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**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 2015, PATRIZIA Immobilien AG complied with the recommendations of the German Corporate Governance Code (“Code”) in the version as published on 12 June 2015 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 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 fulfil 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 paragraph 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.

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### **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, sentence 2 of the Code) / No concrete objectives regarding the composition of the Supervisory Board (section 5.4.1 paragraph 2 sentence 1 and paragraph 3 of the Code)**

According to section 5.1.2 sentence 2 of the Code, the Supervisory Board should also respect diversity when appointing the Managing Board.

According to section 5.4.1 paragraph 2 first sentence of the Code, the Supervisory Board should specify concrete objectives regarding its composition which among other things consider an age limit to be specified and a regular limit of length of membership to be specified for the members of the Supervisory Board as well as diversity. According to section 5.4.1 paragraph 3 of the Code, election recommendations by the Supervisory Board to the Annual General Meeting should take these objectives into account; the objectives of the Supervisory Board and the status of the implementation should be published in the Corporate Governance Report.

The Supervisory Board and Managing Board expressly welcome all efforts to combat discrimination and to appropriately support diversity.

When appointing members of the Managing Board the Supervisory Board's primary consideration is on particular expertise and qualifications; increasing diversity within the Managing Board plays a subordinate role.

The composition of the Company's Supervisory Board must be geared to the Company's interests and must guarantee effective monitoring and advising of the Managing Board. The Supervisory Board therefore selects the candidates it proposes to the Annual General Meeting based on professional expertise and experience; here too, increasing diversity plays only a subordinate role. The Supervisory Board does not consider it appropriate to set a fixed age limit for Supervisory Board members or a regular limit of length of membership of the Supervisory Board and in the interests of the Company, it will also not disregard continuity in personnel. Accordingly, PATRIZIA Immobilien AG's Supervisory Board has so far not defined any concrete objectives for the composition of the Supervisory Board pursuant to section 5.4.1 paragraph 2 sentence 1 of the Code, nor does it report on this in the Corporate Governance Report.

With regard to the proportion of women on the Managing Board and the Supervisory Board, the Supervisory Board has set targets and deadlines for reaching the targets in accordance with Article 111 (5) of the AktG; these are published in the Corporate Governance Statement.

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## **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 Code were complied with in the 2016 fiscal year or are to be complied with in the 2017 fiscal year:

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

The 2016 Annual General Meeting was not broadcast on the Internet. There are likewise no plans to broadcast part or all of the 2017 Annual General Meeting on the Internet.

Augsburg, December 2016

## **Managing Board**

Wolfgang Egger  
CEO

Karim Bohn  
CFO

Klaus Schmitt  
COO

## **For the Supervisory Board**

Dr. Theodor Seitz  
Chairman of the Supervisory Board