

UBM Development AG

Longterm-Incentive-Programme for Executives 2017

Conditions of the Plan 2017

Objective / Preamble

UBM Development AG ("**Company**") pursues a corporate strategy aimed at sustainable development and long-term growth in the Company's value. The Longterm-Incentive-Programme ("**LTIP**") aims at binding the members of the Management Board of the Company and other officers (executive employees) of the Company and its direct and indirect subsidiaries ("**UBM Group**") to the UBM Group, the promotion of motivation and identification with the goals of UBM Group as well as the increase of the attractiveness of UBM Group as an employer. The aim is to enable the members of the Management Board and determined officers of UBM Group to benefit from a positive economic development of UBM Group and in this way to constitute an incentive which exceeds existing, performance-oriented variable parts of remuneration. Additionally, the interests of the officers of UBM Group shall be aligned with those of the shareholders. Investors (in particular international ones) also expect that key employees and management participate in the success of the undertaking which is the reason why an employee participation strengthens the Company's positioning on the capital markets, and therefore improves the ability to obtain fundings on the capital markets.

Within the LTIP, certain individuals shall be granted stock options which may be exercised by them after the period of three (3) or four (4) years and under observation of certain requirements for participation.

A prerequisite for the final participation of the generally designated individuals in the LTIP is an individual investment in shares of the Company. After exercise of the stock options, the Company will decide whether the allocation is made in (common) shares of the Company or in cash.

The following conditions of the plan for the LTIP are part of the participation statement.

1. PARTICIPATION AUTHORISATION AND VOLUNTARY PERFORMANCE

- 1.1 The members of the Management Board of the Company and those officers as determined by the Management Board of the Company who have received an offer for participation in the LTIP are entitled to participate in the programme ("**Entitled Individuals**"). The Management Board of the Company is entitled to offer to further officers the participation in the LTIP, however, only up to reaching the maximum volume of stock options as defined under 4.1. In case of a change or an enlargement of the Management Board, the Supervisory Board shall be entitled to offer new members of the Management Board the participation in the LTIP (together with the officers mentioned in the previous sentence the "**Additional Entitled Individuals**"), however, in aggregate again limited to the maximum number of stock options as defined under 4.1. To the extent not otherwise determined in the conditions of the LTIP, the provisions for the Entitled Individuals shall also apply to the Additional Entitled Individuals.
- 1.2 The participation in the LTIP is voluntary.

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1.3 The entitlement to participate and the granting and allocation of stock options to the Entitled Individuals is a voluntary benefit by the Company. Also in case of repeated participation in the LTIP, no claims for a new participation / stock options or similar benefits exist.

2. REQUIRED INDIVIDUAL INVESTMENT AND LOCK-UP OBLIGATION

2.1 A prerequisite for the allocation of stock options in the course of the LTIP is an individual investment by the Entitled Individuals in the minimum amount of 400 shares of the Company, ISIN AT0000815402 ("**Investment Shares**").

2.2 Individual investment means that each Entitled Individual is required to have invested in shares of the Company prior to the LTIP coming into force.

2.3 The size of the individual investment which is relevant for the LTIP (maximum and minimum number of Investment Shares which are considered in the course of the LTIP) is derived on the one hand from the defined group of participants (as described below) and on the other hand from the individual participation statement (under consideration of the defined minimum and maximum number of Investment Shares).

Individuals entitled to participate	Maximum number of Investment Shares which participate in the LTIP
Members of the Management Board	25,000 shares
Other individuals entitled to participate	10,000 shares

2.4 For purposes of calculation of Investment Shares, it is irrelevant whether the respective Entitled Individual acquires them only in the course of the LTIP (however, at the latest until 21 July 2017), or whether he/she already holds them. Shares of the Company already held by an Entitled Individual shall be considered in addition to individual investments; furthermore, also such shares of the Company shall be considered which are already held by (1) companies in which an Entitled Individual holds more than 50 % of the voting rights, as well as (2) private foundations whose (non-exclusive) founder and (non-exclusive) beneficiary is the Entitled Individual.

2.5 Until the stock options are exercised, there is a lock up obligation for Investment Shares subject to the following provisions. The violation of the lock-up obligation results in the loss of granted options for the respective Entitled Individual without compensation (pro rata with respect to those Investment Shares for which the lock-up obligation was violated). The holding of the Investment Shares is to be evidenced by the Entitled Individual during the performance period until the exercise of the stock options respectively as of 31 December each year (by way of presentation of an account statement within one month after 31 December for the respective previous year). On the day of the exercise, each Entitled Individual must also provide an evidence on the holding of the required Investment Shares in the way described above. The evidence on the individual investment must be provided until the due date 21 July 2017. In case of Additional Entitled Individuals, the due date on which the evidence on the individual investment must be made is to be determined separately by Supervisory Board or the Management Board.

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- 2.6 In all cases, the evidence is to be provided to Mr. Ralf Mikolasch or to a service provider appointed by the Company.
- 2.7 When acquiring Investment Shares, all Entitled Individuals are required to comply with all guidelines of UBM Group, all legal requirements, in particular the prohibitions of insider trading and market manipulation. This also applies to all Entitled Individuals with respect to claims on the allocation of stock options and with respect to the exercise of stock options. Each Entitled Individual is exclusively responsible for compliance with all mandatory (notification) requirements he/she is subject to.
- 2.8 For one (1) Investment Share, the Entitled Individual shall be allocated five (5) stock options, subject to the fulfilment of all defined conditions of this plan.
- 2.9 The LTIP provides for Entitled Individuals the above described, different respective maximum number of Investment Shares which participate in the LTIP and which can be used for the exercise of rights. Entitled Individuals have the possibility to choose the form of individual investment up to the maximum amount in their own discretion. Because of administrative requirements, the participation in the LTIP requires an individual investment of at least 400 shares.
- 2.10 There is no lock-up period for those shares of the Company which are acquired by the exercise of the stock options.

3. PARTICIPATION IN THE LTIP

- 3.1 Each Entitled Individual who intends to participate in the LTIP must notify the Company thereof in writing between 22 June 2017 and 21 July 2017. Participation statements which are received after 21 July 2017 will not be considered by the Company. In case of Additional Entitled Individuals, the period for the issue of the respective participation statement is determined separately by the Supervisory Board or the Management Board.
- 3.2 The right to exercise stock options is created after the defined period of time (as defined below) and under the condition that the performance criteria have been reached and that the further prerequisites as set forth in these conditions of the plan are fulfilled.

4. NUMBER OF STOCK OPTIONS TO BE GRANTED

- 4.1 The LTIP provides for the allocation of a maximum number of 559,640 stock options, whereby each stock option entitles to one common share of the Company (ISIN AT0000815402). Also in the event of Additional Entitled Individuals the maximum number of stock options set forth in this clause shall remain unchanged.
- 4.2 The number stock options which can be granted at maximum to the respective Entitled Individuals results from the individual investment made pursuant to the details set forth in clause 2. of the conditions of this plan.

5. ALLOCATION

- 5.1 The allocation of the stock options shall be made on or about 28 July 2017 on the basis of the respective participation statement by the Entitled Individual; in case of Additional Entitled Individuals, the point in time for the allocation of stock options shall be determined separately by the Supervisory Board or the Management Board
- 5.2 Allocated stock options are not transferable.

6. EXERCISE AND PERFORMANCE CRITERIA

- 6.1 Each stock option entitles the respective holder to acquire shares in the Company at the exercise price in the respective exercise period, after the respective periods set forth in the conditions of the plan, and subject to the fulfilment of the further prerequisites as set forth respectively in the conditions of the plan.
- 6.2 Until the exercise of the stock options, each Entitled Individual must be in a continuous employment relationship or management relationship with a company of UBM Group as of 21 July 2017, and must hold the Investment Shares pursuant to the provisions of clause 2. of the conditions of the plan. For important reasons (e.g. death or retirement), the requirement of a continuous employment or management relationship may be waived in individual cases. In case of Additional Entitled Individuals the point in time as of which a continuous employment relationship or management relationship with a company of UBM Group must exist will be determined separately by the Supervisory Board or the Management Board.
- 6.3 The unweighted average closing price of the share of the Company on the Vienna Stock Exchange in the period from 24 May 2017 (inclusive) until 21 June 2017 (inclusive) shall be the exercise price.
- 6.4 Allocated options may be exercised in the exercise periods as described below by way of a written notice to the Company. The exercise (in addition to the fulfilment of all other prerequisites set forth in the conditions of the plan, as well as individual requirements of a continuous employment relationship and an continuous individual investment) shall only be possible
- 6.4.1 a) in the exercise period from 1 September 2020 to 26 October 2020 ("**Exercise Period 1**") if (i) the unweighted average of the closing prices of the share of the Company is at least EUR 40.00 in the period from 2 September 2019 (inclusive) to 31 August 2020 (inclusive) during at least fifteen (15) subsequent trading days, and (ii) the ratio of Market Capitalisation (as defined below) to Net Debt (as defined below) as of 31 December 2019 is at maximum 1 : 2.40 (one to two point forty) or below; as well as
- 6.4.2 b) in the exercise period from 1 September 2021 to 26 October 2021 ("**Exercise Period 2**") if (i) the unweighted average of the closing prices of the share of the Company is at least EUR 40.00 in the period from 1 September 2020 (inclusive) to 31 August 2021 (inclusive) during at least fifteen (15) subsequent trading days, and (ii) the ratio of Market Capitalisation (as defined below) to Net Debt (as defined below) as of 31 December 2020 is at maximum 1 : 2.40 (one to two point forty) or below.
- 6.5 "**Net Debt**" in this clause 6. means long- and short-term bonds, plus long- and short-term financial liabilities, reduced by liquid funds, as determined respectively in the audited and approved consolidated annual financial statements of the Company as of 31 December 2019 (with respect to Exercise Period 1) or as of 31 December 2020 (with respect to Exercise Period 2). "**Market Capitalisation**" in this clause 6. means the number of shares issued by the Company respectively as of 31 December 2019 (with respect to Exercise Period 1) or as of 31 December 2020 (with respect to Exercise Period 2) multiplied by the closing price of the shares of the Company respectively on the last trading day of the respective year (last trading day in the year 2019 with respect to Exercise Period 1 or last trading day of the year 2020 with respect to Exercise Period 2).
- 6.6 In the event of Additional Entitled Individuals, the period between receipt of the respective participation statement (see clause 3.1) and the respective exercise of the stock options must

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be at least twelve (12) months. Prior to the lapse of such a period of twelve (12) months stock options must not be exercised, neither in whole nor in part.

- 6.7 All exercise statements rendered in an exercise period will be collected and controlled by the Company or a service provider appointed by the Company. The shares of the Company to be delivered on the basis of the determined, validly rendered exercise statements will be delivered after the end of the respective exercise period (if relevant, after a capital increase, e.g. out of authorised conditional capital), provided the respective Entitled Individual has paid the respective price of the shares (number of exercised stock options multiplied with the exercise price) on an account as notified by the Company, and the amount paid is at the free disposal of the Company.
- 6.8 The Company reserves the right in its own discretion to deliver either new shares from a capital increase or (existing) treasury shares or new and (existing) treasury shares when stock options are exercised.
- 6.9 The Company reserves the right in its own discretion to replace exercised stock options, in whole or in part, in cash (reduced by respective taxes), in particular if (i) the delivery of shares of the Company should be impossible or inappropriate in particular countries, in particular outside of Austria and Germany, or (ii) this may lead to an acquisition of shares within a period of twelve (12) months which provides to the Entitled Individual (also together with parties acting in concert pursuant to Section 1 no 6 of the Takeover Act) additionally at least two percent of the voting rights in the Company (Creeping-In pursuant to Section 22 para 4 Takeover Act), or (iii) distortions on the market may be expected due to the delivery of the shares of the Company, or (iv) other objectively justified reasons apply. In case of a replacement in cash, the difference amount between the exercise price on the one hand, and the unweighted average closing price of the UBM share on the Vienna Stock Exchange in the relevant exercise period on the other hand (reduced by withholding taxes) will be paid. Shares acquired in the course of the exercise of stock options are not subject to a lock-up period. Non-exercised stock options will expire without compensation. Each Entitled Individual will be obliged in this respect to provide the required disclosures to the Company.
- 6.10 In case of a share split (or an economically equivalent measure), the number of stock options respectively allocated as well as the exercise price shall be adapted in a way so that the commercial content of the stock options remains unchanged. In the event of a sale or a spin-off of parts of the business, the exercise price will not be adapted. The payment of a dividend shall not lead to an adaptation of the exercise price.
- 6.11 In the event of a Change of Control Event (as defined below), the Entitled Individuals shall not be bound any longer to the exercise periods, but still to the unweighted average of the closing prices of the share of the Company of at least EUR 40.00. The Entitled Individuals may exercise their respective stock options ten (10) trading days after the begin of the subsequent period (*Nachfrist*) which follows a voluntary offer aimed at acquiring control pursuant to Section 25a Takeover Act or a public mandatory takeover offer pursuant to Sections 22 seq. Takeover Act; in this case, the exercise period shall be 20 trading days. The relevant price determination period shall be the period of twelve weeks prior to the day of the public announcement of a takeover offer during at least fifteen (15) subsequent trading days. The criterion of the ratio of Market Capitalisation to Net Debt of at least 1 : 2.40 (one to two point forty) remains unchanged. However, with respect to Net Debt, such last day in a year shall be relevant for which audited and approved consolidated financial statements have been published. With respect to Market Capitalisation, the last trading day of such year shall be relevant. "**Change of Control Event**" means obtaining a direct or indirect controlling interest in the Company by one or more individuals or legal entities (and/or together with parties acting

in concert) who may neither be accounted to the Ortner/Strauss-Syndicate or one of its members or nor are closely related to them.

7. TERMINATION AND END OF THE EMPLOYMENT RELATIONSHIP, RETIREMENT, DEATH, (MATERNITY LEAVE) AND SPIN-OFF OF A PART OF THE BUSINESS, CHANGE OF CAPACITY

7.1 The right to exercise the stock options expires if the employment relationship or the management relationship of an Entitled Individual – for whatever reason – ends prior to the exercise of the stock options, or in case of an irrevocable garden leave prior to the exercise of the stock options. For important reasons, the Management Board, or in case of members of the Management Board, the Supervisory Board may resolve to waive such expiry.

7.2 Potential important reasons are in particular:

7.2.1 In the event of sales or spin-offs of parts of the business, the stock options shall expire unless the Management Board or the Supervisory Board determines something different.

7.2.2 In the event of the death of an Entitled Individual after fulfilment of the performance criteria (but prior to the exercise of the stock options) or in the event of retirement the stock options shall expire unless the Management Board determines something different.

7.3 In case of a change of the capacity within UBM Group (change of an Entitled Individual of the Company or the UBM Group in position on the Management Board, or in a function with a company being part of UBM Group, or vice versa), the claim on stock options shall remain unchanged.

8. ADMINISTRATION

8.1 The LTIP shall be administrated by the Company, Mr Ralf Mikolasch, or by a service provider appointed by the Company.

8.2 For the purpose of the administration, the Company may issue order and may also engage third parties for the administration of the LTIP.

8.3 The Company and other subsidiaries of UBM Group are entitled to use personal data (including name, date of birth, address, function within UBM Group, Investment Shares, bank details, etc) of the Entitled Individuals for purposes of the administration of the LTIP for the fulfilment of the agreement and are therefore because of prevailing interests entitled. In the event the administration of the LTIP is transferred to a third party, the processing of personal data of the Entitled Individuals by such third parties shall be admissible.

9. COSTS

9.1 The Company bears the costs for the administration and the implementation of the LTIP as well as the cost for the issue of new shares, the acquisition of treasury shares for the serving of stock options and any publications by the Company, required by corporate or capital markets law.

9.2 The costs for the acquisition, deposit and transfer of shares form the individual investment as well as for the acquisition, the deposit and transfer of the shares resulting from the exercise of

the stock options (purchase price, deposit fees, etc) are to be borne by the Entitled Individuals, but not the costs from the issue of new shares.

10. TAXES, DUTIES AND OTHER LEVIES

Taxes (in particular capital gains tax), duties and other levies which accrue in connection with the exercise of stock options, are to be borne by the Entitled Individuals, and will be withheld accordingly when remuneration payments are made. The same applies in the event exercised stock options are replaced by cash. To the extent information on tax implications with respect to the participation in the LTIP is provided, such information of general nature and cannot in no way substitute a deep tax analysis of the respective individual tax situation.

11. RISKS

11.1 The Company assumes no responsibility for the general market development or for the developments or for the development of the share price of the share of the Company at any point in time or for any period. In particular, the Company assumes no responsibility that any Entitled Individual will be able to obtain a financial benefit from his/her participation in the LTIP. Each Entitled Individual takes note that he/she may suffer a loss from the participation in the LTIP (for example, a falling share price of the shares of the Company may result in a loss from the Investment Shares and the exercise of the stock options may not be possible in case the performance criteria are not fulfilled).

11.2 Each Entitled Individual confirms that he/she participates voluntarily, and that he/she is personally responsible for obtaining legal, commercial and tax advice in connection with his/her participation in the LTIP; there was no advice rendered to the Entitled individual neither by the Company nor by another entity of UBM Group.

12. WRITING REQUIREMENT

Amendments or additions to these conditions of the plan and all agreements in connection with this LTIP need to be in writing.

13. APPLICABLE LAW AND JURISDICTION

13.1 The content of these conditions of the plan, the participation statement, as well as all rights and obligations resulting therefrom of the entitled persons and the Company shall in any case be subject to the laws of the Republic of Austria.

13.2 Place of performance and exclusive venue for all legal disputes out of or in connection with the LTIP and the matters regulated by these conditions of the plan shall, to the extent legally admissible, be the respective court competent for Vienna, Austria.

14. GENERAL PROVISIONS

14.1 In case single provisions of these conditions of the plan should be or become in whole or in part invalid or inexecutable, or should there be a gap in these conditions of the plan, the validity of the remaining provisions shall remain unchanged. Any such invalid or inexecutable provision shall be replaced by means of supplementing contractual interpretation by such a valid and executable provision which corresponds to the meaning and the purpose of the invalid or inexecutable provision. In case of a gap, such provision shall apply which corresponds to what had been provided for in these conditions of the plan according to the purpose in case such matter had been considered in advance.

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- 14.2 The same shall apply if the invalidity of a provision results from a performance or time as specified in these conditions of the plan; in these cases, such performance or time shall apply which comes as close as possible to what has been intended.
- 14.3 In the event of a change of applicable mandatory rules or conventions on the stock exchange which materially hinder the implementation of the conditions or the plan or single provisions, or make it impossible, then the Company shall be entitled to appropriately adapt the conditions.
- 14.4 The Company may claim back allocated shares from the exercise of stock options if it occurs that these have been provided on the basis of obviously false data.

15. COMING-INTO-FORCE

The conditions of the LTIP come into force as of 23 May 2017.