

Declaration of Compliance

2023 (convenience translation)



Declaration of Compliance by the Board of Directors of PATRIZIA SE with the Recommendations of the “Government Commission of the German Corporate Governance Code”

In accordance with Article 9 para. 1 lit. c) ii) Council Regulation (EC) No 2157/2001 of 8 October 2001 on the Statute for a European company (SE) (“SE-VO”), Section 22 para. 6 SEAG in conjunction with Section 161 of the Aktiengesetz (AktG – German Stock Corporation Act) the Board of Directors of PATRIZIA SE declares:

The last Declaration of Compliance was issued on 15 December 2021 based on the recommendations of the German Corporate Governance Code in the version of 16 December 2019, published in the Federal Gazette (*Bundesanzeiger*) on 20 March 2020 (“GCGC 2020”). The “Government Commission on the German Corporate Governance Code” submitted a new version of the Code on 28 April 2022, which was published in the Federal Gazette (*Bundesanzeiger*) on 27 June 2022 and thereby came into force (“GCGC 2022”).

Since the last Declaration of Compliance, PATRIZIA has complied with the recommendations of the GCGC 2020 (until 27 June 2022) and the GCGC 2022 (since 27 June 2022) with the exceptions listed below, for the reasons and in the periods stated therein:

1. Structural deviations from the GCGC 2022 due to the characteristics of the one-tier corporate governance system in PATRIZIA SE

Since 15 July 2022, PATRIZIA SE is organized in the legal form of a Societas Europaea – SE with a monistic, one-tier corporate governance system. In accordance with Art. 43–45 SE-VO in conjunction with Sections 20 et seq. SEAG, the monistic system is characterized by the fact that the management of the SE is allocated to a single management body, the Board of Directors. The Board of Directors manages the SE, defines the guidelines of its activities, and supervises their implementation. The Executive Directors conduct the business of the Company, represent the Company in and out of court and are bound by the instructions of the Board of Directors.

In the course of adapting to the monistic system, PATRIZIA in principle applies those parts of the GCGC 2022 that relate to the supervisory board to the Board of Directors, and the parts that relate to the management board to the Executive Directors. Due to the legal structure of the monistic system, the following exceptions apply with respect to the principles and recommendations of the GCGC 2022 since 15 July 2022:

The managerial tasks described in Principles 1, 2, 4 and 5 and in recommendations A.1, A.2, A.3 of the GCGC 2022 (Governance tasks of the Management Board, development of strategy of the enterprise, identification and assessment of the risks and opportunities associated with social and environmental factors, internal control and risk management systems, compliance and compliance management system) are within the responsibility of the Board of Directors in accordance with Section 22 para. 1, 6 SEAG.

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Recommendation D.6 GCGC 2022, according to which a supervisory board should meet on a regular basis without the management board, is not applicable to PATRIZIA SE if an Executive Director is at the same time member of the Board of Directors. As Mr Wolfgang Egger is a member of the Board of Directors and an Executive Director since 15 July 2022, the company is unable to comply with recommendation D.6 since such point in time. Nonetheless, Mr. Wolfgang Egger will not participate in discussions and resolutions of the Board of Directors if required in case a personal conflict of interest arising from his role as Executive Director.

2. Recommendation A.3 GCGC 2022: Sustainability-related objectives in the internal control system

According to recommendation A.3 GCGC 2022, the internal control system and the risk management system shall also cover sustainability-related objectives, unless already required by law. This shall include the processes and systems for recording and processing sustainability-related data. As of the date hereof, this recommendation has been and is only partially complied with, as the project to advance and extend the internal control system to include sustainability-related areas is under implementation but has not yet been completed. In the course of the financial year 2023, the recommendation is expected to be fully complied with.

3. Recommendation D.3 Sentence 2 GCGC 2022: Expertise in sustainability reporting and its audit

According to recommendation D.3 Sentence 2 GCGC 2022, expertise of the members of the audit committee in the fields of accounting and auditing shall also include sustainability reporting and its audit and assurance. The Board of Directors generally takes the view that it has among its members such expertise. However, as it is unclear which level of qualification and expertise the GCGC is requesting and the members of the audit committee are intending to further expand such expertise, a deviation from recommendation D.3 Sentence 2 is declared as a matter of precaution.

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 GCGC for PATRIZIA SE, 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 15 December 2021, all suggestions of the GCGC 2020 and the GCGC 2022 were complied with. These suggestions will continue to be complied with in the future.

Augsburg, 14 December 2022

Uwe H. Reuter
Chairman of the Board of Directors