

# CORPORATE GOVERNANCE REPORT

## CORPORATE GOVERNANCE REPORT AND CORPORATE GOVERNANCE STATEMENT OF GATEWAY REAL ESTATE AG

Gateway Real Estate AG attaches great importance to good corporate governance. The following is a report on the Company's corporate governance prepared jointly by the Management Board and the Supervisory Board. The corporate governance statement for the Company and the Group is part of the Group management report.

In the fiscal year 2021, the Management Board and the Supervisory Board have continued to elaborate on principles of good corporate governance. In November of the reporting year, the Company expanded its compliance framework on a large scale and introduced some amendments. This compliance framework includes strict and rigorous standards for entrepreneurial action which are binding for all employees of GATEWAY.

### DECLARATION OF COMPLIANCE PURSUANT TO SECTION 161 AKTG

The Management Board and Supervisory Board of Gateway Real Estate AG hereby declare that the Company has been in compliance with the recommendations of the Government Commission of the German Corporate Governance Code (Regierungskommission Deutscher Corporate Governance Kodex), as published by the German Federal Ministry of Justice in the official section of the German Federal Gazette on March 20, 2020, from the issue of the declaration of compliance dated January 21, 2021 (last updated in July 2021), save for the following exceptions:

- 1. Recommendation A.2:** Pursuant to the recommendation of the Code, employees and third parties shall be given the opportunity to report, in a protected manner, suspected breaches of the law within the company ("whistleblowing"). The Management Board believes that the Company has an effective compliance management system even without establishing such a whistleblowing system since the Management Board and the Group Legal Department are closely integrated in the operating and legal units of Gateway Real Estate AG. Against this backdrop, the Management Board currently does not believe that establishing a formal whistleblowing system is necessary. The effort associated with introducing such a system is not reasonable in view of the potential benefits for the Company and stakeholders, particularly with respect to the Company's size, structure and business activities.
- 2. Recommendation B.5:** The Company considers the specification of an age limit for Management Board members, as recommended by the Code, as unnecessary since reaching a certain age limit is no indication for the qualification of a member of the Management Board. Therefore, no age limit has been specified.
- 3. Recommendation C.1 and C.2:** The Supervisory Board shall determine concrete objectives regarding its composition and shall prepare a profile of skills and expertise for the entire Board and shall aim at fulfilling the overall profile when making proposals to the Annual General Meeting concerning new appointments. Apart from determining a target for the share of women, the Supervisory Board of Gateway Real Estate AG has not yet determined concrete objectives for its composition and has not prepared a profile of skills and expertise for the entire Board. In its election proposals for the Supervisory

Board, the Supervisory Board has based its decisions primarily on the individual professional and personal suitability of candidates. This is a tried-and-tested procedure in the view of the Supervisory Board.

4. **Recommendation C.10:** The Chairman of the Supervisory Board and the Chairman of the Audit Committee shall be independent from the Company and the Management Board. The Chairman of the Audit Committee shall also be independent from the controlling shareholder. The Company deviates from this recommendation. Both the Chairman of the Supervisory Board and the Chairman of the Audit Committee are neither independent from the Company nor independent from the controlling shareholder, as defined in Recommendation C.7. However, the Management Board and the Supervisory Board believe that this neither represents a material and permanent conflict of interest nor does it impede the performance of the related duties.
5. In accordance with **Recommendation C.14** the Supervisory Board's proposals for a candidate shall be accompanied by a curriculum vitae, providing information on the candidate's relevant knowledge, skills and professional experience; it shall be supplemented by an overview of the candidate's material activities in addition to the Supervisory Board mandate, and shall be updated annually for all Supervisory Board members and published on the entity's website. The Company did not comply with this recommendation on the Annual General Meeting 2021 as all of the candidates already were members of the Supervisory Board at the respective date and, to that extent, the proposals merely represented proposals to extend the term of office. The major roles filled by the candidates in addition to their membership in the Company's Supervisory Board have therefore been already disclosed in the Annual Report for the fiscal year 2021. The curricula vitae of the candidates were already accessible under <https://www.gateway-re.de/en/company/supervisory-board/>. The Company is of the opinion that another reproduction of the curricula vitae in the notice convening the Annual General Meeting 2021 would have unnecessarily consumed resources without making the decision easier for the shareholders in any meaningful way.
6. **Recommendation D.1:** Against the backdrop of the young and expanding business activities of the Company and the number of its members, the Supervisory Board does not currently believe that it is necessary to adopt rules of procedure. Hence, the Supervisory Board does not comply with Recommendation D.1. As the Company and/or the Supervisory Board increase in size, the Supervisory Board will consider the preparation of rules of procedure.
7. **Recommendation D.5:** In derogation from Recommendation D.5, the Supervisory Board has not established a Nomination Committee. The Supervisory Board is of the opinion that the Supervisory Board as a whole shall early deal with decisions such as the appointment or nomination of Management Board and/or Supervisory Board members.
8. In accordance with **Recommendation F.2** the consolidated financial statements and the Group management report shall be made publicly accessible within 90 days from the end of the fiscal year, while mandatory interim financial information shall be made publicly accessible within 45 days from the end of the reporting period. In contrast, the legal provisions require that the consolidated financial statements, including the Group management report, have to be published within four months from the end of the fiscal year, and that half-yearly financial reports have to be published within three months after the end of the reporting period. Pursuant to the Stock Exchange Regulations of the Frankfurt Stock Exchange for the Prime Standard, quarterly statements shall be

transmitted to the Management Board of the Frankfurt Stock Exchange within two months from the end of the reporting period. The Company has been in compliance with the legal terms and the terms defined by the Stock Exchange Regulations since the Management Board deems these terms as appropriate. The Company may publish reports earlier if the internal procedures allow such earlier publication.

- 9. Recommendation G.1, G.6-G.10 and G.12** set out requirements as regards the remuneration system and the determination of the remuneration. The Company deviates from this recommendation as far as variable remuneration components are used. The remuneration system, as resolved upon by the Supervisory Board and approved by the Annual General Meeting, currently does not provide for variable remuneration components for the Management Board. The Supervisory Board believes that the system adopted for the remuneration of the Management Board is appropriate also in this regard and is aimed at promoting a sustainable company development, especially since the members of the Management Board hold shares in Gateway Real Estate AG (cf. <https://www.gateway-re.de/en/investor-relations/corporate-governance/managers-transactions/>) to a sometimes not insignificant extent.
- 10.** In accordance with **Recommendation G.4** to ascertain whether remuneration is in line with usual levels within the Company itself, the Supervisory Board shall take into account the relationship between Management Board remuneration and the remuneration of senior managers and the workforce as a whole, and how remuneration has developed over time. The remuneration system does not currently provide for such a “vertical” comparison of remuneration since the Supervisory Board believes that this would not result in any useful parameters for evaluation. The remuneration system only provides for a comparison with other companies to ascertain whether total remuneration for the Management Board is in line with usual levels. The suitable comparator group includes companies that are listed in the same stock exchange segment (Prime Standard) as the Company and have a comparable EBT.

Frankfurt am Main, January 2022  
Gateway Real Estate AG

Management Board and Supervisory Board

## DISCLOSURES REGARDING CORPORATE GOVERNANCE PRACTICES

### WORKFLOWS AND COMPOSITION OF MANAGEMENT BOARD AND SUPERVISORY BOARD

#### Dual management structure

A dual board management system is required by law for German stock corporations. Gateway Real Estate AG has a dual management structure consisting of the governing bodies Management Board and Supervisory Board. Management and monitoring structures are therefore clearly separated. Apart from the legal requirements and the recommendations of the German Corporate Governance Code, authorities, rights and obligations of Gateway Real Estate AG's Management Board and Supervisory Board are set out in the Company's Articles of Association, which are accessible on the Company's website. Moreover, obligations, responsibilities and workflows of the Management Board as well as the collaboration with the Supervisory Board are prescribed in the Management Board's rules of procedure. The Supervisory Board currently does not have rules of procedure.

The Management Board manages the business operations of the Company on its own responsibility with the aim of a sustainable value creation and in the interest of the Company, i.e. taking into consideration the interests of shareholders, employees and other groups affiliated with the Company (stakeholders). The Management Board and the Supervisory Board cooperate based on a trusting relationship for the benefit of the Company. The Management Board determines the Company's business policy and develops the strategic orientation of the Company, coordinates it with the Supervisory Board, and ensures its implementation. The management is divided into business units based on a defined schedule of responsibilities, which in turn are allocated to the members of the Management Board. Adoption, amendment and revocation of the schedule of responsibilities require a resolution to be made by the Supervisory Board. Each Management Board member reports to the Management Board about measures, transactions and developments in his respective business areas that are material for the Company. In addition, the Management Board informs the Supervisory Board on a regular basis in a timely and comprehensive manner about the planning of business development, the risk situation, risk management and compliance. Reporting shall be made as early as possible.

In fiscal year 2021, the Management Board consisted of two members.

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**SCHEDULE OF RESPONSIBILITIES PURSUANT TO SECTION 2 PARA. 1  
OF THE RULES OF PROCEDURE**

<b>Name and function</b>	<b>Date of appointment</b>	<b>End of term of office</b>	<b>Responsibilities</b>
Tobias Meibom, CFO	11/05/2018	12/31/2023	Finance, Legal, Investor Relations, IT
Stefan Witjes, COO	01/21/2021	12/31/2023	Property Project Development, Asset and Property Management, Central Purchasing, Service Companies

During the transitional phase from January 1, 2021 until the appointment of Mr. Witjes on January 21, 2021, Mr. Meibom was solely responsible for the duties of the Management Board.

The Supervisory Board appoints, supervises and advises the Management Board and is directly involved in key decisions affecting the Company. In accordance with the German Corporate Governance Code, the Supervisory Board shall include what it considers to be an appropriate number of independent members, thereby taking into account the shareholder structure. In accordance with the Articles of Association, the Supervisory Board consists of five members. The members of the Supervisory Board in the year under review were as follows:

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<b>Name</b>	<b>Function</b>	<b>Date of appointment</b>	<b>End of term of office</b>
Norbert Ketterer	Chairman of the Supervisory Board	08/24/2016	Annual General Meeting 2026
Thomas Kunze	Deputy Chairman of the Supervisory Board	08/24/2016	Annual General Meeting 2026
Ferdinand von Rom	Member of the Supervisory Board	08/22/2018	Annual General Meeting 2026
Jan Hendrik Hedding	Member of the Supervisory Board	08/21/2019	Annual General Meeting 2026
Leonhard Fischer	Member of the Supervisory Board	12/21/2020	Annual General Meeting 2026

The members of the Supervisory Board are generally elected by the shareholders during the Annual General Meeting. Marcellino Graf von und zu Hoensbroech resigned from his Supervisory Board office for personal reasons effective April 30, 2020. On December 7, 2020, in order to again achieve the number of members as prescribed by the Articles of Association, the Management Board filed an application to appoint Leonhard Fischer as additional member of the Supervisory Board upon the proposal of and by mutual agreement with the Supervisory Board. The application was approved by way of a resolution of the Frankfurt am Main local court on December 21, 2020. Subsequently, the Annual General Meeting 2021 confirmed the appointment of Mr. Fischer and extended the terms of office of the other Supervisory Board members by another five years.

## COMMITTEES

Pursuant to the recommendations of the German Corporate Governance Code, the Supervisory Board shall establish an audit committee that addresses in particular the monitoring of the accounting, the accounting process, the effectiveness of the internal control system, the risk management system, the internal audit system, the audit and compliance. The Audit Committee submits to the Supervisory Board a reasoned recommendation for the appointment of the auditor, which comprises at least two candidates if the audit engagement is put out to tender. The Audit Committee monitors the auditor's independence and concerns itself with the additional services rendered by the auditor, the issuance of the audit engagement, the determination of key audit areas and the fee agreement.

The Supervisory Board of Gateway Real Estate AG has followed this recommendation and established an Audit Committee already in 2019, which has been chaired by Jan Hendrik Hedding since then. The other members of the Audit Committee are Ferdinand von Rom and Thomas Kunze.

Moreover, the Supervisory Board has a Real Estate Committee currently consisting of Thomas Kunze and Norbert Ketterer. The Real Estate Committee discusses and makes a decision about sales of real estate proposed by the Management Board when such sales do not require the consent of the Supervisory Board as whole in accordance with the Management Board's rules of procedure. The resolutions of the Real Estate Committee are adopted by simple majority.

## SUCCESSION PLANNING

Long-term succession planning within the meaning of recommendation B.2 of the GCGC 2020 is based on regular discussions between the chairmen of Management Board and Supervisory Board as well as on regular deliberations as regards this topic in the Steering Committee of the Supervisory Board. Deliberations include the contract terms and extension options for current Management Board members as well as potential successors.

## AGE LIMIT

The Company has not specified general age limits for the members of its Management Board and Supervisory Board. Please refer to Sections 2 and 3 of the declaration of compliance in accordance with Section 161 AktG.

## SELF-ASSESSMENT

According to the recommendation of the new GCGC 2020, the Supervisory Board shall assess, at regular intervals, how effective the Supervisory Board as a whole and its committees fulfill their tasks. The Supervisory Board conducted such a self-assessment most recently during its meeting on August 14, 2020. It is the consensus of the Supervisory Board members that the Supervisory Board and its committees are well positioned to fulfill their tasks delegated to them by law and the Articles of Association. The next self-assessment is scheduled for the second half of 2022.

## EVALUATION OF THE AUDIT

In compliance with the corresponding recommendation of the new GCGC 2020, the members of the Supervisory Board evaluated the quality of the audit conducted by Rödl & Partner GmbH Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft ("Rödl") during their meeting on October 28, 2020. This evaluation did not give rise to any objections related to the audit to be made by the Supervisory Board and its Audit Committee. The next evaluation of the audit assessment is scheduled for the second half of 2022.

## DIVERSITY CONCEPT

In accordance with Section 76 para. 4 and Section 111 para. 5 of the German Stock Corporation Act (Aktiengesetz; AktG), the Company is obliged to determine target figures for the share of women and terms for achieving such target figures.

- The target figure for the share of women in the Supervisory Board until December 31, 2024 was set at 20 percent.
- The target figure for the share of women in the Management Board until December 31, 2024 was set at 25 percent.
- The share of women in the first management level below the Management Board until December 31, 2024 was set at 20 percent.

The targets were not achieved in the year under review. As before, there are no women in the Management Board and the Supervisory Board as well as in the first management level below the Management Board. In connection with proposals to the Annual General Meeting as regards the election of Supervisory Board members, the Supervisory Board takes into account the targets set in relation to its composition, however, the Board focuses on the technical, professional and personal qualifications of the candidates.

There is only one further management level at Gateway Real Estate AG below the Management Board; therefore, no target has been specified as regards the second management level below the Management Board.

## DISCLOSURE OF CONFLICTS OF INTEREST

In compliance with the German Corporate Governance Code, each member of the Management Board and the Supervisory Board shall disclose any conflicts of interest that may arise. No conflicts of interest arose during the fiscal year 2021 in relation to the Management Board. Any conflicts of interest within the Supervisory Board that were brought to the attention of the Supervisory Board in the fiscal year 2021, and the actions taken in this context are addressed in the report of the Supervisory Board.

## D&O INSURANCE

D&O insurance policies exist for the members of the Management Board and the Supervisory Board; they provide insurance cover for damages claimed by the Company, shareholders and third parties as a result of violations of the boards' duty of care. The costs for the insurance are borne by Gateway Real Estate AG. A deductible applies to members of the Management Board in an insured loss event.

## DIRECTORS' DEALINGS

Pursuant to Art. 19 of the Market Abuse Regulation, executives and persons closely associated with them shall notify managers' transactions in shares or debt securities within three business days after the conclusion of the transaction if a total volume of €20,000 is reached in the calendar year. These notifications may be accessed on the Company's website under: <https://www.gateway-re.de/en/investor-relations/corporate-governance/managers-transactions/>

## DISCLOSURE OF MATERIAL TRANSACTIONS WITH RELATED PARTIES IN ACCORDANCE WITH SECTION 111C AKTG

Since January 1, 2020, the effective date of Section 111c of the German Stock Corporation Act (Aktiengesetz; AktG), listed companies have to disclose any related party transaction if its economic value individually or together with the transactions conducted with the same party during the current fiscal year prior to the relevant transaction exceeds 1.5 percent of the sum total of the Company's non-current and current assets. Transactions that are carried out in the normal course of business and on an arm's length basis do not fall under the scope of this rule. These notifications may be accessed on the Company's website under: <https://www.gateway-re.de/en/investor-relations/corporate-governance/related-party-transactions/>

## COMPLIANCE

In November 2021, the Management Board of GATEWAY issued a new code of conduct which replaces the compliance policy dated November 2019. Moreover, the Management Board issued a non-discrimination policy and a diversity policy also in November 2021. These policies apply to all employees of the GATEWAY Group; adherence to these policies is mandatory. The code and the policies mentioned above include statements and requirements regarding conduct in accordance with legal provisions and set out the Company's values. The GATEWAY Group expects that all executives and employees are familiar with and adhere to all relevant legal requirements and the company-internal compliance policy. They receive regular training for this purpose. In addition, the GATEWAY Group has appointed a Data Protection Officer. The responsibility for monitoring compliance lies with the Management Board, which is supported in this context by the Group Legal Department.