Remuneration system for Executive Directors as approved by the Annuals General Meeting on 25 May 2023

Basic features of the remuneration system and contribution to promoting the business strategy and long-term development of PATRIZIA SE

The remuneration system for the Executive Directors of PATRIZIA SE is to follow the same principles and clear lines as the system implemented for all other employees and executives of PATRIZIA, particularly with regard to the remuneration structure and elements, but also with regard to the target agreement approach behind the performance-related remuneration elements.

In recent years, PATRIZIA has acquired and successfully integrated several companies which form ONE PATRIZIA. As part of the integration process of the acquisitions made since 2017, PATRIZIA has implemented a new remuneration system for the entire Company including the Executive Directors. In the process, the remuneration and employment conditions of all employees of the Company were included and Group-wide contract adjustments were made to harmonise the remuneration system. The employees - like the Executive Directors - are incentivised to achieve the strategic goals of the Company. In assessing the appropriateness of the remuneration system, external (horizontal) comparisons were included, as well as internal (vertical) comparisons, which considered the remuneration of the Executive Directors with the remuneration of the Executive Committee Members (top management level of core business areas) and all employees of the Company.

The following principles were taken into account when designing the remuneration system for the Executive Directors:

- Harmonisation of the Executive Directors's remuneration structure and elements with PATRIZIA employees and PATRIZIA Executive Committee Members.
- Supporting the achievement of PATRIZIA's corporate strategy and vision of becoming the leading partner for global real assets and ensuring continued long-term success, which is reflected in PATRIZIA's Mid-Term Plan. In particular, the structure and design of PATRIZIA's annual Short-Term Incentive Plan (STI) and Long-Term Incentive Plan (LTI), including clear strategic targets and linking pay-out to the growth and success of the company, aims to support the achievement and fulfilment of the objectives set out in the Mid-Term Plan. The possibility to enter into a further long term incentive plan with individual Executive Directors, which is structured in a way to further link the interests of the shareholders with those of the respective Executive Directors (Shareholder Value Long-Term Incentive (SVL)), promotes the objectives set out in the Mid-Term Plan even further.
- Consideration of PATRIZIA's diverse stakeholder interests by incorporating various objectives with a focus on sustainability.
- Ensuring market competitiveness in line with legal requirements and recommendations (e.g. § 87a AktG, German Corporate Governance Code).
- Enabling a clear performance orientation by focusing on the achievement of collective and individual goals.

The new remuneration system contributes to the strategy, long-term interest and sustainable success of PATRIZIA and its stakeholders through the following principles:

- Diverse individual and corporate goals that reflect the company's strategy and are geared towards long-term value creation and sustainability.
- Alignment with key performance indicators used for strategic decision making and regular financial reporting (e.g. growth in asset under management, EBITDA and EBITDA margin).
- Focus on further improving recurring profitability, efficiency and growth of the corporate platform to remain competitive and secure PATRIZIA's leading market position.

The system for the remuneration of Executive Directors is designed in a clear and comprehensible manner. It complies with the requirements of the German Stock Corporation Act (AktG) as amended by the Act Implementing the Second Shareholders' Rights Directive of 12 December 2019 (Federal Law Gazette Part I 2019, No. 50 of 19 December 2019) and takes into account the recommendations of the German Corporate Governance Code (GCGC) in the version adopted by the Government Commission on the German Corporate Governance Code on 28 April 2022 and coming into force on 27 June 2022.

Due to PATRIZIA's increasing international orientation, the diverse portfolio and the background of the Executive Directors, the market comparison is based on two peer groups, a German and a European peer group. An external independent expert was consulted to determine the peer groups. The European peer group focuses primarily on capital investment companies and is supplemented by banks with a focus on real estate financing. As the number of comparable capital investment companies in Germany is limited, the German peer group focuses on the real estate sector and companies that are comparable to PATRIZIA in terms of their business model and size, number of employees and geographical and industry/business focus.

The remuneration components

The remuneration of Executive Directors is based on their respective areas of responsibility, their individual performance, the performance of the Executive Directors as a whole and the economic and financial situation and success of PATRIZIA. The remuneration of Executive Directors aims to be appropriate, performance-oriented and in line with the market. It is made up of the following non-performance-related and performance-related components with short-term and long-term incentive effects:

- Fixed annual remuneration (basic salary, pension contribution, fringe benefits)
- Short Term Incentive (STI)
- Long-Term Incentive (LTI)

Optionally, the BoD has the possibility to additionally agree with the Executive Directors on the grant of a further long-term incentive component in the form of a performance share unit award (Shareholder Value Long-Term Incentive (SVL)).

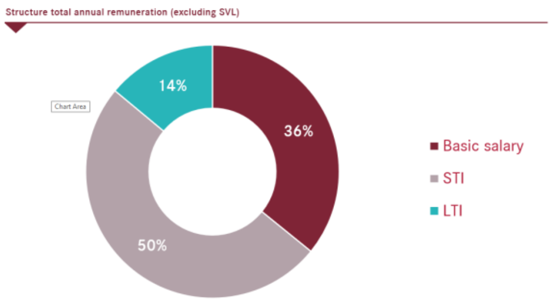
On the basis of the remuneration system, the Board of Directors of PATRIZIA SE determines a concrete target total remuneration for each of the Executive Directors, which is in an appropriate relationship to the tasks and performance of the Executive Director as well as to the situation of the Company and does not exceed the usual remuneration without further ado. The target total remuneration is made up of the sum of all remuneration components relevant for the total remuneration. For STI and LTI as well as for the SVL, the target amount is based on 100 % target achievement.

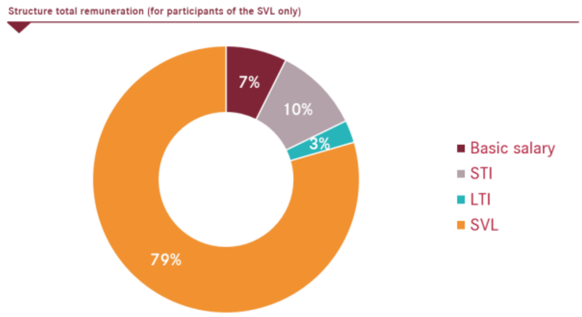
Share of the variable component in the total remuneration of the Executive Directors

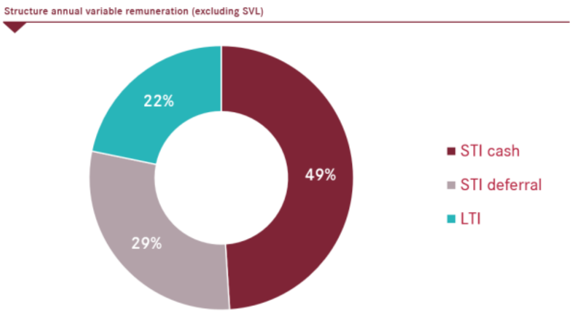
Taking into account the different target percentages currently prevailing for the individual Executive Directors based on their area of responsibility, the total variable remuneration from the annual Short-Term Incentive amounts to 140% of the basic salary if the corporate and personal targets are fully achieved (100% target achievement). The variable remuneration from the long-term incentive amounts to 37 - 40% of the basic salary in the case of full target achievement (100% target achievement).

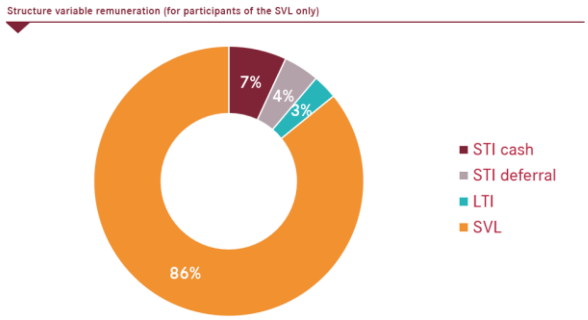
In total, ca. 64% of the total remuneration (basic salary + STI + LTI, 100% target achievement) is thus attributable to performance-related variable remuneration elements, whereby, in case a SVL is agreed, the performance-related variable remuneration elements can make up to 93% (depending on the Shareholding Requirement, i.e. an own investment of the respective Executive Director) of the total remuneration of the respective Executive Director for the respective year in which the award under the SVL is granted (then: basic salary + STI + LTI + SVL, in each case based on 100% target achievement).

This results in the following average remuneration structure of non-performance-related (fixed) and performance-related (STI + LTI + SVL) remuneration components in the existing contracts for the current Executive Directors. Whilst any new Executive Director contracts will follow the structure of the remuneration system, the averages shown below might vary in the future depending on the detailed allocation agreed in these new contracts.









In accordance with the recommendations of the German Corporate Governance Code, the variable part of the target remuneration at PATRIZIA has a predominantly long-term character. Thus, more than 50 % of the annual variable remuneration (variable remuneration understood as STI and LTI awards together) ("deferral limit") is granted in share-based instruments awarded as deferred remuneration from the short-term incentive and/or through the long-term incentive plan. These awards are subject to multi-year performance periods.

In order to meet the requirements of the German Corporate Governance Code, so-called performance share units ("PSUs") with a three-year performance period and a two-year holding period are granted as part of PATRIZIA's long-term incentive plan; in addition, the part of the short-term incentive required to reach the deferral threshold is granted either in phantom shares or restricted stock units ("RSUs") and deferred for a minimum of four years. The values of the performance shares and phantom shares or restricted stock units depend on the performance of the PATRIZIA share price.

The predominantly long-term character of the variable remuneration is also favoured by a structure in which more than 50% of the variable remuneration is based on the achievement of long-term targets. The targets used in the STI and LTI, such as "growth in assets under management (AUM)" or "EBITDA margin (adjusted)", have a long-term performance character. AUM correlates with a long product life and ensures stable and recurring management fees over several years. The EBITDA margin (adjusted) reflects the company's profitability ratio, with income mainly derived from recurring income. In addition, the performance shares granted under the LTI are linked to the development of PATRIZIA's EBITDA margin (adjusted) and the development of the Company's Total Shareholder Return (TSR) compared to peer indices. Both EBITDA margin (adjusted) and TSR represent PATRIZIA's long-term and sustainable success.

EBITDA margin (adjusted) compares the EBITDA (adjusted) of the financial year with the sum of management fees (incl. Dawonia management fees booked in result from participations), transaction fees and net sales revenues.

EBITDA (adjusted) is being calculated as follows: EBITDA (according to IFRS, including Dawonia management fees booked in result from participations) minus performance fees, release of provisions (incl. income from release of M&A related earn-out liabilities) and co-investment income (sum of result from participations and earnings from companies accounted for using the equity method).

In case a SVL is agreed, this award will also be subject to the achievement of long-term targets, like – for instance – the absolute EBITDA levels or the level of recurring revenues achieved over the vesting period of five years, the development of the share price of PATRIZIA SE as well as the Company's EBITDA multiple[1].

Fixed remuneration components

The fixed annual remuneration is a non-performance-related component of remuneration. This consists of a basic salary, which is paid as a monthly salary and corresponds to the function of the Executive Director.

In addition, the following fringe benefits are granted in particular: PATRIZIA SE grants allowances for statutory pension insurance or contributions to a private pension plan if the Executive Director takes out a corresponding insurance policy. Depending on the plan, the allowances are paid monthly or annually and in gross amounts.

Fringe benefits further include benefits in kind and other benefits, which essentially comprise the tax-deductible amounts for insurance premiums and the use of company cars or company car allowances.

The company has taken out insurance for the Executive Directors to cover their personal liability arising from their Executive Directorship activities. The D&O insurance provides for a deductible of 10% of the damage up to 150% of the fixed annual remuneration of the Executive Directors.

In individual cases, the Board of Directors may grant an award on the occasion of a new Executive Director taking up office in the year of entry or the second year of appointment. Such an award can be used, for example, to compensate for losses of variable compensation suffered by an Executive Director at a previous employer due to the change to PATRIZIA. The award on the occasion of taking office can be divided into partial amounts over multiple fiscal years and can be delivered either in cash or long-term instruments in the form of PSUs, phantom shares or RSUs.

Performance-related remuneration

Short-term variable remuneration components

The Short-Term Incentive (STI) rewards the achievement of PATRIZIA's short- to medium-term corporate target, which was set as part of the target agreement for the performance of the respective fiscal year.

The absolute and relative amount of the STI remuneration differs between the Executive Directors and is based on a contractually agreed target value between 100-150% of the basic salary. The amount of the short-term variable remuneration component is determined on the basis of quantitative (financial) and qualitative (non-financial) targets defined at the beginning of the financial year. The structure of the STI is shown below:

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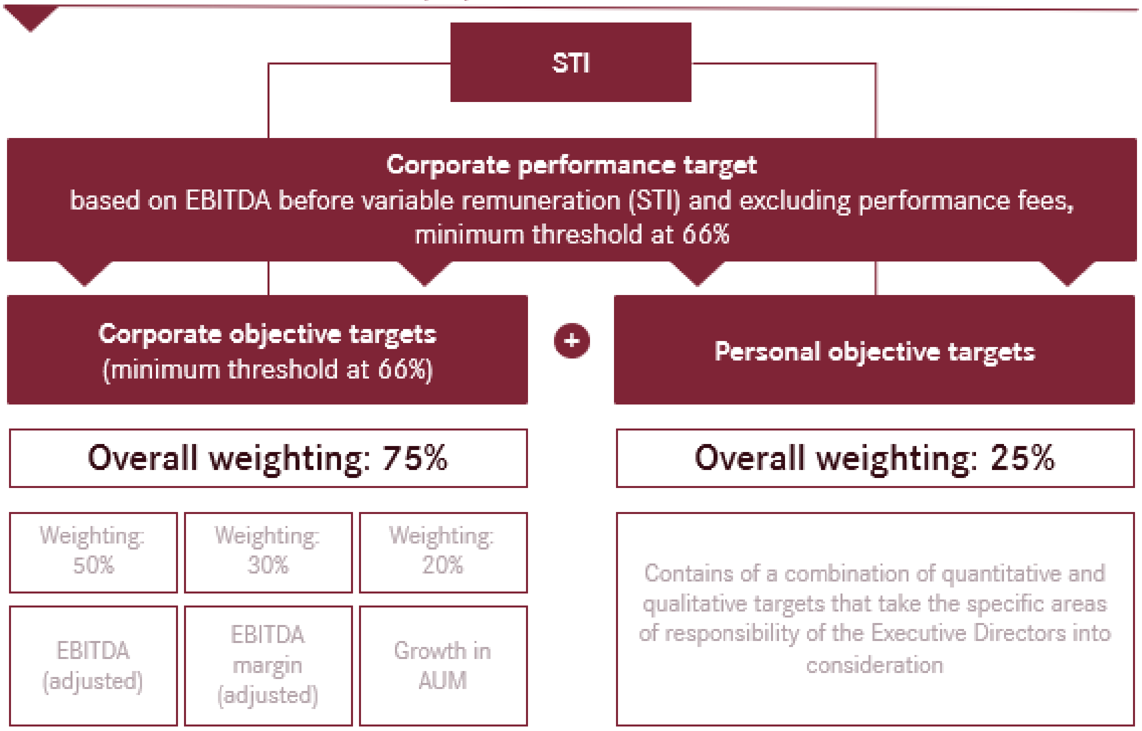
1 EBITDA Multiple defined as the Market Capitalisation of the Company compared to the Company's EBITDA as reported in the Company's Group Annual Report

Overview of the Short-Term Incentive (STI)



In order for the Executive Directors to receive an STI for the fiscal year, a minimum threshold of 66% must be achieved for the Corporate performance target, which is measured against PATRIZIA's EBITDA before variable remuneration (STI) and excluding performance fees.

Provided that the Corporate performance target reaches its minimum threshold, the annual awards are determined by the target achievement of two subcomponents - a corporate target and the personal targets. Both positive and negative developments are taken into account in the performance evaluation. Whereas the corporate targets are weighted 75% in total under the STI at 100% target achievement, a minimum threshold of 66% must be achieved for the corporate target component of the STI to be awarded. There is no additional minimum threshold for the personal targets to be achieved.

The corporate targets are set by the Board of Directors at the beginning of each financial year and are defined and applied uniformly for all Executive Directors. The corporate targets comprise the following performance criteria (KPIs) with their respective weighting at 100% target achievement:

– EBITDA (adjusted) - 50% weighting
– EBITDA margin (adjusted) - 30% weighting
– Growth in assets under management (AUM) - 20% weighting

The performance achieved with regard to these targets is assessed at the end of the fiscal year. For the financial performance criteria of EBITDA (adjusted), EBITDA margin (adjusted) and growth in assets under management, the values and key figures reported in the approved and audited consolidated financial statements of PATRIZIA SE are used as the basis for determining target achievement. After the end of the fiscal year, the overall target achievement is calculated on the basis of the target achievement in the individual financial performance criteria. To determine target achievement for the financial performance criteria, the Board of Directors compares the actual value for each performance criterion with the targets for the respective financial year. Here, the quotient of the actual value achieved to the target value set by the Board of Directors in each case (in percent) reflects the respective target achievement and results in the following target achievement. Depending on the performance achieved, the pay-outs for the corporate component (corporate target) with the financial performance criteria can vary between 0%-200% of the target. The same target attainment corridor of 0%-200% applies to the personal objective targets.

When determining the target achievement of the actual values of the financial performance criteria EBITDA (adjusted), EBITDA margin (adjusted) and growth of assets under management, the Board of Directors is entitled, at its reasonable discretion, with the aim of achieving a target/actual comparison that is as operational as possible, to exclude unexpected special influences if they inappropriately influence an assessment of the performance of the Executive Directors in one or more of these financial performance criteria.

In addition to the financial performance criteria, the Board of Directors sets non-financial performance criteria within the personal goals and their weighting for each Executive Director at the beginning of the financial year in order to assess the individual performance of the Executive Director. The non-financial personal performance criteria are based on the tasks and areas of responsibility of the respective Executive Director. Performance criteria for assessing the individual performance of the Executive Director can be, for example, important strategic achievements with regard to the area of responsibility or individual contributions to significant projects. The personal targets, which include non-financial performance criteria, are weighted 25% in total under the STI at 100% target achievement. The targets and the assessment of the extent to which the targets have been achieved are reported subsequently in the remuneration report for the respective financial year.

The non-financial personal goals of the Executive Directors each contain sustainability goals derived from PATRIZIA's ESG strategy and reflect the corporate purpose "Building communities & sustainable futures". PATRIZIA's ESG strategy includes long-, medium- and short-term sustainability goals, for example in the areas of sustainable assets under management, impact investing, carbon neutrality and employer attractiveness, further integration of ESG opportunities and risks into existing investment processes, standardised ESG reporting, increasing the ESG data availability of AUM and the further promotion of diversity, equal opportunities and inclusion. ESG objectives can weigh up to 50% under the personal performance criteria for the STI.

The sustainability targets set by the Board of Directors of the Company shall be reviewed each year and updated as necessary. The Board of Directors is entitled to replace or supplement the target criteria of the ESG sub-target for future financial years in whole or in part if, in its dutiful discretion, this is better suited to reflect the development in the area of ESG and to incentivise the Executive Directors accordingly. In doing so, the Board of Directors may choose from the following categories in particular: Energy Efficiency; Employee Satisfaction; Customer Satisfaction; Positive Impact (impact investing), Diversity and Promotion of Social Aspects.

According to the German Corporate Governance Code, more than 50 % of the variable remuneration is linked to the achievement of long-term targets ("long-term threshold"). In order to follow this guideline, the part of the STI allocation required to reach this long-term threshold (in addition to the LTI allocation) is deferred and converted into phantom shares or RSUs. The value of a "phantom share" corresponds to the value of a PATRIZIA SE share based on the average of the Xetra closing prices in the period beginning 30 days before and ending 30 days after 31 December of the respective performance year. In case the deferral is made by granting RSUs, the respective RSU corresponds to a number of PATRIZIA SE shares equivalent to the value of the STI allocation to be deferred (“Reference Shares”). The value of a Reference Share is calculated in the same way as the value of a “phantom share”.

The equivalent value of the "phantom shares" is paid out to the Executive Directors after a lock-up period of four years from the end of the respective fiscal year. The value of a "phantom share" relevant for payment corresponds to the value of a PATRIZIA SE share according to the average of the Xetra closing prices in the period beginning 30 days before and ending 30 days after 31 December of the fourth year following the start of the lock-up period.

In case the deferral is made by granting RSUs, the cash payment based on the respective RSU, as far as vested, is made after a vesting period of a minimum of four years, starting from the end of the respective fiscal year for which the STI is awarded (“Vesting Start Date”). As an alternative to a cash payment, PATRIZIA SE can decide at its discretion to grant PATRIZIA SE shares equivalent to the number of Reference Share to which the RSU corresponds, as far as vested.

The vesting of the RSU will take place over the vesting period either on a linear or an incremental basis at specific reference dates within the vesting period; the portions to be vested may also be unevenly distributed over the vesting period. A cliff-vesting can also be agreed. The vesting will depend on vesting conditions set by the Board of Directors at its reasonable discretion; the vesting conditions can, but do not need to be limited to the passage of time. Furthermore, the respective RSU may be subject to forfeiture provisions relating to termination of the respective Executive Director's service before the end of the vesting period, depending on the reasons for the termination and/or subject to the reasonable discretion of the Board of Directors.

On the occurrence of a variation of share capital, a demerger, special dividend or other similar event which affects the market price of PATRIZIA SE shares to a material extent, the Board of Directors may make such adjustment as it considers in its reasonable discretion appropriate to (i) the number of Reference Shares, (ii) the vesting conditions, and (iii) where a RSU has vested but no cash payment has been made, the amount of the cash payment.

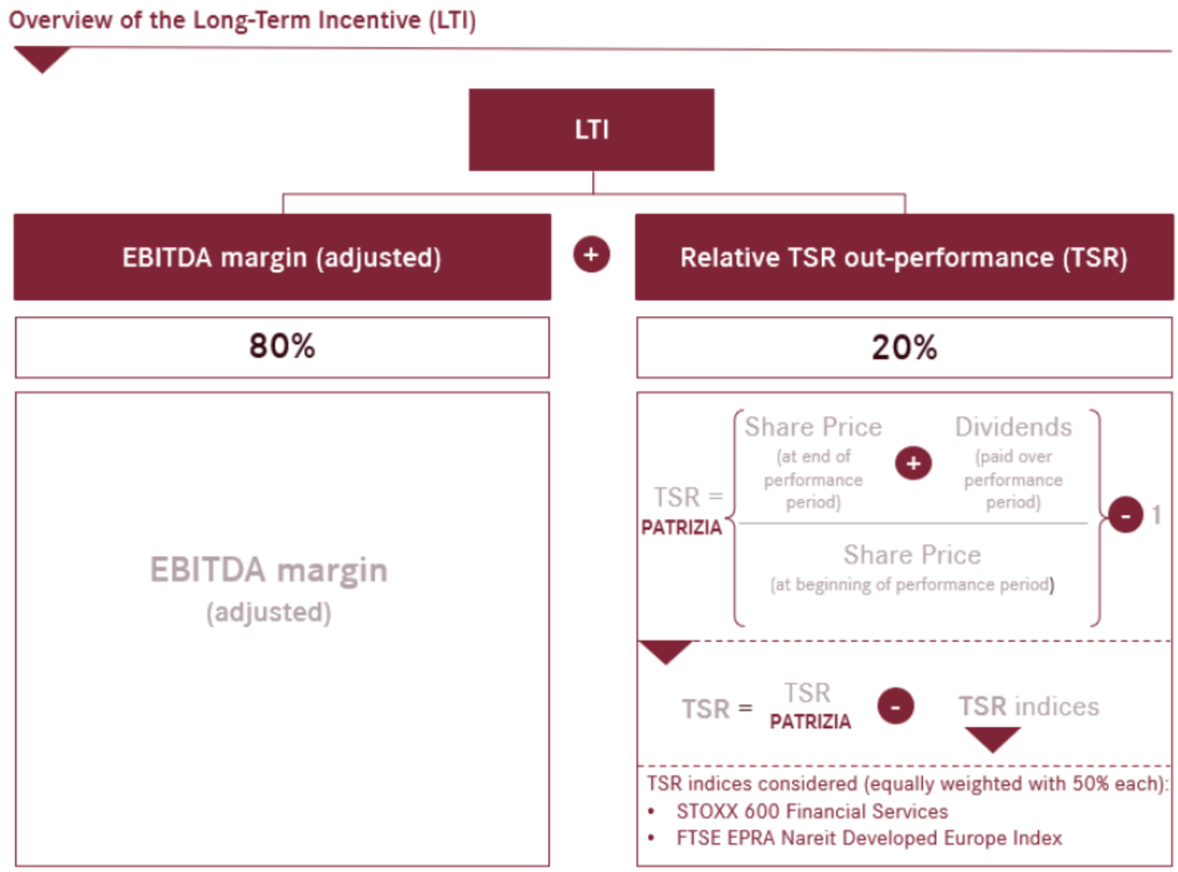
The conversion into “phantom shares” or RSUs ensures that the above-mentioned part of the STI is value-creating in that it fully reflects the long-term price performance of the PATRIZIA SE share. Neither the “phantom shares” nor the RSUs carry voting or dividend rights.

The remaining (not-deferred) part of the STI for a fiscal year is due for payment after the approval of PATRIZIA SE's consolidated financial statements for the respective fiscal year.

A subsequent change of the financial and non-financial performance criteria of the STI and the comparison parameters is excluded. In the event of extraordinary events or developments, e.g. reorganisation, significant acquisitions or the sale of a part of the company, the Board of Directors is entitled to adjust the plan conditions of the STI temporarily and appropriately at its reasonable discretion.

Long-term variable remuneration components

The Long-Term Incentive Plan (LTI) is part of the overall remuneration structure and aligns the interests of shareholders, PATRIZIA Executive Directors and the Company's executives. The plan aims to focus the Executive Directors on the long-term and sustainable success of the Company by measuring performance against the achievement of multi-year targets and by considering the Company's performance relative to the development of the market environment. It also supports the share ownership of the Company’s leaders. The structure of the LTI is presented below:



The LTI remuneration component is based on a contractually agreed target value ranging from EUR 200,000 to EUR 350,000 for each Executive Director.

Participants in the LTI plan are granted awards each financial year with the opportunity to participate in a new plan each year. The LTI plan uses performance shares to measure the Company's success over a three financial year period, which defines a performance period of the LTI plan.

The performance conditions for each grant of the LTI plan are set by the Board of Directors each financial year and are defined and applied uniformly for all Executive Directors. The allocation is subject to the following performance conditions measured over three financial years. The weightings are as follows.

- Development of the Company's EBITDA margin (adjusted) - 80% weighting
- Development of the relative total shareholder return (TSR) - 20% weighting

The Company's target EBITDA Margin (adjusted) is defined on the basis of the Company's business plan. The targets are in line with the overall strategy of PATRIZIA SE and its Group companies and the objectives set out in the Company's mid-term business plan. The Company's TSR performance is measured against two indices (STOXX 600 Financial Services Index and FTSE EPRA/NAREIT Developed Europe Index), which are equally weighted. A performance corridor of 0%-200% is defined to determine how much of the performance shares will vest depending on the three-year performance of the two performance measures EBITDA margin (adjusted) and TSR. Therefore, a lower limit, a target value and a maximum value (cap) for vesting are defined. Below the threshold, no performance shares will vest and the number that will vest between the lower limit and the target value and the target value and the maximum value will be determined on a straight-line basis. Payment may be made in shares of the Company or in cash settlement.

The LTI awards granted relate to a certain number of shares in the capital of the Company and are referred to as performance shares. The performance shares granted relate to a nominal value on the date of grant, which corresponds to a certain cash amount. The performance shares may be considered as a right to receive a cash amount or a right to receive shares in the Company if the performance conditions are met at the end of the performance period. For the financial performance criterion EBITDA margin (adjusted), the values and key figures reported in the approved and audited consolidated financial statements of PATRIZIA SE are used in each case when determining target achievement.

The performance shares vest to the Executive Directors after the three-year performance period and are held in trust by the Company during the following additional two-year holding period - in total, the shares are transferred to the plan participants after a total of five years. At the end of the holding period, a payout is made in cash or by transferring the vested shares to the participant.

Relevant vesting provisions for outstanding awards relating to termination of employment are contained in the terms and conditions of the LTI Plan. Depending on the nature of the termination of employment, the outcome may typically be full vesting, partial vesting or full forfeiture. The discretion is determined by the Board of Directors, if applied.

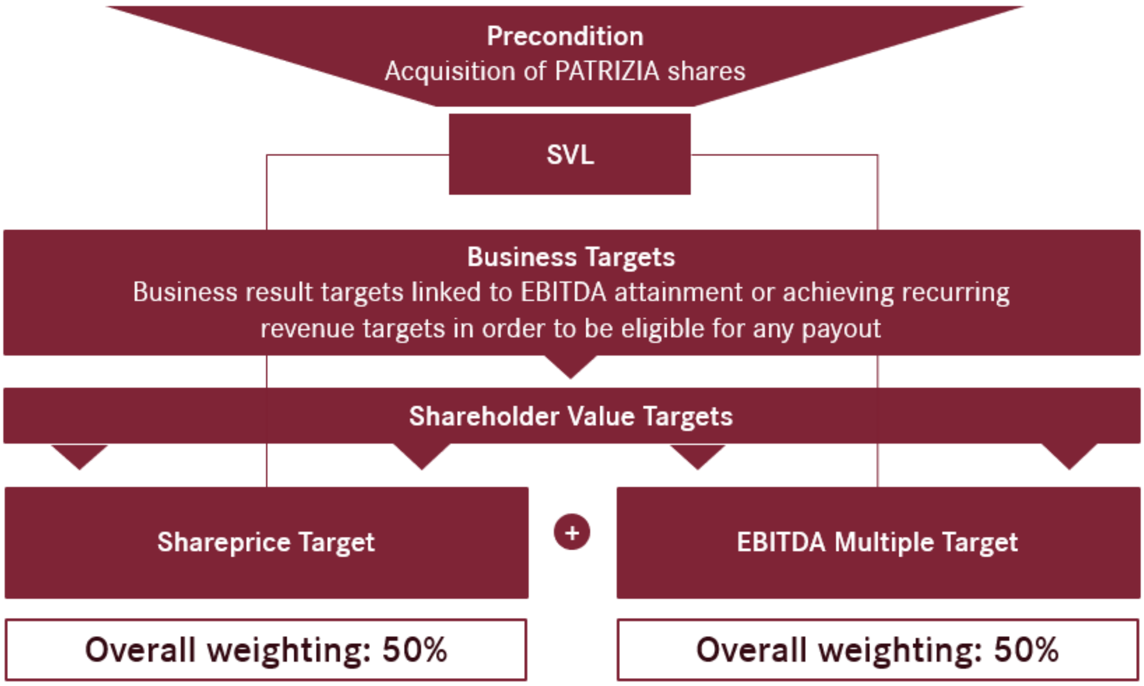
A subsequent change of the performance criteria of the LTI and the comparison parameters is excluded. In the event of extraordinary events or developments, e.g. reorganisation, significant acquisitions or the sale of a part of the company, the Board of Directors is entitled to adjust the plan conditions of the LTI temporarily and appropriately at its reasonable discretion.

A change-of-control clause is provided for the LTI plan. In the event of a change of control where the company is subject to a takeover by an acquiring company, the performance shares will vest pro rata or continue to be invested depending on the acquiring company. In the event that a takeover results in a winding up of the Company, unvested awards will vest on a pro-rata basis, i.e. the number of shares granted will be divided by the number of years accrued over the vesting period. Performance shares are downgraded by reference to the number of years elapsed from the date of grant to the date of change of control in proportion to the length (in years) of the vesting period. In the event that a takeover results in the Company being organised under a new holding parent company, there will be no immediate vesting of awards and participants will be offered a replacement award by the acquiring company.

Shareholder Value Long-Term Incentive (SVL)

The Board of Directors may offer Executive Directors the opportunity to participate in a SVL. The specific terms and conditions will be agreed individually with the respective Executive Director. The purpose of the SVL, if agreed, is to further align the interests of the shareholders of the Company with the interests of the respective Executive Director whom an award under such SVL is granted, by linking the granting of the award to a corresponding private shareholding of the Executive Director and making the payment dependent on the achievement of long-term targets (in particular the development of the share price and stock market valuation of the Company).

Overview of the Shareholder Value Long-Term Incentive Structure (SVL)



To this end, as part of the SVL, the respective Executive Director will agree to acquire, and to hold for the entire vesting period of the SVL, a specific amount of shares in PATRIZIA SE ("**Shareholding Requirement**"); in return, the Executive Director will be granted an award consisting of Performance Share Units (PSUs) in a number corresponding to the number of the shares acquired by the Executive Director. The grant date will be agreed individually with the Executive Director within the SVL award, whereby such grant date included in the SVL award can also be (up to one year) prior to the date when the SVL award is actually agreed. The Shareholding Requirement must be maintained over the vesting period; in case of a termination during the vesting period, the Shareholding Requirement can be limited to the number of Shares corresponding to the number of PSUs (underlying the PSU Award) to the extent the PSU Award is deemed vested.

The PSUs vest in full after a five-years vesting period, starting with the grant date, and subject to the achievement of certain performance conditions as determined by the Board of Directors. The amount payable after the end of the vesting period will depend on the achievement of long-term related performance targets (for instance – the absolute EBITDA levels or the level of recurring revenues achieved over the vesting period of five years, the development of the share price of PATRIZIA SE as well as the Company's EBITDA multiple[2]), such performance targets to be measured at the end of the financial year prior to the vesting (if applicable based on the financial statements as per the end of that financial year). The value of a PSU corresponds initially to the share price of one share in PATRIZIA SE, whereby depending on the achievement of the performance targets such value can decrease down to zero and increase in case of full achievement by a maximum factor of 200%.

The PSUs will be settled by delivering PATRIZIA shares to the Executive Director, or alternatively, as determined by the Board of Directors, in cash. If the PSUs are settled in shares, such shares would have to be held, without being disposed, for an additional three-year holding period following the end of the vesting period, it being understood that they may also be held in trust by the Company during such holding period. In case of a cash settlement, the payout will only take place after the end of the holding period.

2 EBITDA Multiple defined as the Market Capitalisation of the Company compared to the Company's EBITDA as reported in the Company's Group Annual Report

Vesting period and/or holding period can be shortened in case of a termination or due to the discretion of the Company.

The PSUs granted under the SVL, if any, will be subject to relevant forfeiture provisions relating to termination of service before the end of the vesting period, depending on the reasons for the termination and/or subject to the reasonable discretion of the Board of Directors; a forfeiture can also be agreed for a breach of the Shareholding Requirement obligation. For cases of a termination of service as a "good leaver", a pro-rated vesting of the PSUs can be agreed, meaning that only a portion of the PSUs would forfeit and the remainder would continue to exist in accordance with the provisions of the SVL.

Maximum remuneration

Under the new remuneration system, the total remuneration to be granted for a financial year (sum of all remuneration amounts spent for the financial year in question, including fixed annual salary, variable remuneration (STI and LTI Award and – if granted – SVL) and fringe benefits) of an Executive Director is limited to a maximum amount. This applies regardless of whether the remuneration amounts are paid in the respective financial year or at a later point in time.

Overall, maximum amounts have been set for different roles within the Executive Director cohort:

- The total remuneration of the CEO may not exceed an amount of EUR 8.0 million gross for a financial year. The same applies to the total remuneration of the Co-CEO. In case a SVL is agreed, this amount is increased to EUR 50.0 million gross for a financial year.
- The total remuneration for each other Executive Director under this system may not exceed an amount of EUR 6.2 million gross, or GBP 5.4 million gross if a service contract provides for remuneration in GBP, for a financial year. In case a SVL is agreed, this amount is increased to EUR 27.1 million gross, or GBP 23.6 million gross, if a service contract provides for remuneration in GBP, for a financial year.

The Executive Directors' activities, including their responsibilities within the supervisory bodies of other companies within PATRIZIA Group are compensated for in the Executive Director remuneration.

For the individual Executive Director, a maximum remuneration to be granted for a financial year (total of all remuneration components paid for the financial year in question including fixed annual salary, variable remuneration (STI and LTI Award plus SVL Award, if any) and fringe benefits) (gross) has been agreed. The following maximum amounts satisfy the requirements from the abovementioned maximum amounts set for different roles within the Executive Directorship:

	Individual maximum amount		Executive Director role maximum amount[3]	
-Wolfgang Egger:	EUR	6.1 million	EUR	8.0 million
-Asoka Wöhrmann	EUR	8.0 million	EUR	8.0 million
	(EUR	50.0 million incl. SVL Award)		
-Christoph Glaser	EUR	6.1 million	EUR	6.2 million

The maximum remuneration may deviate from the fixed maximum remuneration on the occasion of a new Executive Director taking office in the year of entry or the second year of appointment, provided that in exceptional cases the Board of Directors grants the new Executive Director an award on the occasion of taking office to compensate for lost payments from the previous employment relationship. In this case, the maximum remuneration for this one financial year increases by up to 25 % for Executive Directors.

[3] Excluding SVL Award, if any.

Contractual Terms and Termination of Executive Director Activities
The Executive Directors' service contracts are concluded for the duration of the appointment period.

The Company can offer service contracts to Executive Directors with a fixed term. As a rule, this period is three years. In this case the service contracts would not provide for the possibility of ordinary termination.
In the case of a fixed term, if the appointment as Executive Director is revoked based on an important reason within the meaning of section 626 BGB, the respective Executive Director's service contract shall (also) end, without further notice. If the revocation is based on a reason which – in case of a board member of an AG – would be an important reason within the meaning of section 84 (4) AktG, however without being an important reason within the meaning of section 626 BGB, the Executive Director's service contract shall end only upon expiry of a period of twelve months to the end of the month from the end of the Executive Director's position, but at the latest upon expiry of the Executive Director's service contract.

Alternatively, the Company can offer unlimited service contracts to Executive Directors with an indefinite term (with or without an initial fixed term) and with ordinary termination rights.

In accordance with the recommendations of the GCGC, payments (including fringe benefits) to an Executive Director on the occasion of the premature termination of his or her management activities may not exceed two annual salaries and may not compensate more than the remaining term of the service contract.

The Board of Directors may agree a post-contractual non-competition clause with the Executive Directors for a period of up to two years. During this period, the Executive Directors are entitled to a waiting allowance. Any severance payment shall be credited against the compensation.

In unlimited service contracts, the Board of Directors may also agree on provisions providing for severance payments to be paid in case of ordinary terminations by the Company. Such severance payments may not exceed two annual salaries calculated based on the assumption of a target achievement of 100%, and may not compensate more than the remaining term of the service contract (with the variable remuneration again based on the assumption of a target achievement of 100%); there shall be no severance payment if, at the time of receipt of the notice of termination by the Executive Director, the conditions for an extraordinary termination pursuant to § 626 German Civil Code are met. Corresponding severance payment provisions can also be agreed for cases in which the Executive Director terminates the service contract for reasons that lie within the sphere of the Company.

Malus and Clawback
Following the recommendation of the German Corporate Governance Code, malus and clawback rules have been implemented to ensure further alignment with the interests of the Company's shareholders. PATRIZIA is entitled to reclaim an appropriate portion of the variable remuneration paid in accordance with the STI or LTI component or the SVL if a malus or clawback event occurs. This includes, but is not limited to, a material misstatement of the Company's financial results, a breach of relevant external or internal codes of conduct or if economic data of the Company following the performance of the respective variable remuneration component proves to be unsustainable.

Procedures for establishing, implementing and reviewing the remuneration system

The Board of Directors shall adopt a clear and comprehensible remuneration system for the Executive Directors.

This remuneration system shall apply to the Executive Directors as of 1 April 2023.

A review of the remuneration system shall be conducted by the Board of Directors at its due discretion on a regular basis, but no later than every four years. The review shall take into account all assessment criteria recommended in Section G of the German Corporate Governance Code as well as the legal requirements. It also includes a market comparison of the remuneration level with the market practice of important competitors in the same industry.

If necessary, the Board of Directors consults external remuneration experts and other advisors. In doing so, the Board of Directors shall ensure the independence of the external remuneration experts and advisors from the Executive Directors and shall take precautions to avoid conflicts of interest. The Board of Directors shall submit the adopted remuneration system to the general meeting for approval whenever there is a significant change, but at least every four years. If the general meeting does not approve the submitted system, the Board of Directors shall submit a revised remuneration system to the general meeting for approval at the latest at the following ordinary general meeting.

The Board of Directors shall ensure that potential conflicts of interest of the members of the Board of Directors involved in the deliberations and decisions on the remuneration system are avoided and, if necessary, resolved. In this context, each member of the Board of Directors is obliged to report conflicts of interest to the Chairman of the Board of Directors. The Board of Directors decides on how to deal with an existing conflict of interest on a case-by-case basis.

The Board of Directors may temporarily deviate from the remuneration system (procedures and regulations on remuneration structure) and its individual components as well as with regard to individual remuneration components of the remuneration system and their weighting or introduce new remuneration components if this is necessary in the interest of the long-term well-being of PATRIZIA SE. The Board of Directors reserves the right to make such deviations for exceptional circumstances, such as an economic or corporate crisis or significant acquisitions. Such deviations may temporarily lead to a deviation from the maximum remuneration for all or individual Executive Directors.