
Joint Declaration of Conformity by the Managing Board and Supervisory Board of PATRIZIA Immobilien 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 of the Aktiengesetz (AktG – German Stock Corporation Act), the Managing Board and Supervisory Board of PATRIZIA Immobilien AG declare that:

Since issuing the last Declaration of Conformity in December 2013, PATRIZIA Immobilien AG complied with the recommendations of the German Corporate Governance Code (“the Code”) in the version of 13 May 2013 in the period until 29 September 2014. Since 30 September 2014 it has complied with the recommendations of the Code in the version of 24 June 2014 as published on 30 September 2014 in the official portion of the electronic German Federal Gazette, with the exceptions set forth below. and it will comply also in the future with the recommendations of the Code in the version of 24 June 2014 with the following exceptions:

No 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, a suitable deductible should be agreed if the Company takes out a D&O policy for the Managing 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 Managing Board. There will be no deductible for the Supervisory Board now or in the future. The Managing 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 fulfill the duties and functions assigned to them.

No caps for Management Board remuneration (Section 4.2.3 paragraph 2 sentence 6 of the Code)

According to Section 4.2.3 para. 2 sentence 6 of the Code, the amount of compensation of Managing Board members should be capped both overall and for individual compensation components.

The compensation paid to Managing Board members of PATRIZIA Immobilien AG is made up of non-performance-related and performance-related components. The employment contracts of the Managing Board members of PATRIZIA Immobilien AG do not provide for maximum amounts for overall compensation, or in respect of all variable compensation components.

Part of the variable compensation is paid in the form of “Performing Share Units”, i. e. virtual shares, and is thus dependent on the Company’s share price performance (component with long-term incentive effect). The cash price equivalent of the Performing Share Units is paid out to Managing Board members after the end of a vesting period. This part of the variable compensation is not limited in terms of amount. Restricting the amount paid out for the component with long-term incentive effect after the end of the vesting period would conflict with the underlying principle of linking this compensation to the Company’s share price performance. Limiting appreciation during the vesting period would weaken the long-term incentive effect.

No formation of committees in the Supervisory Board (section 5.2, paragraph 2 and section 5.3 of the Code)

In accordance with section 5.2, paragraph 2 and section 5.3 of the Code, the Supervisory Board should form committees. The Supervisory Board of PATRIZIA Immobilien 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.

No diversity in the composition of the Managing Board (section 5.1.2, second sentence of the Code) / No diversity in the composition of the Supervisory Board (section 5.4.1 paragraph 2 and 3 of the Code)

The Supervisory Board and Managing Board expressly welcome all efforts to combat discrimination on the basis of gender or otherwise, and to appropriately support diversity. When appointing Managing Board members, the Supervisory Board emphasises only the special skills and qualifications; additional characteristics like gender or national origin were, and remain, irrelevant to appointment decisions.

The composition of the company's Supervisory Board must focus on the company interests and must ensure the effective monitoring and advisement of the Managing Board. Therefore, when nominating candidates at the Annual General Meeting, the Supervisory Board examines their professional skills and experience; characteristics like gender, age or national origin were and remain irrelevant to these nominations. The Supervisory Board does not feel a fixed quota system or a fixed age limit is appropriate, and in the interest of the company, it will not neglect the consistency of its personnel. Accordingly, PATRIZIA Immobilien AG's Supervisory Board has so far not defined any specific targets for the composition of the Supervisory Board under section 5.4.1, paragraph 2 of the Code, and does also not report on this in the Corporate Governance report.

On 9 September 2014, the Federal Ministry for Family Affairs, Senior Citizens, Women and Youth and the Federal Ministry of Justice and Consumer Protection presented a revised draft bill for the equal participation of women and men in management positions within private industry and in public services. The bill provides for an obligation for supervisory boards of listed companies to set targets for increasing the proportion of women on the supervisory board and managing board, together with deadlines for achieving these targets. The law is currently expected to enter into force at the start of 2015.

If a corresponding legal regulation enters into force, the Supervisory Board of PATRIZIA Immobilien AG will decide on corresponding targets and deadlines for achieving these targets.

Compensation of the Supervisory Board (section 5.4.6 of the Code)

In accordance with section 5.4.6, paragraph 1, sentence 2 of the Code, 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 regulation for the Supervisory Board of PATRIZIA Immobilien AG takes the chair of the Supervisory Board into account but does not distinguish between deputy chairmen of the Supervisory Board and a simple member of the Board due to its number of three members. No committees are formed.

To increase transparency and comprehensively illustrate the importance of the Code for PATRIZIA Immobilien AG, in this Declaration of Conformity we also state our position on compliance with the proposals of the Code. With the exception of the following recommendation, all recommendations of the version of the Code dated 13 May 2013 and in the version dated 24 June 2014 were complied with in the 2014 fiscal year or are to be complied with in the 2015 fiscal year:

Transmission of the Annual General Meeting on the Internet (section 2.3.3 of the Code)

Due to cost reasons the 2014 Annual General Meeting was not broadcast on the Internet. Also due to cost reasons, there are likewise no plans to broadcast part or all of the 2015 Annual General Meeting on the Internet.

Augsburg, December 2014

Managing Board

Wolfgang Egger
CEO

Arwed Fischer
CFO

Klaus Schmitt
COO

For the Supervisory Board

Dr. Theodor Seitz
Chairman of the Supervisory Board