



Remuneration Report for the Management Board and Supervisory Board Members of Österreichische Post AG (Austrian Post)

Dear shareholders!

Österreichische Post AG (Austrian Post) has been publicly traded on the Vienna Stock Exchange since May 2006. The Company fulfils all principles of responsible business management in line with good corporate governance, which is oriented to the sustainable creation of value and transparency towards shareholders and other stakeholders.

With the passing of the Stock Corporation Amendment Act 2019 (AktRÄG), the stipulations contained in the EU's Shareholder Rights Directive II were implemented by means of the new Sections 78a to 78e of the Austrian Stock Corporation Act (AktG). In order for publicly listed companies to meet the obligations imposed upon them by the new regulations, they are required to present a Remuneration Report pertaining to the remuneration of Management Board and Supervisory Board members to the Annual General Meeting every year. In addition to legal stipulations, we are guided by the requirements contained in the Austrian Corporate Governance Code. Moreover, we take account of capital market trends with respect to remuneration because, as a publicly listed company, we feel an obligation to all shareholders and want to ensure that openness and transparency prevail.

In the following Remuneration Report, we want to once again explain the main features of the Remuneration Policy of Österreichische Post AG approved by last year's Annual General Meeting, especially the three-pillar model with fixed and variable salary components. At the same time, we aim to present the remuneration for the 2020 financial year. Against the backdrop of the COVID-19 pandemic and the business startup of bank99, 2020 proved to be very demanding in us. However, we can be quite satisfied with the cornerstones of the annual results: revenue +8.3%, EBITDA -5.0% and EBIT -19.9%.

The Remuneration Report of Österreichische Post AG explains the reasoning behind the remuneration and the settlement of remuneration for the year 2020 in a detailed and understandable manner. It has always been important to us to create a performance-oriented remuneration system with a high proportion of variable salary components. This report provides our investors with transparency and a full account of the remuneration paid to the Management Board and Supervisory Board.

With all this in mind, we would like to thank the management and all employees, whose untiring commitment enabled Österreichische Post AG to end the year 2020 with a good fourth quarter.

Edith Hlawati m.p.
Chairwoman of the Supervisory Board

Georg Pölzl m.p.
Chairman of the Management Board



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1 Introduction

This Remuneration Report describes the main features of the remuneration system for the Management Board and Supervisory Board members of Österreichische Post AG (Austrian Post) and provides information about the amounts awarded to or due to the Members of the Management Board in the 2020 financial year as well as the remuneration for the Supervisory Board. It takes account of the stipulations included in Sections 78c and 98a AktG and is oriented to Statement 37 of the Austrian Financial Reporting and Auditing Committee ("AFRAC Statement").

The Remuneration Report was reviewed by the Remuneration Committee of Österreichische Post AG and approved by the Supervisory Board at its meeting held on 11 March 2021. In line with corporate law requirements, the Remuneration Report will be presented to the Annual General Meeting on 15 April 2021 for the very first time.

Economic development in the past financial year

The year 2020 posed major challenges to many companies across the globe and also to Österreichische Post AG. Against the backdrop of the COVID-19 pandemic, the challenge has been to ensure the safety and health of employees and at the same time maintain the productivity and performance of Österreichische Post AG. The Company succeeded well in both tasks in 2020. The COVID-19 pandemic posed major challenges to Österreichische Post AG, which were overcome without taking advantage of public grants and short time work models.

Through the nationwide and reliable supply of postal services, Österreichische Post AG makes an important contribution to maintaining and safeguarding the communications and logistics infrastructure of the country. Right from the start of the first lockdown in Austria caused by the COVID-19 pandemic, the Company kept the critical infrastructure in operation thanks to its delivery staff of 9,400 people, 403 company-operated branch offices and 1,362 postal partners, and also safeguarded delivery services, even in quarantine zones. In this way, Österreichische Post AG proved to be a reliable constant for the Austrian population and economy.

The development of the business in transporting letters, direct mail items and parcels varied considerably in the year 2020. Due to the substitution of letters by electronic forms of communication and the absence of advertising mail, the **Mail** Division showed a downward volume development. Volumes of addressed mail items fell by 7% year-on-year, whereas Media Post was down 5% from the previous year. The decrease in direct mail items was even more pronounced at 12%, strongly impacted by the lockdown measures in many sectors. In contrast, the **Parcel & Logistics** Division generated enormous volume increases of 30% in Austria, 27% in CEE and 37% in Turkey as a result of the government-imposed store closings and the ongoing e-commerce trend.

Österreichische Post AG revenue in 2020 increased by 8.3% to EUR 2,189m. The Turkish company Aras Kargo first consolidated since 25 August 2020 also made a revenue contribution of about EUR 100m. The revenue increase excl. Aras Kargo amounted to 3.3%. The Mail Division accounted for EUR 1,223m of total Group revenue (-7.4%), whereas the Parcel & Logistics Division generated revenue of EUR 914m (+ 44.4%, or + 28.4% excl. Aras Kargo) and the Retail & Bank Division showed revenue of EUR 65m (-19.7%).

The varying development in the letter and mail businesses negatively affected earnings due to the high intensity of fixed costs in the mail business and the additional costs arising in the parcel business to deal with the extremely high level of capacity utilisation of the logistics infrastructure in



the parcel business. The Mail Division reported an earnings decline of EUR 32m to a level of EUR 164m, whereas the Parcel & Logistics Division increased earnings by EUR 36m to EUR 74m.

The launch of bank99 is an important step, but also had a major effect in the year 2020. bank99 has been operating on the market since April 2020 and will develop a focused offering of financial services. The objective is to expand this financial services business in the upcoming quarterly periods by adding new products, and to generate positive earnings contributions starting in the year 2023. The Retail & Bank Division showed a negative earnings contribution of minus EUR 44m in 2020.

Accordingly, the reported Group earnings (EBIT) fell from EUR 201m in 2019 to EUR 161m in the current reporting period. This amount includes the development costs for bank99 as previously mentioned. Excluding the planned startup costs of the Retail & Bank Division, earnings in the traditional logistics business only fell slightly by 0.4%, from EUR 205m in 2019 to EUR 204m in 2020. Earnings before depreciation, amortisation, impairment losses, financial result and income tax (EBITDA) was down 5.0% to EUR 303m.

Earnings per share in 2020 equalled EUR 1.75, down from EUR 2.17 in the previous year. Due to the good earnings, strong cash flow and solid balance sheet, a dividend of EUR 1.60/share will be proposed to the Annual General Meeting on 15 April 2021. This continues to be mainly based on Österreichische Post AG's commitment to maintaining a predictable dividend policy. Since the Initial Public Offering in 2006, Österreichische Post AG has pursued the objective of distributing 75% of the Group net profit as a dividend.

Österreichische Post AG succeeded in effectively managing the challenges in the past financial year in spite of the numerous challenges it faced, and thus continues to be well positioned when it comes to sustainably securing the competitiveness and profitability of the Company. A new strategy was also presented in 2020 which combines strategic priorities and sustainability aspects. This integrated approach is also reflected in the management system and remuneration system of Österreichische Post AG.



2 Main features of the remuneration policy for the Management Board

The current remuneration system for the Management Board members has been in effect since the 2020 financial year. It was presented to the Annual General Meeting held on 17 June 2020 and approved with a majority of 99.95% of the votes cast.

The remuneration system should create incentives for the Management Board members to actively pursue the Group strategy and ensure a sustainable positive development of the Company. These efforts are promoted by structuring the various remuneration components and especially by specifying criteria for the variable salary components in line with the Company's strategic orientation.

The following principles apply in determining the remuneration of the Management Board:

- Support for the Group strategy: the specification of performance targets is to occur in accordance with the Group's business strategy. Accordingly, the targets take account of the strategy, business model and positioning of the Company.
- The linkage of remuneration and performance: the variable performance-related components should comprise a disproportionate share of the total remuneration.
- The variable remuneration aims to embed sustainability of the performance and shareholder interests. A major part of the variable remuneration should reflect services rendered over a longer period of time and the development of the Post share as well as non-financial indicators and components.

Structure of Management Board remuneration

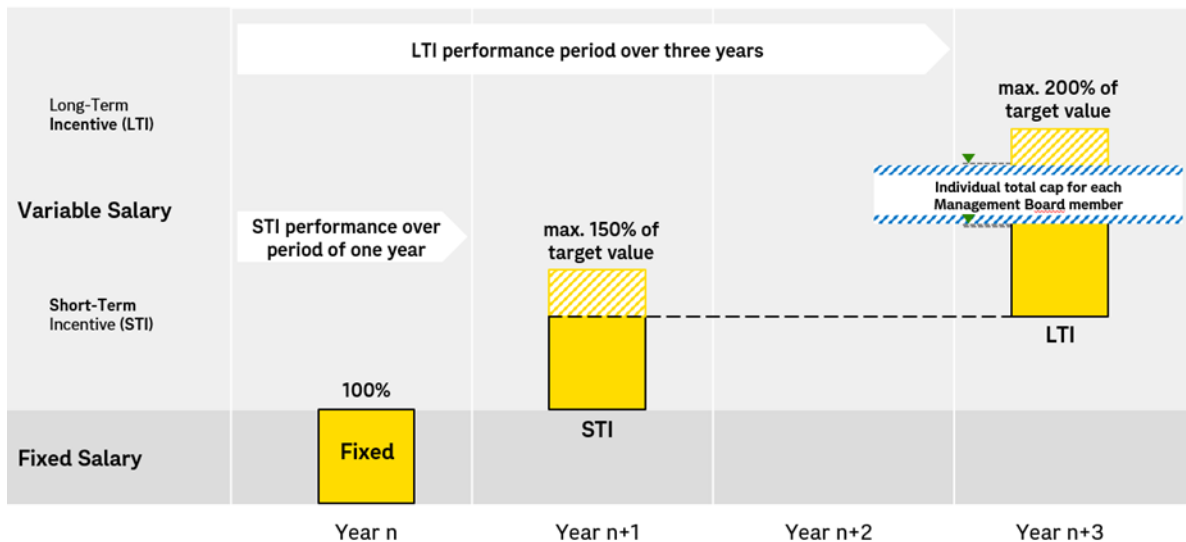
The remuneration of the Management Board is based on a three-pillar model with fixed salary components and variable salary components. The variable salary components are comprised of two components, namely an annual bonus (Short-Term Incentive, STI) and long-term variable remuneration (Long-Term Incentive, LTI). These variable components are tied to performance and the achievement of both financial and non-financial performance criteria, which in turn depend on the strategic objectives and the operational management of the Company.

The variable, success-oriented remuneration components comprise the lion's share of the remuneration paid to Management Board members. The amount depends on the performance of the Management Board members and the success of the Company. All performance criteria of the variable remuneration components are specified as target values by the Remuneration Committee at the beginning of every financial year. The level of target achievement determines the amount of remuneration which is actually paid.

In defining the target values as well as the lower and upper thresholds, the Remuneration Committee ensures that these targets are adequate and ambitious. If the targets are not achieved, the variable remuneration can be reduced to zero. If the targets are clearly exceeded, target achievement is limited due to the fact that maximum values are specified. In addition to the caps defined for variable salary components, limits have been imposed on the maximum amounts of total remuneration for every Management Board member (individual total caps).



Remuneration system of the Management Board



Fixed remuneration

The fixed basic salary is linked to the salary structure of publicly listed Austrian companies and comparable publicly traded international companies and takes into account the range of duties and responsibilities assumed by each of the members of the Management Board as well as the duration of the term of office on the Management Board. Furthermore, a benchmark covering the 20 ATX companies in Austria, the 60 medium-sized comparable MDAX companies in Germany as well as a further 16 European logistics companies is also taken into account for the basic salary.

In addition to the fixed basic salary, the fixed remuneration also includes benefits in kind, various types of insurance coverage and pension fund contributions.

Short-Term Incentive (STI)

The Short-Term Incentive (STI) programme is designed to recognise performance in the particular past financial year in line with the short-term development of the Company. At the beginning of a given financial year, target values are specified for the two most important financial indicators of success, namely "revenue" and "EBIT" (earnings before financial result and income tax). After the financial year has come to a close, the Remuneration Committee of the Supervisory Board determines the specific target achievement value for the two indicators of revenue and EBIT on the basis of the audited consolidated annual financial statements.

The target achievement value for the financial targets can vary between 0% and 150%, with lower limits defined for the two indicators revenue and EBIT at a target achievement of 50%.

A modifier is to be applied to this financial target achievement. This modifier can impact the target achievement value by no more than +/- 30%. The modifier establishes a direct link to strategic initiatives as well as the sustainability strategy and the ESG indicators. At the beginning of each

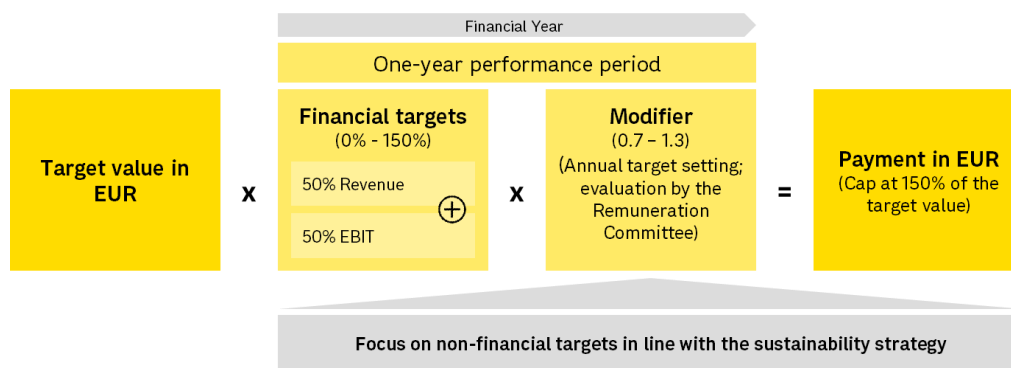


year, the Remuneration Committee identifies priorities relating to the three aspects of Economy & Customers, Environment & Climate and People & Social Impact which are derived from Österreichische Post AG's current subject areas.

The assessment of the implementation of the priorities specified in the STI modifier is derived from the target setting evaluation carried out by the Remuneration Committee, which is summarised and documented in a report. The modifier is basically set at 1.0 and can vary depending on whether the performance in the described aspects has exceeded or failed to meet expectations.

The actual payment amount for the STI is calculated on the basis of the contractually stipulated target value which corresponds to about 100% of the fixed basic salary. The specific STI payment amount is derived from the calculated percentage, taking account of the target achievement value for the financial performance indicators as well as the specification from the modifier. In terms of the STI, the amount paid is limited to 150% of the defined target value.

The following chart provides an overview of the STI.



Depiction of the Short-Term Incentive Programme of Österreichische Post AG

Long-Term Incentive (LTI)

The underlying objective of the Long-Term Incentive (LTI) programme is to reward the long-term, sustainable performance of Management Board members, and also to ensure a positive development of the share price in line with the interests of shareholders. The methodology of this programme strengthens this objective by the required personal investment of the Management Board members in shares of the Company, the long level of retention and the positive share price relation from the beginning to the end of the program after three years.

The starting point of the LTI are Performance Share Units (PSU), which are calculated based on the contractually agreed target value divided by the start reference share price. The target value is defined on an individual basis for each member of the Management Board and is between 75 % and 125 % of the basic salary depending on the individual's position on the Management Board.

The incentive in the form of the final number of PSU is calculated using the number of PSU at the start of the programme multiplied by the level of target achievement (possible range between 0 % and 200 %). The end reference share price after the three-year performance period is used to determine the amount paid out. The maximum payout value is 200 % of the target value for each member of the Management Board.



The target criteria used for the LTI, each of which has a weighting of one-third, are control parameters of importance to the capital market, namely earnings per share as net earnings and basis for the dividend policy, free cash flow as the basis for the ability to pay dividends and the total shareholder return (TSR) of the Company in relation to the TSR of companies listed in the EURO STOXX Total Market Industrial Transportation index since 2019.

The 100% target values as well as the threshold and maximum values for the criteria are defined by the Remuneration Committee of the Supervisory Board at the beginning of the programme and take account of medium-term corporate planning and, if applicable, special effects and the historical development of performance indicators as well as capital market forecasts. The maximum target attainment for the three performance indicators is specified at 200% of the target value. If the level of attainment is below 50%, the target attainment of the indicator is considered to be zero.

After expiration of the three-year performance period, the auditor confirms the level of target achievement as a follow-up to ascertaining the consolidated business results of Österreichische Post AG. On the basis of the target achievement, the degree of target achievement and relevant amounts to be paid out are subsequently resolved upon by the Remuneration Committee. In terms of the LTI, the maximum amount to be paid is limited to 200% of the defined target value.

The following illustration provide an overview of the Long-Term Incentive Programme. This approach has been valid for all ongoing programmes since the year 2019.



Depiction of the Long-Term Incentive Programme of Österreichische Post AG



3 Remuneration of the Management Board in 2020

The following section describes the specific application of the remuneration system for the members of the Management Board of Österreichische Post in the 2020 financial year. It includes detailed information on the total remuneration, on objectives and target attainment with respect to the variable remuneration scheme and individualised information on the remuneration of the individual Management Board members for the 2020 financial year.

The following section presents both the remuneration due as well as the remuneration awarded to the Management Board members. On the one hand, the **remuneration due** (contractually owed remuneration) includes the amounts actually paid to the Management Board member within a specified period which are to be assigned to the current period under review. On the other hand, it also includes entitlements definitively acquired in this period, even if payment takes place in a later period. The **remuneration awarded** relates to provisions allocated in a financial year as well as other accrued remuneration components made on the basis of legal or contractual obligations which must be economically allocated in this reporting period although the final specification and payment will take place in subsequent periods. With the exception of the information presented in Section 3.4 "Remuneration awarded from current LTI programmes", all tables contain details on remuneration which is due, in other words, amounts actually received or entitlements definitively acquired. This approach enables a good comparability of annual remuneration.

The only members of the Management Board of Österreichische Post in the 2020 financial year were Georg Pözl, Walter Oblin and Peter Umundum. In the following section, the type and amount of the individual remuneration components for every Management Board member will be presented along with a subsequent synopsis.

3.1 Fixed remuneration

The fixed remuneration of the Management Board members in the year 2020 consisted of their fixed basic salary, benefits in kind, various insurance policies as well as pension fund contributions.

The benefits in kind included the availability of an automobile for business and private purposes along with a driver, as well as the covering of costs for telephone lines and mobile telephones for business and private purposes.

The benefits also include an accident insurance policy which provides additional insurance coverage in the event of death or in case of invalidity, whether the individual is on duty or off duty. Furthermore, there is the possibility to participate in a management group health insurance scheme.

All members of the Management Board are entitled to contributions made by the Company to a voluntary pension fund concluded with APK Pensionskasse AG. Österreichische Post AG is required to pay 10 % of the individual's fixed basic salary into the pension fund.

Fixed remuneration EUR	Georg Pözl	Walter Oblin	Peter Umundum	Total
Fixed basic salary	700,000	495,000	447,857	1,642,857
Benefits in kind	12,126	11,694	12,894	36,714
Group health insurance	2,934	-	1,172	4,107
Accident insurance	3,523	2,902	2,781	9,206
Pension fund contribution	71,750	50,738	45,905	168,393
Total fixed remuneration	790,333	560,334	510,609	1,861,277



In addition to the above-mentioned insurance policies, the Members of the Management Board of Österreichische Post are also insured within the context of a Directors and Officers Liability Insurance (D&O). The insurance provides judicial and extrajudicial protection against unfounded claims for damages as well as the settlement of claims considered to be legally justified.

3.2 Short-term variable remuneration 2020 (STI 2020)

This section describes the entitlements acquired in the year 2020 based on the STI agreement concluded at the beginning of 2020. The evaluation of the relevant performance criteria took place at the beginning of the year 2021 on the basis of the audited annual and consolidated annual financial statements by the Remuneration Committee. Payment of the entitlements take place at a later date. The amounts paid in 2020 derived from the STI agreement of 2019 are also presented in the general overview.

In accordance with the Remuneration Policy approved by the Annual General Meeting in 2020, the financial criteria of "revenue" and "EBIT" (each weighted at 50%) were used to assess the short-term variable remuneration, and non-financial criteria in the form of a modifier (multiplier of 0.8 to 1.2 in 2020) were also applied.

Area	Criteria	Weighting
Financial targets	Revenue	50%
	EBIT (before special effects)	50%
Modifier	A value between 0.8 and 1.2 is defined at the discretion of the Remuneration Committee on the basis of a pre-defined catalogue.	+/-20% multiplier ¹

¹ A multiplier of +/-20% was specified for the STI Programme 2020 within the context of the stipulated framework of the Remuneration Policy.

The following table shows the values for the financial criteria of "revenue" and "EBIT" specified by the Remuneration Committee at the beginning of the year 2020 in the event of a 50%, 100% or 150% target attainment. The challenging conditions prevailing as a consequence of the coronavirus pandemic and the resulting revenue and earnings effects were taken into account in defining these target criteria. No adjustments were made to the financial criteria during the course of the year.

After the submission of the annual and consolidated annual financial statements and the confirmation by the auditor, the Remuneration Committee of Österreichische Post evaluated the level of target achievement. The revenue of Austrian Post in 2020 amounted to EUR 2,189m, in which case the upper limit of the revenue target of 150% was achieved. The reported EBIT of EUR 161m was below target. As a result, the average target attainment for the financial targets amounts to 121.1%.

Criteria EUR m	50% target	100% target	150% target	Actual value	Target attainment	Weighted target attainment
Revenue	1,915	2,037	2,169	2,189	150.0%	75.0%
EBIT	71	185	215	161	92.3%	46.1%
Target attainment for financial targets						121.1%

In addition to the financial criteria of "revenue" and "EBIT", the modifier also plays a significant role in determining the total level of attainment in the Short-Term Incentive Programme 2020. The



Remuneration Committee defined a catalogue of criteria for the 2020 financial year, which, in particular, took account of the strategic priorities and especially the ESG indicators. The modifier was specified in the range of 0.8 to 1.2 for the 2020 financial year and can thus impact the degree of target attainment by +/- 20%. What follows is a description of the specified criteria of the modifier and their degree of target attainment.

- bank99: The defined goal was to launch bank99 on 1 April 2020 and to achieve a significant customer ramp-up as quickly as possible. The number of customers reached a level of about 60,000 at the end of December 2020, slightly lower than the declared target.
- Shöpping: The Austrian online marketplace was launched in 2017. Based on the figure of 97,000 orders in the year 2019, the objective was to significantly increase the number of orders. This target was outperformed in 2020, as reflected in the 370,000 orders placed.
- Aras Kargo: The stake held by Österreichische Post in the subsidiary Aras Kargo in Turkey was increased from 25% to 80% in 2020. The goal for 2020 was to improve its profitability (EBITDA). As of 31 December 2020, the EBITDA of Aras Kargo was far higher than the targeted level.
- Digitalisation plays an important role in the strategic development of the Company. In 2020, the goal was to improve shipment tracking for parcels. Selected milestones were achieved, especially implementation in the form of a pilot project, and presented to the Parcel & Logistics Committee of the Supervisory Board in November 2020.
- The reduced consumption of fossil fuels is of major importance to Österreichische Post, as well as the related expansion of photovoltaic facilities on the roofs of the logistics centres. Additional photovoltaic capacities were installed in 2020, so that the installed output increased to 2.4 MWp. As a result, the target for the year 2020 was achieved.
- For a high-quality delivery system, the goal was to achieve a reduction in employee turnover in the course of 2020. The turnover rate at Österreichische Post equalled 11.8% on balance. The included turnover of the employee group "Salaried employees - New collective wage agreement" could be reduced to below 36% in 2020 on the basis of the specified target.
- Diversity is a key sustainability issue at Österreichische Post. The proportion of women in management positions is to be steadily increased within the context of a company-wide project. With a gender quota for women of 34.6% in 2020, the defined target was slightly exceeded.

The Remuneration Committee reviewed the target attainment of the modifier (range of 0.8 to 1.2) at the beginning of 2021. On the basis of the documentation presented and due to the fact that the performance in the specified criteria was achieved, all things considered, a modifier of 1.1 was defined. Accordingly, the total degree of target attainment for the Short-Term Incentive 2020 equalled 133.3%.

The individual, contractually specified target amount multiplied by the percentage of total target attainment (financial targets and modifier) equals the acquired entitlements for the past 2020 financial year and the amount which is to be paid in the following year.



Short-Term Incentive 2020			
EUR	Georg Pözl	Walter Oblin	Peter Umundum
Target value	700,000	495,000	447,857
Total target attainment	133.3%		
STI 2020	933,100	659,835	596,993

3.3 Long-term variable remuneration 2018-2020 (LTI 2018-2020)

The following section presents the long-term, share-based remuneration components, the Long-Term Incentive, relevant for the past 2020 financial year. The entitlements acquired in the past financial year arose as a result of the Long-Term Incentive Programme 2018-2020, whose three-year performance period expired at the end of 2020. The parameters of the LTI 2018-2020 were defined by the Remuneration Committee at the beginning of the term of this programme and reviewed with respect to their degree of target attainment after submission of the annual and consolidated annual financial statements for 2020. The payment of entitlements will take place in 2021.

A new, three-year LTI programme begins every financial year. Details can be found in section 3.4 "Remuneration awarded from current LTI programmes". It describes the remuneration components which are to be economically assigned to the 2020 reporting period, but whose final specification will take place in a later period.

As previously mentioned, the framework for the Long-Term Incentive Programme 2018-2020 was already defined in the year 2018, thus before the new Remuneration Policy was formulated and then approved by the Annual General Meeting. With the exception of a few aspects, the LTI 2018-2020 already reflects the logic of the current remuneration system. The application of control parameters relevant to the capital market, the required personal investment and the positive share price relation have always been important aspects in determining long-term variable remuneration in past tranches.

Participation in the LTI programme is contingent upon individuals making their own one-time investment, which is determined in relation to their basic salaries. This amounts to 80% for the Chairman of the Management Board, 70% for the Deputy Chairman of the Management Board and 60% for other members of the Management Board. The personal investment must be retained uninterrupted until the end of the year following the expiration of the performance period. The required shares of the LTI Programme 2018-2020 must be retained until the end of 2021 and are shown in the table below.

Personal Investment	Required number of shares	Equivalent value in EUR¹
Georg Pözl	12,546	480,010
Walter Oblin	7,371	282,014
Peter Umundum	6,273	240,005

¹Based on average share price in H2 2017

The performance criteria underlying the LTI Programme 2018-2020 (earnings per share, free cash flow and total shareholder return) should optimally take account of the long-term increase in the Company's value. These indicators reflect the ability of the Company to make investments and pay dividends as well as the Company's overall performance and are of major importance to the long-term group management of Österreichische Post AG.



The weighting of the criteria and the setting of annual interim targets is shown in the following table.

Criteria	Weighting	Annual target attainment weighting during the three-year performance period
Earnings per share	1/3	1/3 / 1/3 / 1/3
Free cash flow	1/3	1/3 / 1/3 / 1/3
Total shareholder return	1/3	1/3 / 1/3 / 1/3

The 100% target values as well as the threshold and maximum values for the criteria were defined by the Remuneration Committee of the Supervisory Board at the beginning of 2018. It takes account of medium-term corporate planning and, if applicable, special effects and the historical development of performance indicators as well as market forecasts by the capital market.

Indicator 1 "Earnings per share" (target range between 0% and 200% is possible):

In the years 2018 to 2020, the range of the target value was between EUR 1.2/share (0% target attainment) and EUR 2.4/share (200% target attainment). Adjusted for special effects, the actual values were between EUR 2.2/share and EUR 2.5/share.

Indicator 2 "Operating free cash flow" (target range between 0% and 200% is possible):

In the years 2018 to 2020, the range of the target value was between EUR 94m (0% target attainment) and EUR 189m (200% target attainment). Adjusted for special effects, the actual values were between EUR 108m and EUR 206m.

Indicator 3 "Total shareholder return":

The target values of the total shareholder return each year is based on the share price of EUR 38.26 in H2 2017 and amounted to +7% for 2018, +14% for 2019 and +21% for 2020. The actual values in all the three years were below the targeted level.

After the submission of the annual and consolidated annual financial reports and confirmation by the auditor, the Remuneration Committee evaluated the degree of target attainment of the individual LTI criteria. The degree of target attainment calculated on the basis of the actual values, adjusted for selected special effects to ensure the comparability of target and actual values, is shown in the table below. The total degree of target attainment consists of the level of achievement of the subgoals for each individual indicator every year. On balance, the three-year period of the programme from 2018 to 2020 showed an overperformance and thus a total target attainment level of 151.3%.

Criteria	2018	2019	2020
Target attainment in %			
Earnings per share	20.3%	17.9%	20.4%
Free cash flow	1.8%	27.5%	19.3%
Total shareholder return	0.1%	5.7%	4.1%
Annual target attainment	22.2%	51.0%	43.9%
Target attainment			117.1%
Factor for overperformance ¹			3.0
Total target attainment			151.3%

¹ The factor for overperformance was applied in the programmes until 2018. The calculation is made on the basis of tripling the percentage in excess of 100%.

The bonus granted in recognition of total target achievement takes place on the basis of Performance Share Units (bonus shares) as the calculated parameter. The number of PSU at the



beginning of the programme, determined via the contractually stipulated target value, is used to calculate the final number of PSU by multiplying the initial number by the degree of target attainment. In principle, payment of the Performance Share Units takes place in the form of Österreichische Post shares or in cash. For the LTI programme 2018-2020 which expired in 2020, the individual Management Board members had the right to select the form of payment. All the members chose to be paid the bonus in cash.

The entitlements of the Management Board members which will be paid in 2021 are based on the calculated level of target achievement of 151.3% and applying the average share price in the period 1 January 2021 to 8 April 2021 (four weeks after the adoption of the financial statements for 2021 by the Supervisory Board). In light of the fact that the relevant share price determining payment is not available until after preparation of this Remuneration Report, the following table makes use of the reference share price of EUR 33.00 (01/01/2021 to 28/02/2021) to calculate the preliminary value of the expected payment amounts.

Long-Term Incentive 2018-2020			
EUR	Georg Pölzl	Walter Oblin	Peter Umundum
Target value ¹	540,000	329,000	280,000
Share price H2 2017	38.26		
Bonus shares at the beginning (number)	14,114	8,599	7,318
Total target attainment	151.3%		
Bonus shares at the end (number)	21,354	13,010	11,072
Reference share price 01/01/2021 to 28/02/2021	33.00		
LTI 2018-2020	704,682	429,330	365,376

¹ Individual target value in the LTI 2018-2020: Fixed basic salary in 2018 multiplied by 0.9 for the Chairman of the Management Board and 0.7 for Management Board members

3.4 Remuneration awarded from current LTI programmes

Since the introduction of the share-based remuneration programme in the year 2010 a new, three-year LTI tranche has begun each financial year. All three Management Board members were participating in tranches 9 (2018-2020), 10 (2019-2021) and 11 (2020-2022) of the LTI programme as of 31 December 2020.

The Long-Term Incentive Programme 2018-2020 (Tranche 9), for which the final acquired entitlements were determined at the beginning of the year 2021, is described in detail in the explanations provided above.

The tranches 10 (2019-2021) and 11 (2020-2022) of the Long-Term Incentive Programme are already based upon the stipulations contained in the new Remuneration Policy approved by the Annual General Meeting. The level of target attainment at the end of the three-year duration of the programme equals the sum of the three performance indicators of earnings per share, free cash flow and the relative total shareholder return. The target achievement of the three indicators can vary between 0% and 200%, whereby lower limits are defined in the event of a 50% target achievement rate. The weighting of these indicators and the specification of annual interim targets are illustrated in the table below.



Criteria	Weighting	Annual target attainment weighting during the three-year performance period
Earnings per share	1/3	20%/20%/60%
Free cash flow	1/3	20%/20%/60%
Total shareholder return	1/3	20%/20%/60%

As already mentioned, the bonus is based on so-called Performance Share Units (bonus shares) as the calculated parameter and depends on the level of target attainment with respect to the defined performance indicators as well as the share price development of the Österreichische Post share. Accordingly, the resulting entitlement is published in the next year.

The expected number of Performance Share Units (calculated parameter) assigned to the individual tranches as of 31 December 2020 is as follows:

Bonus Shares Number	Georg Pözl	Walter Oblin	Peter Umundum
Tranche 9 (LTI 2018-2020)	26,768	13,979	13,087
Tranche 10 (LTI 2019-2021)	24,188	11,761	9,863
Tranche 11 (LTI 2020-2022)	25,883	13,184	10,406

As already mentioned, the payment of Performance Share Units can generally take place in the form of shares of Österreichische Post AG or in cash. With respect to tranche 9, the individual Management Board members had the right to select the form of payment. All the members chose for the bonus to be paid in cash. The decision concerning the form of payment for tranches 10 and 11 is made at the discretion of the Remuneration Committee of the Supervisory Board. If past practices provide any indication, it is to be assumed that payment for tranches 10 and 11 will also be made in cash. For this reason, the bonus is recognised as a share-based remuneration with cash compensation.

With respect to the expected cash payments, a provision is allocated for the expected future total costs of all existing and ongoing LTIPs at the balance sheet date on the basis of their fair values.

Carrying Amount of Provisions EUR	Georg Pözl	Walter Oblin	Peter Umundum
Tranche 9 (LTI 2018-2020)	768,249	401,196	375,588
Tranche 10 (LTI 2019-2021)	900,362	437,762	367,130
Tranche 11 (LTI 2020-2022)	515,845	262,765	207,391

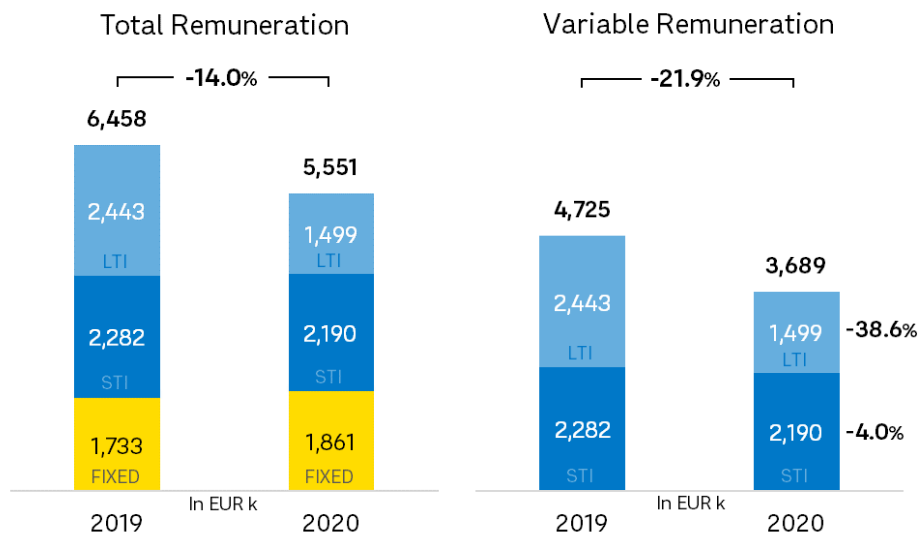
The total cost recognised in the 2020 financial year for the share-based remuneration of Management Board members is assigned to the individual tranches as follows:

Total Cost EUR	Georg Pözl	Walter Oblin	Peter Umundum
Tranche 9 (LTI 2018-2020)	145,635	28,529	82,255
Tranche 10 (LTI 2019-2021)	398,958	193,976	162,678
Tranche 11 (LTI 2020-2022)	515,845	262,765	207,391



3.5 Overview of Management Board remuneration

The following explanations and tables below provide an overview of Management Board remuneration. The entitlements arising in the 2020 financial year for the Members of the Management Board of Österreichische Post equal about EUR 5.6m (2019: EUR 6.5m). This consists of EUR 1.9m for the non-performance-related fixed salary components (2019: EUR 1.7m). The success-oriented variable salary components consist of the short-term variable remuneration of EUR 2.2m (2019: EUR 2.3m) and long-term variable remuneration of EUR 1.5m (2019: EUR 2.4m).

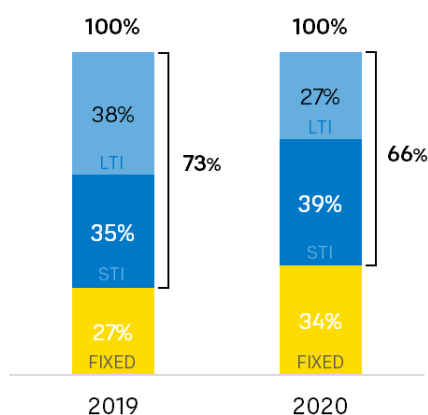


On balance, the total remuneration for the Management Board declined by 14.0% compared to the prior-year level. The fixed basic salary rose by 7.4% due to contractually stipulated adjustments. The variable remuneration components showed a significant decrease in the acquired entitlements of 21.9%. Accordingly, bonus payments in the STI programme were down 4.0% from the prior-year level. Entitlements from the LTI 2018-2020 fell by 38.6% compared to the last year's tranche.

The strong correlation between remuneration and Company success characterising the underlying remuneration system can be clearly seen in the overall development. After the very successful performance of the Company in 2019, the year 2020 was shaped by the challenges posed by the COVID-19 pandemic and their effects on revenue and earnings development. These challenges were overcome without the Company taking advantage of short time work models or government grants.

Earnings before depreciation, amortisation, impairment losses, financial result and income tax (EBITDA) fell by 5.0% in the 2020 financial year to EUR 302.8m. EBIT was down 19.9% to EUR 160.6m compared to EUR 200.6m in the previous year. EBIT of the logistics business (excluding branch offices and startup of bank99) was 0.4% below the prior-year level. This drop is reflected in the total variable remuneration, which decreased 21.9% in a year-on-year comparison.

The development of total remuneration of the Management Board for the year 2020 led to a slight structural change in the remuneration components. The share of fixed remuneration components climbed from 27% in 2019 to 34% in 2020. In turn, the variable remuneration components, consisting of the STI and LTI components, fell from 73% to 66%. The share held by the Short-Term Incentive Programme rose slightly from 35% to 39%, whereas the Long-Term Incentive Programme accounted for only 27% of total remuneration, down from the prior-year level of 38%.



As a summary, the total acquired entitlements in the year 2020 are presented in the table below.¹ In addition to the salaries of the individual Management Board members, the relative share of fixed and variable remuneration components is listed. It should be noted that the defined caps for total remuneration of every Management Board member were not reached.

In order to determine the final payment amount of the Long-Term Incentive Programme 2018-2020, the average share price in the period 1 January 2021 to 8 April 2021 (four weeks after the adoption of the financial statements for 2021 by the Supervisory Board) is used. This value was not yet available at the time this Remuneration Report was prepared. Based on use of the reference share price of EUR 33.00 (01/01/2021 to 28/02/2021) as a substitute in the meantime, the payment amounts for the LTI 2018-2020 are to be considered as the best possible expected values at this time.

Total Remuneration 2020				
EUR	Georg Pözl	Walter Oblin	Peter Umundum	Total
Fixed remuneration 2020	790,333	560,334	510,609	1,861,277
Variable remuneration				
STI 2020 ¹	933,100	659,835	596,993	2,189,928
LTI 2018-2020 ^{1,2}	704,682	429,330	365,376	1,499,388
Total variable remuneration	1,637,782	1,089,165	962,369	3,689,316
Total	2,428,115	1,649,499	1,472,979	5,550,593
Relative share of fixed remuneration (in %)	32.5	34.0	34.7	
Relative share of variable remuneration (in %)				
STI 2020	38.4	40.0	40.5	
LTI 2018-2020	29.0	26.0	24.8	

¹ Payment in 2021

² Calculated on the basis of the reference share price 01/01/2021 to 28/02/2021

In comparison, the following table shows the total acquired entitlements of the Management Board in the year 2019, in which case the fixed basic salary is paid in 2019 and the variable salary components are paid in 2020.

¹ The presentation deviates from the mandatory disclosures supplied in the notes to the consolidated financial statements in line with the Austrian Commercial Code and IFRS (payments to active and former Management Board members) due to different reporting regulations. For this reason, it is only comparable to a limited extent.



Total Remuneration 2019				
EUR	Georg Pözl	Walter Oblin	Peter Umundum	Total
Fixed remuneration 2019	709,126	532,772	491,423	1,733,321
Variable remuneration				
STI 2019 ¹	937,514	701,005	643,476	2,281,995
LTI 2017-2019 ¹	1,127,486	685,125	630,000	2,442,611
Total variable remuneration	2,065,000	1,386,130	1,273,476	4,724,606
Total	2,774,126	1,918,902	1,764,898	6,457,927

¹ Payment in 2020

Pursuant to Section 78c AktG, the annual change in total remuneration of the Management Board, the business success of the Company and the average salaries of other employees of the Company on a full-time equivalent basis will be illustrated in a comparative presentation.

Earnings before depreciation, amortisation, impairment losses, financial result and income tax (EBITDA) and earnings before financial result and income tax (EBIT) are the most important performance indicators of Austrian Post used to measure the success of business operations. The profitability of revenue is expressed as a percentage and shows how successful the operational business is managed. EBITDA was down 5.0% to EUR 302.8m. EBIT in 2020 of EUR 160.6m represented a drop of 19.9% from the previous year. As already mentioned, earnings in the traditional logistics business only fell slightly by 0.4%, from EUR 205.2m in 2019 to EUR 204.4m in 2020.

As a comparative figure, the salaries/wages and bonuses paid to employees of Österreichische Post AG on a full-time equivalent basis are used.

Annual Change	Actual	Actual	Deviation	
	amount 2019	amount 2020	nominal	in %
Total remuneration (EUR)				
Georg Pözl	2,774,126	2,428,115	-346,011	-12.5
Walter Oblin	1,918,902	1,649,499	-269,403	-14.0
Peter Umundum	1,764,898	1,472,979	-291,920	-16.5
Economic performance indicators (EUR m)				
Revenue	2,022	2,189	168	+8.3
EBITDA	319	303	-16	-5.0
EBIT	201	161	-40	-19.9
EBIT logistics business (excl. Retail & Bank)	205	204	-1	-0.4
Other employees on a full-time equivalent basis (EUR)				
Civil servants	53,144	54,772	1,628	+3.1
Salaried employees - General service regulations/Special contract	44,500	46,138	1,638	+3.7
Salaried employees - New collective wage agreement	35,364	37,299	1,935	+5.5



3.6 Payments to former Management Board members

Walter Hitziger retired from his position on the Management Board as of 31 December 2018. His employment contract was valid until 31 December 2019 and terminated at the end of this day as a result of the expiration of his term of office.

Walter Hitziger acquired an entitlement in 2020 from the Long-Term Incentive Programme 2018-2020, which will be paid in 2021 after the level of target attainment is determined. Furthermore, the acquired entitlements from the Long-Term Incentive Programme 2017-2019 were granted to him and paid in the year 2020.

Remuneration Walter Hitziger	
EUR	
Remuneration 2020	
LTI 2018-2020 ^{1,2}	521,994
Remuneration 2019	
LTI 2017-2019 ³	900,000

¹ Calculated on the basis of the reference share price 01/01/2021 to 28/02/2021

² Payment in 2021

³ Payment in 2020

The following provisions were allocated for the Long-Term Incentive Programme applying to the 2020 financial year in which Walter Hitziger participated.

Walter Hitziger	
Bonus shares (number)	
LTI 2018-2020	16,996
Carrying amount of the provision (EUR)	
LTI 2018-2020	487,777
Cost 2020 (EUR)	
LTI 2018-2020	87,777



4 Remuneration of the Supervisory Board in 2020

The Remuneration Policy applying to the Supervisory Board of Österreichische Post stipulates a fixed remuneration that is independent of performance. Variable remuneration components are not included, in light of the fact that the Supervisory Board does not have any responsibility for the earnings of Österreichische Post. The remuneration for Supervisory Board members consists of an annual basic remuneration and a committee remuneration as well as attendance fees paid for each Supervisory Board meeting attended. Furthermore, every Supervisory Board member is entitled to be reimbursed for appropriate cash expenditures, especially relevant travel costs. The remuneration system provides for different levels of remuneration, depending upon the individual's position as the chairperson, deputy chairperson or member of the Supervisory Board.

The amount of remuneration paid to Supervisory Board members is resolved upon by the Annual General Meeting for the particular previous financial year. The Annual General Meeting held on 17 June 2020 specified the remuneration for Supervisory Board members for the 2019 financial year as follows:

Remuneration of the Supervisory Board	
EUR	
Chairperson	30,000
Deputy Chairperson	25,000
Every other Supervisory Board member	20,000
Committee Chairperson	14,000
Deputy Chairperson of the Audit Committee	12,000
Every other committee member	10,000

Committee remuneration is limited to membership on one committee and is thus paid only once even if a member of the Supervisory Board belongs to several committees. In addition, every Supervisory Board and committee member residing in Austria is paid an attendance fee of EUR 600 per person and meeting. The attendance fee for every international expert has been set at EUR 1,600 per member and Supervisory Board session attended. Remuneration is made on a pro rata (daily) basis if a member did not belong to the Supervisory Board or a committee for the entire year.

There were changes to the composition of the Supervisory Board during the course of the past financial year. After the Supervisory Board Members Jochen Danninger, Edeltraud Stiftinger and Herta Stockbauer retired from their Supervisory Board positions, Felicia Kölliker, Maximilian Schnödl and Sigrid Stagl were elected to the Supervisory Board for the first time by the Annual General Meeting held on 17 June 2020.

The shareholder representatives of the Supervisory Board hold the following positions on the committees:

- Nomination Committee: Edith Hlawati (Chairwoman), Maximilian Schnödl
- Remuneration Committee: Edith Hlawati (Chairwoman), Maximilian Schnödl
- Audit Committee: Maximilian Schnödl (Chairman), Stefan Szyszkowitz (Deputy Chairman, financial expert), Huberta Gheneff, Peter E. Kruse
- Parcel & Logistics Committee: Peter E. Kruse (Chairman), Chris E. Muntwyler
- Banking Committee: Maximilian Schnödl (Chairman), Felicia Kölliker



Jochen Danninger was a Member of the Remuneration Committee. Edeltraud Stiftinger was Chairwoman of the Audit Committee as well as a Member of the Nomination Committee and the Remuneration Committee until she left the Supervisory Board. Herta Stockbauer served as Deputy Chairwoman of the Audit Committee.

In the year 2020, all the Supervisory Board members, with one exception, attended all of the meetings, both of the entire Supervisory Board and its committees as well. What follows is the remuneration for each individual Supervisory Board member paid in the 2020 financial year.

Shareholder representatives	Granted in 2019 and paid in 2020		Attendance fees 2020	Total
	Basic remuneration	Committee remuneration		
Edith Hlawati (Chairwoman)	30,000	14,000	6,600	50,600
Maximilian Schnödl (Deputy Chairman) ^{1,2}			4,800	4,800
Huberta Gheneff	20,000	10,000	6,000	36,000
Felicia Kölliker ¹			7,000	7,000
Peter E. Kruse	20,000	14,000	15,200	49,200
Chris E. Muntwyler	20,000	10,000	5,400	35,400
Sigrid Stagl ¹			1,800	1,800
Stefan Szyszkowitz	20,000	10,000	6,000	36,000
Jochen Danninger ³	20,000	10,000	1,200	31,200
Edeltraud Stiftinger ⁴	25,000	14,000	5,400	44,400
Herta Stockbauer ⁴	20,000	12,000	2,400	34,400
				330,800

¹ First appointed 17/06/2020

² Supervisory Board remuneration and attendance fees paid to ÖBAG since 01/09/2020

³ Retired effective 27/02/2020

⁴ Retired effective 17/06/2020

The Management Board and Supervisory Board will propose to the Annual General Meeting on 15 April 2021 to leave the Supervisory Board remuneration unchanged for the 2020 financial year. Providing that the Annual General Meeting in 2021 approves the corresponding resolution, the Supervisory Board members will be entitled to the following remuneration for their work in the 2020 financial year. Payment will take place following the Annual General Meeting in 2021.



Remuneration of the Supervisory Board in EUR

Shareholder representatives	Granted in 2020 and payable in 2021		Total
	Basic remuneration	Committee remuneration	
Edith Hlawati (Chairwoman)	30,000	14,000	44,000
Maximilian Schnödl (Deputy Chairman) ^{1,2}	13,525	7,574	21,099
Huberta Gheneff	20,000	10,000	30,000
Felicia Kölliker ¹	10,820	5,410	16,230
Peter E. Kruse	20,000	14,000	34,000
Chris E. Muntwyler	20,000	10,000	30,000
Sigrid Stagl ¹	10,820		10,820
Stefan Szyszkowitz	20,000	11,082	31,082
Jochen Danninger ³	3,178	1,589	4,767
Edeltraud Stiftinger ⁴	11,544	6,464	18,008
Herta Stockbauer ⁴	9,235	5,541	14,776
			254,782

¹ First appointed 17/06/2020, therefore pro rata share of remuneration

² Supervisory Board remuneration and attendance fees paid to ÖBAG since 01/09/2020

³ Retired as of 27/02/2020, therefore pro rata share of remuneration

⁴ Retired as of 17/06/2020, therefore pro rata share of remuneration

The employee representatives on the Supervisory Board perform their duties on an honorary basis and are compensated for their involvement in the Central Works Council in accordance with their respective employment contracts. As a result, they only receive attendance fees.

Remuneration of Supervisory Board Members in EUR

Employee representatives	Attendance fees 2020
Maria Klima	3,000
Helmut Köstinger	10,800
Martin Palensky	3,000
Manfred Wiedner	6,000
Total	22,800

11 March 2021

Edith Hlawati m.p.
Chairwoman of the Supervisory Board

Georg Pölzl m.p.
Chairman of the Management Board