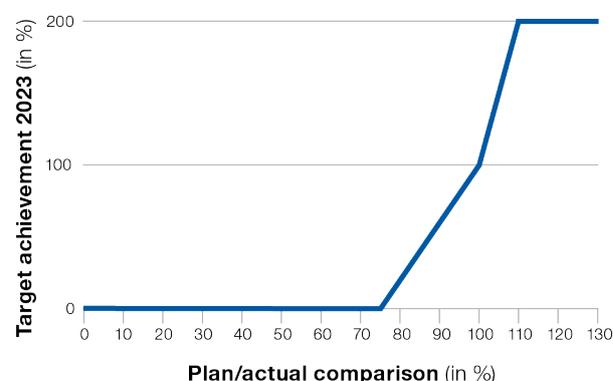
In the exercise of its professional judgment and having regard to budgeting, the Supervisory Board will set targets for the key performance indicators of consolidated net profit and (adjusted) free cash flow as well as for the ESG target prior to or at the beginning of each financial year. These are 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



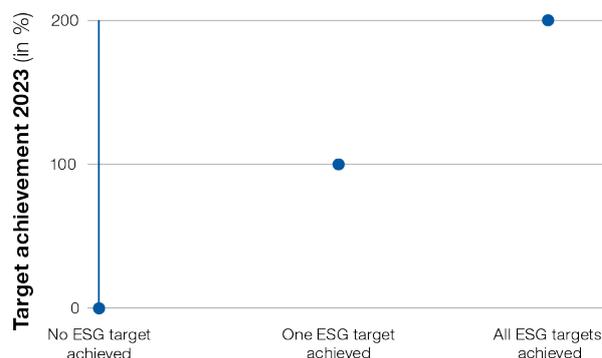
Adjusted free cash flow





For 2023, 90% of overall target achievement in respect of variable compensation for members of the Executive Board was tied to financial targets and 10% to non-financial sustainability targets. Consolidated net profit amounted to EUR 523 million in 2023. This represents a target achievement rate of 200% for this financial target. Since the plan/actual comparison of adjusted free cash flow amounted to 200%, the target achievement rate for this financial target was 200% in 2023. In addition, the following non-financial ESG targets were adopted for 2023. Firstly, completion of the standard for greenhouse gas accounting and reporting in the HOCHTIEF Group and, secondly, the development of a decarbonization roadmap (net zero pathway) for the HOCHTIEF Group. Both ESG targets are important for implementation of the adopted Sustainability Plan 2025. As both ESG targets were implemented in the reporting year, achievement of the non-financial targets was 200%. Taking into account the relevant weighting, the overall target achievement for the variable compensation for 2023 is 200%.

ESG target



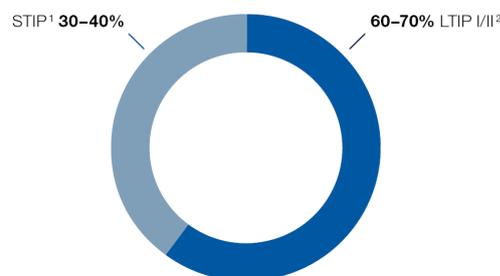
Total target achievement in 2023 for variable compensation (STIP/LTIP I / LTIP II)

	Target achievement	Weighting	Result
Consolidated net profit	200%	45%	90%
Adjusted free cash flow	200%	45%	90%
ESG targets	200%	10%	20%
Total target achievement			200%

	Target compensation at 100% (budgeted amount) (EUR thousand)			Amount granted and owed for 2023 based on overall target achievement (EUR thousand)		
	Short-term Incentive Plan	Long-term Incentive-Plan I	Long-term Incentive-Plan II	Short-term Incentive Plan	Long-term Incentive-Plan I	Long-term Incentive-Plan II
Santamaria Cases	649	416	416	1,298	832	832
Legorburo (pro rata until leaving)	65	65	65	129	129	129
von Matuschka (pro rata until leaving)	74	74	74	148	148	148
Muriel Bernal (pro rata from entry)	241	153	153	482	306	306
Sassenfeld	443	443	443	887	887	887
Steffen	222	222	222	444	444	444

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 period (LTIP I – Deferral). This ensures share ownership in HOCHTIEF by members of the Executive Board.

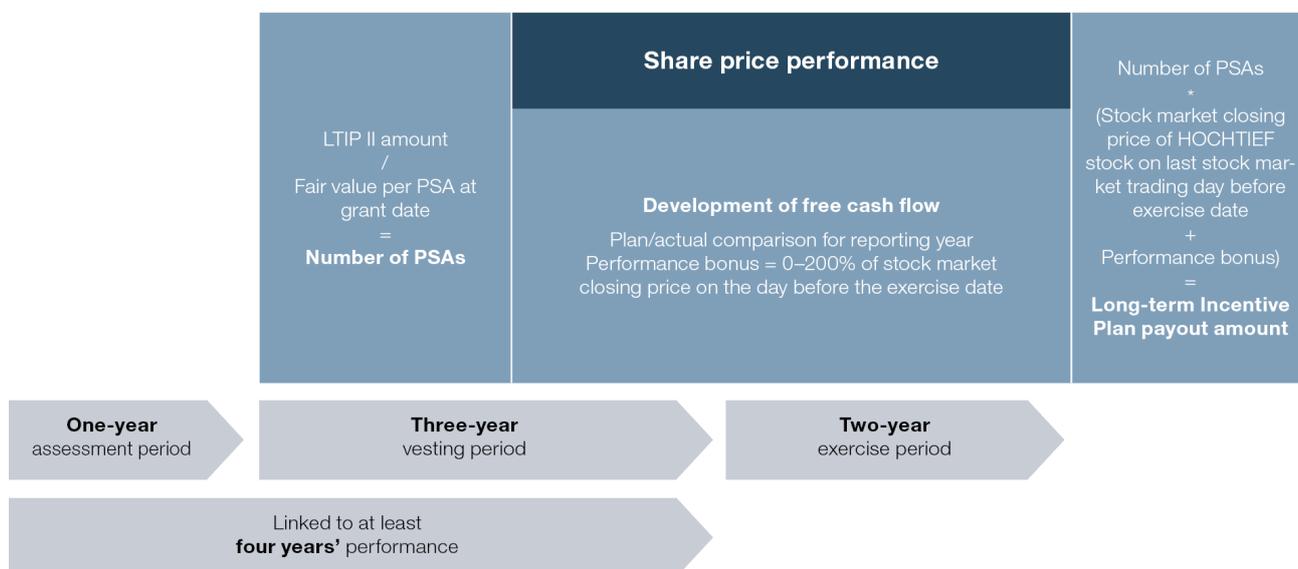
Variable compensation



¹one-year variable compensation ²multi-year variable compensation

The remaining approximately one-third of the variable compensation (LTIP II) is matched by granting a Long-term Incentive Plan, 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.



Long-term Incentive Plans exercised in 2023

	Number of PSAs	Exercise period	LTIP 2019			Amount paid out (EUR thousand)
			Maximum gain per PSA (EUR)	Closing price on exercise (EUR)	Performance bonus based on adjusted free cash flow in 2022	
Legorburo	1,905	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	80.55	200.00%	460
von Matuschka	2,177			102.80	200.00%	671
Sassenfeld	3,809			90.00	200.00%	1,028
Total	7,891					2,159

Long-term Incentive Plans granted and not yet exercised¹

	LTIP 2021			LTIP 2022			LTIP 2023			Expense (EUR thousand)	
	Number of PSAs	Exercise period	Maximum gain per PSA (in EUR)	Number of PSAs	Exercise period	Maximum gain per PSA (in EUR)	Number of PSAs	Exercise period	Maximum gain per PSA (in EUR)	2022	2023
Santamaria Cases	–	from the day after the approval of the Consolidated Financial Statements 2023 until the day of approval of the Consolidated Financial Statements 2025	–	–	from the day after the approval of the Consolidated Financial Statements 2024 until the day of approval of the Consolidated Financial Statements 2026	–	2,253	from the day after the approval of the Consolidated Financial Statements 2025 until the day of approval of the Consolidated Financial Statements 2027	–	–	84
Legorburo	1,534	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	403	from the day after the approval of the Consolidated Financial Statements 2024 until the day of approval of the Consolidated Financial Statements 2026	261.03	3,966	from the day after the approval of the Consolidated Financial Statements 2025 until the day of approval of the Consolidated Financial Statements 2027	262.08	-92	474
von Matuschka	1,754		461	4,532		-101	687				
Sassenfeld	3,069		807	7,932		-178	1,056				
Steffen	–		118	3,971		3	155				
Total	6,357		1,789		22,654				-368	2,456	

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, 2023 from the granting of LTIP Component I in the last two/three years	Value based on closing price of HOCHTIEF share ¹ as of December 29, 2023 (EUR thousand)	Value as percentage of fixed compensation (extrapolated to an annual fixed compensation)
Santamaria Cases	1,657	166	33%
Legorburo	3,348	336	88%
von Matuschka	3,535	355	80%
Sassenfeld	9,100	913	120%
Steffen	2,812	282	74%

¹ The closing price of the HOCHTIEF share as of December 29, 2023 was EUR 100.30.

Pension payment/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 is set for members of the Executive Board by the Supervisory Board when establishing the structure of compensation and amounts to 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 table below shows the pension payments incurred for 2023 for members of the Executive Board in office during the reporting year:

(EUR thousand)		Pension payment
Santamaría Cases (pro rata from entry)	2023	150
	2022	65
Muriel Bernal (pro rata from entry)	2023	43
	2022	–
Steffen	2023	114
	2022	110
Total	2023	307
	2022	175

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 dependents 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 dependents' benefits, is calculated for life from retirement age. Retirement and surviving dependents' 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 2023 and the amount of the pension obligations for members of the Executive Board in office in the reporting year in accordance with IFRS:

(EUR thousand)		Service cost	Interest expense	Total	Present value of pension benefits
Legorburo (pro rata until leaving)	2023	64	71	135	1,792
	2022	316	33	349	1,706
von Matuschka	2023	307	85	392	2,267
	2022	357	38	395	2,033
Sassenfeld	2023	377	188	565	5,335
	2022	627	91	718	4,512
Executive Board total	2023	748	344	1,092	9,394
	2022	1,300	162	1,462	8,251

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 (i.e., upon regular termination), 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 agreement on termination of contract was entered into in 2023. Mr. Ignacio Legorburo and Mr. Nikolaus von Matuschka solely resigned from the Executive Board effective April 16, 2023 to continue the expansion of the European operating business.

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 2023 and 2022

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 2022 and 2023. 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**

	Santamaría Cases Chairman of the Executive Board Date joined: July 20, 2022				Legorburo Member of the Executive Board Date joined: May 7, 2014 Date left: April 16, 2023				von Matuschka Member of the Executive Board Date joined: May 7, 2014 Date left: April 16, 2023			
	2022 (pro rata from entry)		2023		2022		2023 (pro rata until leaving)		2022		2023 (pro rata until leaving)	
	(EUR thousand)	(in %)	(EUR thousand)	(in %)	(EUR thousand)	(in %)	(EUR thousand)	(in %)	(EUR thousand)	(in %)	(EUR thousand)	(in %)
Fixed compensation	215	20.24	499	13.82	365	22.00	111	22.07	426	22.23	129	22.16
Fringe benefits	7	0.66	1	0.03	16	0.96	5	0.99	29	1.51	9	1.55
Total	222	20.90	500	13.85	381	22.96	116	23.06	455	23.74	138	23.71
One-year variable compensation												
Short-term Incentive Plan for 2022	291	27.40	–	–	426	25.68	–	–	487	25.42	–	–
Short-term Incentive Plan for 2023	–	–	1,298	35.94	–	–	129	25.65	–	–	148	25.43
Multi-year variable compensation												
Long-term Incentive Plan I for 2022 ¹	242	22.79	–	–	426	25.68	–	–	487	25.42	–	–
Long-term Incentive Plan I for 2023 ¹	–	–	832	23.03	–	–	129	25.65	–	–	148	25.43
Long-term Incentive Plan II for 2022 ^{2,3} (LTIP 2023 – five-year duration)	242	22.79	–	–	426	25.68	–	–	487	25.42	–	–
Long-term Incentive Plan II for 2023 ^{2,3} (LTIP 2024 – five-year duration)	–	–	832	23.03	–	–	129	25.65	–	–	148	25.43
Total	997	94	3,462	96	1,659	100	503	100	1,916	100	582	100
Pension payment	65	6	150	4	–	–	–	–	–	–	–	–
Total overall compensation (in accordance with Section 162 AktG)	1,062	100	3,612	100	1,659	100	503	100	1,916	100	582	100

Compensation granted and owed

	Muriel Bernal Member of the Executive Board Date joined: April 17, 2023				Sassenfeld Chief Financial Officer Date joined: November 1, 2011				Steffen Member of the Executive Board Date joined: September 16, 2021			
	2022		2023 (pro rata from entry)		2022		2023		2022		2023	
	(EUR thousand)	(in %)	(EUR thousand)	(in %)	(EUR thousand)	(in %)	(EUR thousand)	(in %)	(EUR thousand)	(in %)	(EUR thousand)	(in %)
Fixed compensation	–	–	191	14.36	731	22.06	760	22.05	366	20.72	381	20.75
Fringe benefits	–	–	2	0.15	23	0.69	26	0.75	9	0.51	9	0.49
Total	–	–	193	14.51	754	22.75	786	22.80	375	21.23	390	21.24
One-year variable compensation												
Short-term Incentive Plan for 2022	–	–	–	–	853	25.75	–	–	427	24.18	–	–
Short-term Incentive Plan for 2023	–	–	482	36.24	–	–	887	25.73	–	–	444	24.18
Multi-year variable compensation												
Long-term Incentive Plan I for 2022 ¹	–	–	–	–	853	25.75	–	–	427	24.18	–	–
Long-term Incentive Plan I for 2023 ¹	–	–	306	23.01	–	–	887	25.73	–	–	444	24.18
Long-term Incentive Plan II for 2022 ^{2,3} (LTIP 2023 – five-year duration)	–	–	–	–	853	25.75	–	–	427	24.18	–	–
Long-term Incentive Plan II for 2023 ^{2,3} (LTIP 2024 – five-year duration)	–	–	306	23.01	–	–	887	25.73	–	–	444	24.18
Total	–	–	1,287	97	3,313	100	3,447	100	1,656	94	1,722	94
Pension payment	–	–	43	3	–	–	–	–	110	6	114	6
Total overall compensation (in accordance with Section 162 AktG)	–	–	1,330	100	3,313	100	3,447	100	1,766	100	1,836	100

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

² Granted as Long-term Incentive Plan (for details of the plans, please see pages 292 to 293); 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

Mr. Fernández Verdes has received a pension of EUR 743 thousand. In addition, Mr. Fernández Verdes exercised his LTIP 2019 in the amount of EUR 1,991 thousand in 2023, in accordance with the plan conditions.

Pension payments to other former members of the Executive Board amounted to EUR 3,799 thousand in 2023 (2022: EUR 3,702 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 2023 were paid in January 2024.

Disclosures on the amount of Supervisory Board compensation in 2023 and 2022

The expense for fixed compensation, meeting attendance fees, and compensation for offices held at Group companies came to EUR 2,322 thousand (2022: EUR 2,271 thousand, excluding value added tax) in 2023.

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.

(EUR)	2022		2023		2022		2023	
	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 %
Pedro López Jiménez	195,000	53.78	195,000	55.19	18,000	4.96	19,500	5.52
Nicole Simons	97,500	82.98	102,375	82.31	20,000	17.02	22,000	17.69
Cristina Aldamiz-Echevarría González de Durana (from October 13, 2023)	–	–	18,958	90.46	–	–	2,000	9.54
Fritz Bank	97,500	85.90	97,500	84.42	16,000	14.10	18,000	15.58
Beate Bell	97,500	85.53	97,500	85.53	16,500	14.47	16,500	14.47
Christoph Breimann	80,347	83.39	97,500	81.59	16,000	16.61	22,000	18.41
Carsten Burckhardt (until February 28, 2023)	97,500	88.24	15,979	82.03	13,000	11.76	3,500	17.97
José Luis del Valle Pérez	97,500	35.71	97,500	36.68	26,000	9.52	29,500	11.10
Ángel García Altozano	110,410	84.66	97,500	81.59	20,000	15.34	22,000	18.41
Dr. rer. pol. h. c. Francisco Javier García Sanz	95,694	87.24	130,000	85.53	14,000	12.76	22,000	14.47
Patricia Geibel-Conrad (until October 19, 2022)	78,271	83.03	–	–	16,000	16.97	–	–
Antonia Kühn (from March 01, 2023)	–	–	76,285	83.11	–	–	9,500	10.35
Matthias Maurer	130,000	86.67	125,125	85.05	20,000	13.33	22,000	14.95
Luis Nogueira Miguelsanz (until October 12, 2023)	97,500	82.98	76,375	80.93	20,000	17.02	18,000	19.07
Natalie Moser	97,500	85.53	97,500	85.53	16,500	14.47	16,500	14.47
Nikolaos Paraskevopoulos	97,500	89.04	97,500	89.04	12,000	10.96	12,000	10.96
Prof. Dr. Mirja Steinkamp (from October 19, 2022)	18,236	90.12	97,500	81.59	2,000	9.88	22,000	18.41
Klaus Stümper	97,500	79.92	97,500	78.63	24,500	20.08	26,500	21.37
Christine Wolff	97,500	84.42	97,500	83.33	18,000	15.58	19,500	16.67
Supervisory Board total	1,682,958	74.12	1,715,097	73.87	288,500	12.71	323,000	13.91



(EUR)	2022		2023		2022		2023	
	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)			
Pedro López Jiménez	149,558	41.25	138,832	39.29	362,558		353,332	
Nicole Simons	-	-	-	-	117,500		124,375	
Cristina Aldamiz-Echevarría González de Durana (from October 13, 2023)	-	-	-	-	-		20,958	
Fritz Bank	-	-	-	-	113,500		115,500	
Beate Bell	-	-	-	-	114,000		114,000	
Christoph Breimann	-	-	-	-	96,347		119,500	
Carsten Burckhardt (until February 28, 2023)	-	-	-	-	110,500		19,479	
José Luis del Valle Pérez	149,558	54.77	138,832	52.23	273,058		265,832	
Ángel García Altozano	-	-	-	-	130,410		119,500	
Dr. rer. pol. h. c. Francisco Javier García Sanz	-	-	-	-	109,694		152,000	
Patricia Geibel-Conrad (until October 19, 2022)	-	-	-	-	94,271		-	
Antonia Kühn (from March 1, 2023)	-	-	6,000	6.54	-		91,785	
Matthias Maurer	-	-	-	-	150,000		147,125	
Luis Nogueira Miguelsanz (until October 12, 2023)	-	-	-	-	117,500		94,375	
Natalie Moser	-	-	-	-	114,000		114,000	
Nikolaos Paraskevopoulos	-	-	-	-	109,500		109,500	
Prof. Dr. Mirja Steinkamp (from October 19, 2022)	-	-	-	-	20,236		119,500	
Klaus Stümper	-	-	-	-	122,000		124,000	
Christine Wolff	-	-	-	-	115,500		117,000	
Supervisory Board total	299,116	13.17	283,664	12.22	2,270,574		2,321,761	

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)¹ in Germany and key earnings indicators.

(Compensation information in EUR thousand and change in %)	2020	Change	2021	Change	2022	Change	2023
Key earnings indicators							
Operational consolidated net profit under IFRS (EUR million)	477	- 5%	454	+ 15%	522	+ 6%	553
Nominal consolidated net profit under IFRS (EUR million)	427	- 51%	208	+ 132%	482	+ 9%	523
Net profit of HOCHTIEF Aktiengesellschaft under German GAAP (HGB) (EUR million)	524	- 70%	157	+ 85%	291	- 8%	268
Employee compensation¹							
HOCHTIEF Aktiengesellschaft employees in Germany	73	+ 3%	75	+ 5%	79	+ 3%	81
Executive Board compensation							
Incumbent Executive Board members							
Juan Santamaría Cases (Executive Board member from July 20, 2022)	-	-	-	-	1,062	+ 240%	3,612
Ignacio Legorburo (Executive Board member until April 16, 2023)	895	- 44%	505	+ 229%	1,659	- 70%	503
Nikolaus von Matuschka (Executive Board member until April 16, 2023)	1,041	- 43%	595	+ 222%	1,916	- 70%	582
Ángel Muriel Bernal (Executive Board member from April 17, 2023)	-	-	-	-	-	-	1,330
Peter Sassenfeld	1,775	- 44%	1,002	+ 231%	3,313	+ 4%	3,447
Martina Steffen (Executive Board member from Sept. 16, 2021)	-	-	177	+ 898%	1,766	+ 4%	1,836
Former Executive Board members							
Marcelino Fernández Verdes (Executive Board member until July 19, 2022)	-	-	-	-	2,091	- 64%	743
Other former Executive Board members	4,134 ²	+ 4%	4,296 ²	- 14%	3,702	+ 3%	3,799
Supervisory Board compensation							
Incumbent Supervisory Board members							
Pedro López Jiménez	354	+ 2%	360	+ 1%	363	- 3%	353
Nicole Simons	113	+ 5%	119	- 1%	118	+ 5%	124
Cristina Aldámiz-Echevarría González de Durana (Supervisory Board member from October 13, 2023)	-	-	-	-	-	-	21
Fritz Bank (Supervisory Board member from May 6, 2021)	-	-	80	+ 43%	114	+ 2%	116
Beate Bell	111	+ 2%	113	+ 1%	114	0%	114
Christoph Breimann	77	0%	77	+ 25%	96	+ 25%	120
Carsten Burckhardt (Supervisory Board member until February 28, 2023)	116	0%	116	- 4%	111	- 83%	19
José Luis del Valle Pérez	264	+ 3%	273	0%	273	- 3%	266
Ángel García Altozano	150	+ 1%	152	- 14%	130	- 8%	120
Dr. rer. pol. h. c. Francisco Javier García Sanz	77	- 3%	75	+ 47%	110	+ 38%	152
Antonia Kühn (Supervisory Board member from March 1, 2023)	-	-	-	-	-	-	92
Matthias Maurer	150	+ 3%	154	- 3%	150	- 2%	147
Natalie Moser (Supervisory Board member from June 4, 2021)	-	-	57	+ 100%	114	0%	114
Luis Nogueira Miguelsanz (Supervisory Board member until October 12, 2023)	118	+ 2%	120	- 2%	118	- 20%	94
Nikolaos Paraskevopoulos	110	0%	110	0%	110	0%	110
Dr. Mirja Steinkamp (Supervisory Board member from October 19, 2022)	-	-	-	-	20	+ 500%	120
Klaus Stümper	119	+ 3%	123	- 1%	122	+ 2%	124
Christine Wolff	111	+ 2%	113	+ 3%	116	+ 1%	117
Former Supervisory Board members							
Patricia Geibel-Conrad (Supervisory Board member until October 19, 2022)	118	+ 2%	120	- 22%	94	-	-
Arno Gellweiler (Supervisory Board member until May 6, 2021)	109	- 61%	42	-	-	-	-
Sabine Roth (Supervisory Board member until May 6, 2021)	118	- 61%	46	-	-	-	-

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

² Includes compensation figures for former members of the Executive Board still stated on an individualized basis for 2020 and 2021 as no personal data is to be published after expiration of the 10-year period stipulated in Section 162 (5) of the German Stock Corporations Act (AktG).

Compensation outlook for 2024

The Supervisory Board does not plan to make any changes in 2024 to the compensation system for members of Executive Board and members of the Supervisory Board.

Please find the independent auditor's report on the audit of the compensation report at www.hochtief.com/Compensation_report_2023.

AUDIT CERTIFICATE

To HOCHTIEF Aktiengesellschaft, Essen/Germany

We have audited the accompanying compensation report of HOCHTIEF Aktiengesellschaft, Essen/Germany, (“the Company”) for the financial year from January 1 to December 31, 2023, including the related disclosures, which has been prepared to comply with Section 162 German Stock Corporation Act (AktG).

Responsibilities of the Executive Directors and of the Supervisory Board

The executive directors and the supervisory board of HOCHTIEF Aktiengesellschaft, Essen/Germany, are responsible for the preparation of the compensation report, including the related disclosures, that complies with the requirements of Section 162 AktG. The executive directors and the supervisory board are also responsible for such internal control as they consider necessary to enable the preparation of a compensation report, including the related disclosures, that is free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

Responsibilities of the German Public Auditor

Our responsibility is to express an opinion on this compensation report, including the related disclosures, based on our audit. We conducted our audit in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW). These Standards require that we fulfill the professional responsibilities and that we plan and perform the audit so that we obtain reasonable assurance as to whether the compensation report, including the related disclosures, is free from material misstatements.

An audit involves performing audit procedures in order to obtain audit evidence for the amounts stated in the compensation report, including the related disclosures. The choice of the audit procedures is subject to the auditor’s professional judgment. This includes assessing the risk of material misstatements, whether due to fraud or error, in the compensation report, including the related disclosures. In assessing these risks, the auditor considers the system of internal control, which is relevant to preparing the compensation report, including the related disclosures. Our objective is to plan and perform audit procedures that are appropriate in the circumstances, but not to express an audit opinion on the effectiveness of the Company’s system of internal control. An audit also comprises an evaluation of the accounting policies used, of the reasonableness of accounting estimates made by the executive directors and the supervisory board as well as an evaluation of the overall presentation of the compensation report, including the related disclosures.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Audit Opinion

In our opinion, on the basis of the knowledge obtained in the audit, the compensation report for the financial year from January 1 to December 31, 2023, including the related disclosures, complies, in all material respects, with the accounting principles of Section 162 AktG.

Other Matter – Formal Audit of the Compensation Report

The audit of the content of the compensation report described in this report comprises the formal audit required under Section 162 (3) AktG including the issuance of a report on this audit. Since our audit opinion on the audit of the content is unmodified, this audit opinion includes that the disclosures required under Section 162 (1) and (2) AktG are contained, in all material respects, in the compensation report.

Intended Use of the Report

We issue this report as stipulated in the engagement letter agreed with the Company. The audit has been performed for the purposes of the Company and the report is solely intended to inform the Company about the result of the audit.

Liability

This report is not intended to be used by third parties as a basis for any (asset) decision. We are liable solely to HOCHTIEF Aktiengesellschaft, Essen/Germany, and our liability is also governed by the engagement letter dated July 25/ September 14, 2023 agreed with the Company as well as the “General Engagement Terms for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften (German Public Auditors and Public Audit Firms)” promulgated by the Institut der Wirtschaftsprüfer (IDW) in the version dated January 1, 2017 (IDW-AAB). However, we do not accept or assume liability to third parties.

Düsseldorf/Germany, February 22, 2024

Deloitte GmbH

Wirtschaftsprüfungsgesellschaft

Signed:

André Bedenbecker
Wirtschaftsprüfer
(German Public Auditor)

Signed:

Michael Pfeiffer
Wirtschaftsprüfer
(German Public Auditor)