

Declaration of Conformity

2021 (convenience translation)



Joint Declaration of Conformity by the Management Board and Supervisory Board of PATRIZIA AG with the Recommendations of the "Government Commission of the German Corporate Governance Code" in accordance with Article 161 of the Aktiengesetz (AktG – German Stock Corporation Act)

In accordance with Article 161 AktG, the Management Board and Supervisory Board of PATRIZIA AG declare that:

The recommendations of the "Government Commission on the German Corporate Governance Code" in the version dated 7 February 2017 ("GCGC 2017") published by the Federal Ministry of Justice on 24 April 2017 in the official section of the Federal Gazette were complied with in the period from the last declaration of compliance dated 17 December 2019 to the entry into force of the reformed GCGC in the version dated 16 December 2019 on 20 March 2020, with the exception of the items listed below, for the reasons and in the periods stated therein:

Deductible for D&O insurance policies for the Supervisory Board (section 3.8 paragraph 3 of the Code)

According to section 3.8 paragraphs 2 and 3 of the Code 2017, a suitable deductible should be agreed if the Company takes out a D&O policy for the Management Board and the Supervisory Board. Pursuant to the stipulations of Article 93 (2) third sentence of the AktG, a deductible has been agreed for the Management Board. There will be no deductible for the Supervisory Board now or in the future. The Management Board and Supervisory Board of the Company do not believe that a deductible affects the sense of responsibility and loyalty with which the committee members perform the duties and functions assigned to them.

Caps for Management Board remuneration (section 4.2.3 (2) sentence 6 DCGK 2017)

In accordance with Article 4.2.3 (2) sentence 6 of the GCGC 2017, the remuneration of the members of the Board of Management should be capped both in total and in terms of its variable remuneration components.

Until the new remuneration system is fully implemented, the remuneration of the members of the PATRIZIA AG Management Board will consist of non-performance-related and performance-related components in all employment contracts. The employment contracts of the members of the PATRIZIA AG Management Board do not provide for maximum limits for the total and all variable remuneration components if they are still subject to the remuneration system in force prior to the 2020 fiscal year.

Under the remuneration system in force prior to the 2020 financial year, part of the variable remuneration is granted in the form of so-called performing share units, i.e. virtual shares, and is thus linked to the development of the company's share price (component with long-term incentive effect). The equivalent value of the performing share units is paid out to the members of the Management Board after a blocking period. This part of the variable remuneration is not limited in amount.

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Limiting the amount paid out for the long-term incentive component after the end of the blocking period would be contrary to the basic idea of the remuneration system in place prior to the 2020 financial year, namely to link this remuneration to the performance of the company's share price. Limiting the increase in value during the vesting period would weaken the long-term incentive function.

Formation of committees in the Supervisory Board (section 5.3 of the Code)

In accordance with section 5.3 of the Code 2017, the Supervisory Board should form committees. The Supervisory Board of PATRIZIA AG comprises three members. Due to the number of members, it is neither necessary, nor does it make sense, for the Supervisory Board to form committees; this would make the work of the Supervisory Board unnecessarily difficult. Thus the recommendations on forming committees and chairing the committees of the Supervisory Board bear no relevance to the Company.

Differentiated compensation of the Supervisory Board (section 5.4.6 paragraph 1 sentence 2 of the Code)

In accordance with section 5.4.6 paragraph 1 sentence 2 of the Code 2017, the compensation of the Supervisory Board should take the chair as well as the deputy chair and membership in the committees into account. The compensation arrangement for the Supervisory Board of PATRIZIA AG takes the chair of the Supervisory Board into account but does not distinguish between deputy chairmen of the Supervisory Board and a regular member of the Board due to only three members. No committees are formed. The remuneration of the Supervisory Board was adjusted at the Annual General Meeting 2020.

The Management Board and Supervisory Board of PATRIZIA AG further declare in accordance with § 161 AktG:

The recommendations of the "Government Commission on the German Corporate Governance Code" in the version dated December 16, 2019 ("GCGC 2020") published by the Federal Ministry of Justice on March 20, 2020 in the official section of the Federal Gazette have been complied with in the period since this version of the GCGC came into force and will continue to be complied with in the future, with the exception of the recommendations listed below, for the reasons and within the periods stated therein:

Age limit for members of the Management Board (Section B.5 DCGK 2020)

According to recommendation B.5 DCGK 2020, an age limit should be set for members of the Management Board and stated in the corporate governance statement. At its meeting on 16 December 2020, the Supervisory Board set an age limit for members of the Management Board. Only as a precautionary measure, a deviation from recommendation B.5 is declared for the period since the GCGC 2020 came into force on 20 March 2020 and 16 December 2020.

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Independence of the Chairman of the Supervisory Board (section C.10 sentence 1 DCGK 2020)

According to No. C.10 Sentence 1 DCGK, the Chairman of the Supervisory Board should be independent of the company and the Management Board. According to recommendation C.7 sentence 2 GCGC 2020, a member of the Supervisory Board is independent of the company and its Management Board if he or she has no personal or business relationship with the company or its Management Board that could give rise to a material and not merely temporary conflict of interest. Recommendation C.7 GCGC specifies the term of office of a Supervisory Board member for a period of more than 12 years as an indicator of lack of independence. Dr Theodor Seitz has been Chairman of the Supervisory Board of PATRIZIA AG for more than 12 years, so his dependency is indicated in accordance with recommendation C.7. However, the Supervisory Board has no doubt that Dr Seitz will continue to perform his duties independently in the future and that his activities on the Supervisory Board will be guided solely by the interests of the company.

Formation of committees on the Supervisory Board (Sections D.2 to D.5 and C.10 DCGK 2020)

According to clauses D.2 to D.5 of the GCGC, the Supervisory Board shall form committees. The Supervisory Board of PATRIZIA AG currently consists of three members. Due to the number of Supervisory Board members, the formation of committees is neither necessary nor sensible and would unnecessarily complicate the work of the body. The recommendations on the formation of committees (D.2 to D.5 GCGC 2020) and on the chairmanship of Supervisory Board committees (C.10 GCGC 2020) are therefore currently of no significance to the company. However, should the Supervisory Board be expanded in the future, the Supervisory Board intends to form specialist committees.

Additional statement regarding the more far-reaching suggestions of the German Corporate Governance Code

In order to increase transparency and to comprehensively demonstrate the significance of the Code for PATRIZIA AG, we also comment in this declaration of compliance on compliance with the suggestions of the Code. In the period from the last declaration of compliance dated December 17, 2019 until the GCGC 2020 came into force on March 20, 2020, all suggestions of the GCGC 2017 were complied with. In addition, all suggestions of the GCGC 2020 have been complied with since the GCGC 2020 came into force. These suggestions will continue to be complied with in the future.

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Augsburg, 16 December 2020

Management Board

Wolfgang Egger
CEO

Thomas Wels
Co-CEO

Alexander Betz
CDO

Karim Bohn
CFO

Dr Manuel Käsbauer
CTIO

Anne Kavanagh
CIO

Simon Woolf
CHRO

On behalf of the Supervisory Board

Dr Theodor Seitz
Chairman of the Supervisory Board