

**Declaration on Corporate
Governance by the Executive Board
and the Supervisory Board
of ERWE Immobilien AG, Frankfurt am Main**

The Board of Management and the Supervisory Board issue the corporate governance statement for ERWE Immobilien AG and at the same time for the Group in accordance with Sections 315d, 289f (1) of the German Commercial Code (HGB).

Declaration of Conformity with the German Corporate Governance Code

The Board of Management and the Supervisory Board of ERWE Immobilien AG issued the following Declaration of Conformity in November 2021 pursuant to Section 161 (1) of the German Stock Corporation Act (AktG) and published it on the company's website (www.erwe-ag.com) in the Investor Relations section:

"The Board of Management and the Supervisory Board of ERWE Immobilien AG declare pursuant to Section 161 of the German Stock Corporation Act:

Since issuing its last declaration of compliance, ERWE Immobilien AG has complied with all recommendations of the German Corporate Governance Code published by the Federal Ministry of Justice and Consumer Protection in the official section of the Federal Gazette on 20 March 2020.

"Government Commission on the German Corporate Governance Code" in the version of 16 December 2019 ("GCGC 2020") have been and will continue to be complied with, with the following exceptions:

- Section B.5: According to section B.5 of the GCGC 2020, an age limit for members of the Executive Board shall be determined and stated in the corporate governance statement. The company is of the opinion that reaching an age limit does not allow any conclusions to be drawn about the competence of a member of the Executive Board. Therefore, no age limit has been set for Executive Board members. Accordingly, no age limit is stated in the corporate governance statement. In this respect, there is a deviation from section B.5 of the GCGC 2020.
- Section C.1: We deviate from the recommendation of the GCGC 2020 according to section C.1 on the designation of concrete objectives for the composition of the supervisory board, the development of a competence profile for the entire body as well as the information on the number of independent shareholder representatives on the supervisory board that is appropriate in the opinion of the shareholder representatives and the names of these members. The composition of the supervisory board must ensure effective advice to and supervision of the executive board in the interest of the company. In order to ensure that these statutory duties are performed dutifully, the Supervisory Board will continue to be guided in its election proposals primarily by the knowledge, skills and experience of the candidates under consideration. In doing so, the supervisory

board will pay attention to diversity. However, the supervisory board does not consider the prior determination of concrete targets or quotas going beyond the legally required determination of a women's target quota for the supervisory board pursuant to section 111 (5) AktG to be necessary nor appropriate, as this would impose a blanket restriction on the selection of suitable candidates, especially for the company as a smaller listed public limited company with a supervisory board consisting of only three members. Accordingly, the corporate governance statement does not report on any objectives in this regard.

- Section C.2: In deviation from section C.2 of the GCGC 2020, an age limit for Supervisory Board members is not specified and thus not stated in the corporate governance statement. The company is of the opinion that reaching an age limit does not allow any conclusions to be drawn about the competence of a Supervisory Board member.
- Section D.2, D.3 and D.5: Due to the current size of the company and the Supervisory Board, committees pursuant to section D.2, D.3 and D.5 of the GCGC 2020 will not be formed. The Supervisory Board is of the opinion that the efficiency of the advisory and supervisory activities of a Supervisory Board consisting of only three members cannot be meaningfully increased by the formation of committees. The work of the Supervisory Board takes place in plenary session. In this respect, it therefore also deviates from the recommendation in section D.11 of the GCGC 2020.
- Section F.2: The company reserves the right, in deviation from the recommendation pursuant to section F.2 of the GCGC 2020, to make use of the statutory deadlines for publication in each case if this is necessary for the proper completion and audit of the financial statements and reports. For the company, the accuracy and completeness of the respective financial statements and reports is of primary importance. The company endeavors to make the respective financial statements and reports known to the shareholders as early as possible.
- Section G.3: In deviation from section G.3 of the GCGC 2020, the Supervisory Board has refrained from using a peer group comparison when assessing the customary nature of the specific total remuneration of the Executive Board members, as the determination of a relevant peer group would only be possible to a limited extent due to the special business orientation of the company and thus no further representative findings regarding customary nature are to be expected.
- Section G.10: Contrary to the recommendation in section G.10 of the GCGC 2020, only the long-term variable remuneration amounts granted to the members of the Executive Board are granted on a share-based basis, as was also provided for in the original draft of the German Corporate Governance Code of 9 May 2019. Granting the short-term variable remuneration amounts annually on a share-based basis would also involve an unreasonably high accounting expense in view of the size of the company.
- Section G.11: In deviation from the recommendation pursuant to section G.11 of the GCGC 2020, only the long-term variable remuneration granted to the members of the Executive Board provides for the possibility of the Supervisory Board contractually withholding or reclaiming the long-term variable remuneration in justified cases (claw-back). The company considers it sufficient and appropriate to be able to react to special circumstances in this way only in the case of long-term variable remuneration. Otherwise, the general statutory rules can be applied in the event of relevant breaches of duty.

Frankfurt am Main, November 2021

The Board of Management
The Supervisory Board”

Information on corporate practices

In addition to the statutory and supervisory regulations and the German Corporate Governance Code, ERWE Immobilien AG also aligns its corporate management and control to the standards it has set itself in its internal risk and compliance management system and to the principles and values of its Code of Conduct.

ERWE Immobilien AG has a systematic risk management system which enables the Board of Management to identify risks and market trends at an early stage and to react immediately to relevant changes in the risk profile. Risk management is subject to the annual audit at regular intervals and is constantly being further developed.

ERWE Immobilien AG's compliance management system comprises all the measures taken by the company to comply with statutory regulations as well as the development and monitoring of the internal rules it has set itself. The aim is to prevent misconduct, reduce liability and reputational risks and improve the corporate culture and public image. The compliance management system therefore describes business and behavioral principles, in particular on data protection, dealing with business partners, conflicts of interest and donations, IT security and tax compliance. Responsibility for this area lies with the Compliance Officer appointed by the Executive Board, who reports directly to the Executive Board.

With its Code of Conduct, ERWE Immobilien AG has established binding behavioral guidelines for all managers and employees throughout the Group. The aim of this Code of Conduct is to assist all employees with legal and ethical challenges in their daily work and to provide them with guidance on correct behavior.

Description of the working methods of the Executive Board and the Supervisory Board

The Executive Board and the Supervisory Board work closely together in the interest of the company. The Executive Board manages the company on its own responsibility in accordance with the law, the Articles of Association and its Rules of Procedure. The rules of procedure contain, among other things, regulations on dealing with conflicts of interest, the decision-making powers of the entire Board of Management, a catalogue of transactions and measures requiring the approval of the Supervisory Board, as well as the duties to inform the Supervisory Board. The Board of Management of ERWE Immobilien AG consists of two persons, Mr Axel Harloff, Mr Rüdiger Weitzel.

The supervisory board supervises the executive board in its management of the company and assists it in an advisory capacity. It appoints and dismisses the members of the Board of Management, determines the transactions requiring its approval, decides on the remuneration system for the Board of Management and sets its respective total remuneration. It is involved in all decisions of fundamental importance for ERWE Immobilien AG and is informed by the Board of Management about important matters, also outside the regular Supervisory Board meetings. The Supervisory Board is composed of three members. The principles of the Supervisory Board's cooperation are governed by the rules of procedure of the Supervisory Board. In particular, they regulate the passing of resolutions and the handling of confidential information and conflicts of interest. According to its own assessment, the Supervisory Board works efficiently with all three members. A separate efficiency audit was not carried out in the 2021 financial year, as this is not considered expedient in view of the size of the body and the associated expense. Due to the close and trusting cooperation, the Supervisory Board is of the opinion that a maximum of efficiency already exists. Due to the small size of the Supervisory Board, no committees were formed.

Remuneration systems and remuneration report

The remuneration report for the last financial year and the auditor's report pursuant to § 162 AktG, the applicable remuneration system pursuant to 87a para. 1 and 2 sentence 1 AktG and the last remuneration resolution pursuant to § 113 para. 3 AktG are made publicly available on the company's website at <https://www.erwe-ag.com/investor-relations>.

Targets for the proportion of women

In the 2019 financial year, the Supervisory Board of ERWE Immobilien AG determined the current status of the proportion of women and defined targets for the Board of Management and the Supervisory Board.

For the Board of Management, the current proportion of women at ERWE Immobilien AG is zero. The target figure for the Board of Management was also set at zero.

The relevant considerations for this are based on the one hand, on the size of the board and, on the other hand, on the fact that although the composition of the board should take gender diversity into account, it should be guided primarily by the knowledge, skills and experience of the candidates in the well-understood interest of the company. Setting a higher target would restrict the selection of suitable female and male candidates across the board from the outset. This is because characteristics such as gender were and are of secondary importance in the selection of personnel. Moreover, two of the three board members are the founders and current majority shareholders of the company. In the event of an expansion of the Executive Board, however, the Supervisory Board is open to an increase in the target size.

Against the background of its existing composition and the size of its bodies, the supervisory board has decided on a gender quota of 0%. Although the supervisory board is generally striving to increase the proportion of women, it cannot anticipate the decision of the general meeting.

As ERWE Immobilien AG does not employ any staff other than the Board of Management, there are currently no targets to be set for management levels below the Board of Management.

Succession planning

Together with the Executive Board, the Supervisory Board ensures long-term succession planning for the Executive Board. Concrete qualification requirements and competence criteria are developed and taken into account in the individual selection. In the event of foreseeable vacancies on the Executive Board, the Chairman of the Supervisory Board shall exchange views with the Executive Board on suitable candidates and inform the Supervisory Board thereof. If necessary, the Supervisory Board is supported by external consultants in the development of requirement profiles and/or the search for suitable candidates.

Frankfurt, March 2022

Board of Management and Supervisory Board of ERWE Immobilien AG