

## CORPORATE GOVERNANCE STATEMENT

This declaration, pursuant to Section 289f and 315d of the German Commercial Code (*Handelsgesetzbuch*, HGB), describes the working methods of the Management Board and Supervisory Board as well as the composition and working methods of the Supervisory Board committees, the diversity concepts for the Management Board and Supervisory Board composition, the provisions to promote the women's participation in management positions in accordance with Section 76 para. 4 and with Section 111 para. 5 of the German Stock Corporation Act (*Aktiengesetz*, AktG), the declaration of compliance in accordance with Section 161 AktG and relevant information on corporate governance practices. The declaration also includes the Corporate Governance Report of the Management Board and Supervisory Board and is part of the management report of alstria office REIT-AG (alstria) and the Group.

### MANAGEMENT BOARD AND SUPERVISORY BOARD

The German stock corporation is legally required to have a dual management system, which provides a strict personnel and functional separation between the Management Board as the management body and the Supervisory Board as the monitoring and advising body. Within this dual management system, the Management Board and the Supervisory Board cooperate closely and faithfully in the Company's interest.

#### Management Board

As of December 31, 2019, the Management Board of alstria office REIT-AG consists of two members:

Member		First appointment	Appointed until
Olivier Elamine	Chief Executive Officer	10/2006	31.12.2022
Alexander Dexne	Chief Financial Officer	06/2007	31.12.2022

The Management Board manages the Company on its own responsibility in the Company's interests with the aim of creating sustainable value. In particular, the Management Board determines the corporate goals and - in coordination with the Supervisory Board - the Company's fundamental strategic orientation. Furthermore, the Management Board ensures the observation of legal provisions and internal guidelines by the Group companies (Compliance). In addition, the Management Board ensures that an appropriate internal control and risk management system is in place.

The Management Board members are jointly responsible for the Company's overall management. Fundamental matters or financially significant material matters stipulated by law, by the Articles of Association or by the rules of procedure for the Management Board, are decided by the Management Board as a whole. The Management Board's resolutions are passed by a simple majority, whereby a unanimous vote shall generally be sought. Certain resolutions on the Company's significant business transactions are also subject to approval by the Supervisory Board. The Management Board reports regularly to the Supervisory Board. At least once a year, the Management Board reports on the intended business policy and on other fundamental issues of corporate planning for the Company and the Group. The Management Board reports regularly (at least quarterly) on the state of business, particularly on sales revenues and income, material indicators and the net assets development,

financial position and operation results. The work of the Management Board, the allocation of responsibilities between the individual the Management Board's members and the reporting and information obligations to the Supervisory Board are detailed in the rules of procedure for the Management Board.

The Management Board's members are obligated to the Company's interest. They must immediately disclose any conflicts of interest to the Supervisory Board. Major business transactions between the Company and the Management Board's members, or any persons or companies closely associated to them, require the Supervisory Board's approval. All such business transactions must be concluded at customary commercial conditions. The Management Board's members require the Supervisory Board's approval to conduct secondary activities, particularly memberships in supervisory boards of companies not affiliated with the Group. The members of alstria's Management Board had no conflicts of interest in the reporting year. There were no contracts regarding such business transactions between the Company and Management Board members or persons or companies closely associated with them during the reporting period. The CEO serves on supervisory boards of companies outside of the Group with the approval of the Company's Supervisory Board. A list of the memberships of the Management Board members in supervisory boards of listed companies or in supervisory boards of companies with comparable requirements pursuant to Section 285 No. 10 HGB can be found on page 131 of the Company's annual report.

### Profile for the Management Board

alstria office REIT-AG's Supervisory Board strives for a Management Board composition that provides all the knowledge, skills and experience necessary to best manage the Company. Therefore, with due consideration of alstria's specific situation, the Supervisory Board established this profile of skills and expertise and diversity concept with targets for the composition of the Management Board (**Profile for the Management Board**) pursuant to Section 289 f HGB, Section 76 (3) AktG and to the German Corporate Governance Code.

The Company's articles of association provide that the Management Board shall consist of one or more members. The Supervisory Board decides on the exact number of Management Board members, the Management Board's individual staffing and the Management Board's chairman. The identification of adequate candidates for the Management Board is based on a due analysis of the current and future challenges of the Company in the light of the targets as described in this Profile for the Management Board. First-time Management Board members are appointment for no more than 3 years; any reappointment of existing Management Board members prior to 1 year before the end of their appointment period at the same time as termination of their current appointment will only happen if special circumstances apply.

### ***Requirements for all Management Board members***

All Management Board members shall have the personal qualification for being a member in the Company's Management Board and shall each meet the legal as well as the following requirements:

- a managerial mindset,
- integrity,
- a capacity for interaction and teamwork,
- leadership skills and persuasive power,
- communication skills,
- an ability to balance risk appetite and risk avoidance,
- relevant education and sufficient professional experience and
- an age of up to 65 years, as a general rule.

### ***Requirements for the entire Management Board***

Viewed as a whole, the members of the Management Board shall have all knowledge, skills and experience needed. In particular, always at least one Management Board member shall have due / be duly:

- expertise regarding real estate management (ideally in the management of office properties, acquired in a comparable company);
- knowledge of the German real estate market;
- skills in the sectors real estate transactions, asset management/letting, project development, real estate valuation and all other relevant business divisions;
- experience in defining, setting and executing corporate strategy and an ability to implement profound change and ensure good communication;
- familiar with the requirements concerning corporate governance and investor communication, gained within a listed company (ideally with a comparable market capitalization);
- experience in leadership and corporate management (ideally acquired in a comparable company) and
- experience in corporate finance and capital markets (ideally acquired in a comparable company).

The composition of the Management Board shall also reflect internationality in terms of diverse cultural backgrounds and international experience of the Management Board members.

### ***Diversity***

- The members of the Management Board shall complement one another in terms of their backgrounds, professional experience and expertise in order to let the leadership benefit from diverse sources of experience, skills and points of view on corporate challenges.
- In the recruitment process, the candidates are treated neutrally in terms of sex and age and will be assessed according to their qualifications.

### **Status of implementation**

In February 2020, the Supervisory Board concluded that the Profile for the Management Board is currently fully implemented.

### **Supervisory Board**

The alstria office REIT-AG's Supervisory Board is composed exclusively of shareholder representatives. As of December 31, 2019, the Supervisory Board comprised the following six members:

Supervisory Board member	Committee memberships					
	Member since	Appointed until <sup>1)</sup>	Audit committee	Nomination & remuneration committee	Finance & investment committee	CSR committee
Dr. Johannes Conradi (Chair)	01/2007	2020	-	Chair	-	Chair
Richard Mully (Vice Chair)	01/2007	2022	-	-	Chair	Member
Dr. Bernhard Düttmann	01/2017	2021	Member	-	Member	-
Stefanie Frensch	01/2016	2021	-	Member	Member	-
Benoît Hérault	04/2012	2022	Member	Member	-	-
Marianne Voigt	10/2011	2020	Chair	-	-	Member

<sup>1)</sup> Until the close of the Annual General Meeting.

The Supervisory Board advises the Management Board on the management of the Company and monitors how it conducts business. The Management Board involves the Supervisory Board in decisions of fundamental importance to the Company. To this end, the rules of procedure for the Supervisory Board stipulate that its approval is required, for example, for the acquisition or disposal of real estate property, the conclusion of financing agreements with a consideration or volume of more than EUR 30 million, the conclusion or early termination of lease agreements with a total annual consideration of more than EUR 2 million, and investment in assets the Company assets (modernization measures) not provided for in the budget approved by the Supervisory Board that exceed an annual total of EUR 2 million. Supervisory Board resolutions are adopted through a majority of votes by the number of Supervisory Board members as specified in the Articles of Association, unless otherwise required by law. Resolutions are generally passed at ordinary or extraordinary meetings. Supervisory Board members may attend Supervisory Board meetings in person or via telephone, video conference or similar audiovisual means. However, personal attendance is the rule. Supervisory Board resolutions may also be adopted outside of meetings by means of written, telephonic or electronic communication if the Chairman permits this for the individual case.

The Supervisory Board regularly reviews, whether internally or with the assistance of external consultants, how effectively the Supervisory Board as a whole and its committees perform their duties. During the 2019 financial year, positive results were observed through an effectiveness assessment conducted with the support of a consulting firm and by means of online questionnaires and individual discussions.

The Supervisory Board elects a Chairman and a Deputy Chairman from among its members. The Chairman of the Supervisory Board coordinates the Supervisory Board's work, chairs its meetings and

attends to its affairs externally. The Chairman maintains regular contact with the Management Board and discusses strategy, planning, business development, the risk situation, risk management and corporate compliance with its members. The Management Board immediately informs the Chairman of important events that are of material significance for assessing the situation, as well as development and management. If necessary, the Chairman then informs the Supervisory Board and, when appropriate, convenes a Supervisory Board meeting. The Chairman and Deputy Chairman of the Supervisory Board also occasionally hold discussions with investors on Supervisory Board-specific topics.

All Supervisory Board members are committed to the Company's interests and do not pursue personal interests in their decisions. Conflicts of interest must be disclosed to the Supervisory Board. In the case of resolutions for which a conflict of interest exists, the Supervisory Board member concerned abstains from voting. The approval of the Supervisory Board is required for Company contracts concluded with third parties in which a member of the Supervisory Board has a significant interest, in which he or she is a member of the Supervisory or Management Board, and which have an economic value of more than EUR 0.5 million or a total value of EUR 1 million within 12 months.

There were no conflicts of interest on the part of alstria's Supervisory Board members during the reporting period. There were also no contracts for corresponding transactions between the Company and third parties in which a member of the Supervisory Board had a significant interest or was a member of the Supervisory or Management Board.

Supervisory Board members ensure that they have sufficient time to perform their duties. alstria's website contains the member's curricula vitae and an overview of their main activities in addition to their Supervisory Board mandate. A list of the memberships of the Supervisory Board members on supervisory boards or similar supervisory bodies of non-Group companies in accordance with Section 285 no. 10 of the HGB can also be found in the annual report on page 132.

### **Supervisory Board Committees**

To manage its tasks efficiently, the Supervisory Board has formed four standing committees from among its members: an audit committee, a finance and investment committee, a nomination and remuneration committee and a purely advisory and preparatory corporate social responsibility committee. Each committee has its own rules of procedure, which further regulate the committee's affairs, tasks and decision-making powers, where appropriate.

#### ***Audit committee***

The audit committee deals with the Company's accounting and accounting process, risk management, internal control and audit system and compliance. In addition, the audit committee deals with the selection and independence of the auditors, the awarding of the corresponding audit mandate, the determination of key audit areas, the auditors' compensation, audit quality and additional services provided by the auditor.

### ***Finance and investment committee***

The finance and investment committee discusses the Company's financing strategy and grants Supervisory Board approval for the acquisition or disposal of real estate properties or other assets and the conclusion of financing agreements, provided that the consideration for the transaction or the underlying financing volume is between EUR 30 million and EUR 100 million. Transactions and financing agreements that exceed this amount must be submitted to the full Supervisory Board for approval. The finance and investment committee also grants Supervisory Board approval for the conclusion or early termination of lease agreements with third parties with a total annual consideration of more than EUR 2 million, as well as for contracts with Supervisory Board members, in accordance with Section 114 of the AktG.

### ***Nomination and remuneration committee***

The nomination and remuneration committee prepares resolutions for the full Supervisory Board on the appointment and dismissal of Management Board's members, the Management Board's compensation system and the total compensation of individual Management Board members. Furthermore, it deals with the determination or amendment of the rules of procedure for the Management Board, and the approval of certain other activities and material contracts of a Management Board member. The nomination and remuneration committee decides on the conclusion, amendment, extension and termination of the Management Board members' contracts and, with the exception of remuneration, on the content of such contracts. Finally, the committee prepares the Supervisory Board's resolution on election proposals to the Annual General Meetings for suitable Supervisory Board members.

### ***Corporate social responsibility committee***

The corporate social responsibility committee deals with corporate social responsibility issues, such as CO2 targets, environmental and energy management policies as well as the impacts of a potential climate change and of legislation related to corporate social responsibility on the Company and its business, the Company's sustainability reports as well as CSR ratings.

The Supervisory Board reports on its activities and its committees' work during the 2019 financial year in its report to the Annual General Meeting on pages 143 through 150 of the annual report.

### **Profile for the Supervisory Board**

alstria office REIT-AG's Supervisory Board shall ensure proper consultation with and control of the Management Board. Therefore, Supervisory Board members shall have the knowledge, skills and experience necessary to properly fulfill their duties and complement one another. For this reason, the Supervisory Board has established this profile of skills and expertise and diversity concept with targets for the composition of the Supervisory Board ("**Profile for the Supervisory Board**") according to Sec. 289 f German Commercial Code and the German Corporate Governance Code. Thereby, the Supervisory Board has especially considered alstria's specific situation and shareholder structure.

## ***Requirements relating to all members of the Supervisory Board***

### ***General profile of qualification***

- Managerial or operational experience
- Availability and willingness to dedicate sufficient time
- Discretion and integrity
- Capacity for interaction and teamwork
- Leadership skills and persuasive power
- Willingness to engage in regular and independent advanced training
- Age of up to 70 years, as a rule;
- Maximum duration of the board membership of 20 years, as a rule;
- No board membership, no advisory function excluding independence with and no personal relationship to a significant competitor of the Company.

### ***Overboarding***

Besides membership on alstria office REIT-AG's Supervisory Board, a Supervisory Board member

- who is not a member of the management board of a listed company, shall, as a rule, not permanently have more than four further supervisory board mandates, with a chairmanship counting for two.
- who is a member of the management board of a listed company shall, as a rule, not permanently have more than one further supervisory board mandate, and shall not accept the chairmanship of a supervisory board.

Therefore, supervisory board mandates with externally listed companies or comparable functions in non-listed companies with registered seats in Germany and abroad are taken into account.

## ***Requirements relating to the composition of plenum and committees***

### ***Skills and experience***

- Viewed as a whole, the members must be familiar with the real estate sector. At least two members shall have due expertise in the office real estate market.
- The Chairman of the audit committee shall have gained special expertise and experience either in accounting, the application of accounting principles and internal control systems or in the audit of annual statements (e.g., as the chief financial officer of a comparable company or as the principal of an audit firm). The Chairman of the audit committee shall not chair the Supervisory Board.
- At least two members shall have strong international backgrounds. At least two members shall have strong German backgrounds.
- At least one member shall have experience as Management Board member (ideally as chief executive officer of a listed company) and be familiar with stakeholder management.

### *Diversity*

The members of the Supervisory Board shall complement one another in terms of background, professional experience and skills, in order to provide the Supervisory Board with the most diverse sources of experience and skills possible.

### *Independence and conflicts of interest*

A Supervisory Board member is independent from the Company and its management as long as it has no personal or business relationships with the Company or its Management Board, which could cause a substantial and not merely temporary conflict of interest.

A Supervisory Board member is independent from a controlling shareholder if neither the Supervisory Board member nor a close family member is controlling shareholder, nor a member of the executive governing body of the controlling shareholder nor has a business or personal relationship with the controlling shareholder that may cause a substantial and not merely temporary conflict of interest.

The Supervisory Board assesses the independence of its individual members according to its own dutiful discretion by considering the applicable criteria. Should the Supervisory Board come to the conclusion that a Supervisory Board member is independent even though there are opposing criteria, the Supervisory Board will give reasons for this assessment in the corporate governance statement. A membership of more than 12 years in the Supervisory Board does not exclude the independence as long as there are no further criteria for a missing independence.

- At least four members of the Supervisory Board shall be independent from the Company and its Management Board.
- Should the Company have a controlling shareholder, at least three members of the Supervisory Board shall be independent from the controlling shareholder.
- The Chairman of the Supervisory Board, the Chairmen of the audit and nomination and remuneration committees shall be independent from the Company and its Management Board. The chairmen of the Supervisory Board and of the audit committee shall furthermore be independent from a controlling shareholder.
- No more than two Supervisory Board members shall be former members of the Management Board.

### *Procedure for the appointment of Supervisory Board members*

alstria appoints Supervisory Board members using a structured process. The Supervisory Board submits nominations to the annual general meeting for each vacant Supervisory Board position. The Supervisory Board's nomination and remuneration committee is then preparing these recommendations for election.

The Supervisory Board chooses the candidates whom it recommends to the annual general meeting for election as follows: Annually, the Supervisory Board assesses the effectiveness of its work - every three years this is done by an external advisor - and checks the composition of the Supervisory Board



and whether the targets laid down in the Profile for the Supervisory Board are met. The Supervisory Board also checks whether the targets need to be adjusted in the light of alstria's current situation and circumstances which might have evolved. In the light of these results the Supervisory Board assesses in the first place, whether it would be appropriate to recommend to the annual general meeting to reappoint the Supervisory Board member whose term of office will end with the next annual general meeting. Otherwise, the Supervisory Board will search for external candidates for the vacant position with the help of an external advisor and thereby strives at fulfilling the Profile for the Supervisory Board.

In its election proposals to the annual general meeting, the Supervisory Board discloses the personal and business relationships of every candidate with the Company, the management and Supervisory Boards and any shareholders with a material interest in the Company. The election proposals go along with a curriculum vitae, providing information on the candidate's relevant knowledge, skills and professional experience and an overview of the candidate's material activities in addition to the Supervisory Board mandate. The curricula vitae of all Supervisory Board members are updated annually and published on the Company's website.

The Supervisory Board agreed recommending to the annual general meeting to elect Supervisory Board members for a term of three years. Two members of the Supervisory Board have parallel terms of office. As a result, every year, the annual general meeting of shareholders elects two members of the Supervisory Board and the membership in the Supervisory Board is being refreshed regularly. The annual general meeting of shareholders is electing each member of the Supervisory Board individually. Where an application is made for the appointment of a Supervisory Board member by the court, the term of that member will be limited until the next annual general meeting.

### ***Status of implementation***

In line with the appointment procedure described above, the Supervisory Board members Benoît Hérault and Richard Mully were proposed for re-election at the Annual General Meeting in spring 2019 and elected to the Supervisory Board in May 2019 for a further term of three years. All the objectives set out in the Profile for the Supervisory Board are currently implemented, and the Profile is being fully completed by the full Supervisory Board in terms of the set general requirements, over boarding rules, skills and expertise, diversity, independence and conflicts of interest.

The Supervisory Board considers the members Dr. Johannes Conradi and Richard Mully to be independent despite their thirteen years of membership on the Supervisory Board of the Company. They are particularly very familiar with the Company's affairs. This enables them to use their expertise for the benefit of the Company. The Supervisory Board also does not see any other criteria that stand in the way of independence. Neither of the two members has a significant business relationship with the Company or any of its subsidiaries. Likewise, there are no family or other personal relationships. The occasional advice given to the Company by the law firm Freshfields Bruckhaus Deringer LLP, of which Dr. Johannes Conradi is a partner, does not conflict with the independence of Dr. Johannes Conradi, as the advice given in each case concerns nonessential matters of the Company. Accordingly,

the remuneration paid to Freshfields Bruckhaus Deringer LLP in each of the last three financial years was less than EUR 10 k. Furthermore, these mandates are exclusively handled by other lawyers and not by Dr. Johannes Conradi. The Supervisory Board therefore continues to regard both longstanding members as independent of the Company and the Management Board.

The following table illustrates the achievement of the independence and over boarding targets in the Supervisory Board as at December 31, 2019:

Member	Term of office <sup>3)</sup> (in years)	Former member of the management board <sup>4)</sup>	Independent <sup>5)</sup>	Current management board member of a listed company	Number of mandates in external supervisory boards <sup>6)</sup>	Over boarded
Dr. Johannes Conradi (Chair) <sup>1)</sup>	13	no	yes	no	0	no
Richard Mully (Vice Chair)	13	no	yes	no	2	no
Dr. Bernhard Düttmann	3	no	yes	yes	1	no
Stefanie Frensch	4	no	yes	no	0	no
Benoît Héroult	8	no	yes	no	0	no
Marianne Voigt <sup>2)</sup>	8	no	yes	no	0	no

<sup>1)</sup> Chair of the nomination and remuneration committee.

<sup>2)</sup> Chair of the audit committee.

<sup>3)</sup> As at December 31, 2019.

<sup>4)</sup> Of alstria office REIT-AG.

<sup>5)</sup> Of the Company, the Management Board and a controlling shareholder (in the opinion of the Supervisory Board).

<sup>6)</sup> In a non-group, listed company or comparable functions in a non-listed company with headquarters in Germany and abroad, whereby a Supervisory Board Chairmanship counts twice.

The following table illustrates the knowledge and experience of the single members of the Supervisory Board:

Member	Real estate sector	Office real estate	International Background	German Background	Experience as management board	Financial expert
Dr. Johannes Conradi (Chair)	X	X	X	X		X
Richard Mully (Vice Chair)	X	X	X		X	
Dr. Bernhard Düttmann			X	X	X <sup>1)</sup>	X
Stefanie Frensch	X			X	X	
Benoît Héroult	X	X	X		X <sup>1)</sup>	X
Marianne Voigt				X	X	X

<sup>1)</sup> As CEO of a non-group, listed company.

## WOMEN IN LEADING POSITIONS

Employees and their development within the Company are of central importance for society in order to achieve sustainable success. When filling management position in the Company, the Management Board pays attention to diversity and, in particular, strives to give appropriate consideration to women. The Management Board determined a target figure of at least 30% for the proportion of women in the first management level below the Management Board (Head of Departments) in accordance with Section 76 para. 4 AktG. This target figure has been achieved with 41.7 % as of December 31, 2019 and applies until December 31, 2021. Due to the lack of an additional management level with decision-making competence and budget responsibility, there was no need to determine a target figure for women's participation in the second management level.

The Supervisory Board had set a target figure of 0% for the proportion of women on the Management Board in accordance with Section 111 para. 5 AktG. This figure has been achieved as of December 31, 2019 and applies until December 31, 2021.

For the participation of women in the Supervisory Board, the Supervisory Board determined in accordance with Section 111 para. 5 AktG a target figure of at least 30%. This target figure has been achieved with 33.33 % as of December 31, 2019 and applies until December 31, 2021.

### GERMAN CORPORATE GOVERNANCE CODE

The recommendations and suggestions of the Government Commission, as appointed by the German Federal Ministry of Justice, contain internationally and nationally accepted standards of good and responsible corporate governance. Our declarations of compliance with the recommendations of the German Corporate Governance Code pursuant to Section 161 AktG are published on the Company's website ([www.alstria.com](http://www.alstria.com)). alstria complied and complies with the recommendations of the German Corporate Governance Code in the version dated February 7, 2017 ('Code') with the few exceptions stated in the declaration of compliance. These exceptions and the reasons for the Company's nonconformity are set out in the declaration of compliance as last issued by the Management Board and the Supervisory Board on December 5, 2019:

### DECLARATION OF COMPLIANCE, DATED DECEMBER 5, 2019

“Since the prior declaration of compliance, dated February 12, 2019, the Company has – apart from the exceptions stated below – complied with the recommendations of the ‘Government Commission German Corporate Governance Code’ in the version as amended on February 7, 2017. The Company intends to continue to comply with the recommendations of the Code as amended on February 7, 2017, to the same extent:

#### ***Deductible for D&O insurance for the Supervisory Board, Section 3.8 of the Code***

The D&O insurance for the alstria office REIT-AG Supervisory Board does not comprise a deductible. The Supervisory Board believes its members will carry out their duties responsibly irrespective of any such deductible.

#### ***Change of performance targets for elements of variable remuneration, Section 4.2.3 of the Code***

The short-term incentive remuneration element of the Management Board is mainly based on the achievement of a funds from operations per share (FFO per share) target. In the event that the achieved FFO per share in a financial year is positively and materially impacted by new acquisitions, the Supervisory Board adjusts the FFO per share target accordingly. In doing so, the Supervisory Board ensures the Management Board is not incentivized to enter into acquisitions by means of achieving personal short-term benefits. The impact of any acquisition on management remuneration is solely linked to multi-year remuneration elements, therefore aligning the interest of the Management Board with those of the Company and its shareholders. Vice versa, the Supervisory Board adapts the FFO per share target to disposals. Furthermore, the FFO per share target will be adjusted to changes in the Company's share capital carried out in the relevant financial year.

***Determination of a level of benefits for the private pension plan, Section 4.2.3 of the Code***

As the Company has opted for a defined contribution model for the private pension plan of the Management Board members for reasons of transparency and risk management, the Supervisory Board has not fixed a level of benefits for the private pension plan of the Management Board members. The Supervisory Board believes it is in the best interest of the Company to have a defined contribution model rather than a defined benefit model, as the defined contribution does not create any unforeseen future liability for the Company.

***Discussion of the financial reports by the Supervisory Board or its audit committee and the Management Board prior to their publication, Section 7.1.2 of the Code***

The quarterly interim statements are made available to the Supervisory Board prior to their publication and are discussed with the Supervisory Board in detail soon after publication. In the event of considerable differences to the budget or business plan as approved by the Supervisory Board, the Supervisory Board is given the opportunity to discuss the figures with the Management Board before they are published. Half-year financial reports are discussed with the audit committee of the Supervisory Board prior to publication. The Management Board and Supervisory Board consider this approach appropriate and adequate.”

**CORPORATE MANAGEMENT PRACTICES**

To achieve a value-oriented and trust-building corporate management, alstria applies management practices that go beyond the legal requirements.

**Corporate Governance**

In managing the Company, the Management Board and the Supervisory Board of alstria office REIT-AG are aware of their responsibility towards the shareholders, employees, tenants and business partners of alstria. Good corporate governance strengthens the trust of our stakeholders and is therefore the basis for our decision-making and control processes. It stands for a responsible, value and long-term success-driven governance and control of the Company, a targeted and efficient cooperation between the Management Board and the Supervisory Board, respect for the interests of our shareholders and employees, transparency and responsibility in all entrepreneurial decisions as well as an appropriate risk management.

alstria office REIT-AG has implemented large parts of the recommendations and suggestions of the Code and thus goes beyond the legal requirements. A corporate governance officer in the Company reports to the Management Board and the Supervisory Board at least once a year and whenever necessary any changes to the German Corporate Governance Code. alstria thus ensures that these principles are observed throughout the Company.

**Integrity and compliance**

Behavior with integrity is one of alstria’s most important principles. The trust of shareholders, tenants, employees and business partners depends crucially on the conduct of each individual. The Company’s Management Board has therefore implemented a compliance management system to ensure

compliance with legal requirements and internal guidelines and also sets standards for fair treatment of business partners, competitors and employees.

A code of conduct for employees sets our principles of conduct, provides guidance in conflict situations (e.g. conflict of interest) and thus serves as a model and orientation for correct behavior for all employees of the company. The code of conduct is published on the alstria website. The Compliance Officer is responsible for communicating these values to the employees by means of in-house training for all employees and by answering questions on the implementation of the code of conduct as well as internal guidelines. Compliance of the code of conduct is monitored by colleagues, superiors and the Compliance Officer, as well as by regular reviews by an auditor. alstria has also set up a telephone hotline at a law firm where employees can anonymously report violations of the code of conduct or the Company's internal guidelines. In addition, the Management Board regularly discusses the Company's compliance with the Audit Committee of the Supervisory Board. Violations of the code of conduct will not be tolerated and will be fully investigated and sanctioned. This may include disciplinary measures up to and including termination of employment, the assertion of claim for damages and criminal charges.

Integrity is also an essential condition for building trusting partnership and cooperation with our business partners. For this reason, alstria has introduced a code of conduct for its service providers, craftsmen, suppliers and business partners, which describes fundamental legal and ethical requirements. This code of conduct for service providers is published on the website of alstria and defines the Company's expectations of integrity and compliant behavior of its business partners.

### Communication and transparency

Transparent corporate governance and good communication with the shareholders and the public help to strengthen the confidence of investors and the public in alstria's work.

### ***Relationship to the shareholders***

alstria respects the rights of its shareholders and guarantees to the best of its ability to exercise these rights within the legal and statutory framework. These rights include, in particular, the free acquisition and free sale of shares, the participation in the Annual General Meeting, adequate satisfaction of the need for information and adequately distributed voting rights per share (one share - one vote). Shareholders have the option of exercising their voting rights at the Annual General Meeting in person or through a proxy of their choice of a company-appointed proxy bound by instructions. The invitation to the Annual General Meeting explains how instructions for exercising voting rights can be issued. The documents convening the Annual General Meeting can also be sent electronically at the request of the shareholder. The convening notice and the documents to be made available for inspection in accordance with the statutory provisions will be published on alstria's website together with the agenda and the additional documents pursuant to Section 124a AktG. The Annual General Meeting of alstria office REIT-AG is usually chaired by the Chairman of the Supervisory Board, who aims to hold the Annual General Meeting within a time window of no more than four to

six hours. Following the Annual General Meeting, the voting results will also be announced on alstria's website.

### ***Communication with the public***

When sharing information with persons outside the Company, the Management Board follows the principles of transparency, promptitude, comprehensibility and equal treatment of shareholders. alstria informs its shareholders and the interested public about the Company's situation and about significant business events, in particular through financial reports, analyst and press conferences, press and ad-hoc announcements and the Annual General Meeting. The alstria website provides comprehensive information about the Company, its shares and other financial instruments, the share price development as well as notifications of directors' dealing in accordance with Article 19 of the Market Abuse Regulation (Regulation (EC) No. 596/2014 of the European Parliament and the Council) (Directors' Dealings). Furthermore, alstria publishes a financial calendar in its financial reports and on its website, listing all dates of importance to shareholders. The notices and information are additionally published in English.

### ***Financial reporting***

alstria regularly informs shareholders and third parties during each financial year by means of the consolidated and half-year financial statements, as well as quarterly interim statements. The accounting of the alstria Group is based on the International Financial Reporting Standards (IFRS) as applied in the European Union. For corporate law purposes (calculation of dividends, creditor protection), financial statements for alstria office REIT-AG are prepared in accordance with the national commercial law (HGB).

The Annual General Meeting appoints the independent auditor for alstria office REIT-AG and the Group as well as for the audit review of the interim financial reports. Following the election by the Annual General Meeting, the audit committee of the Supervisory Board awards the mandate for the audit of the financial statements and agrees the fee with the auditor. It is agreed with the auditors that the auditors will inform the audit committee without delay of all finding and events of significance for their duties which come to their attention during the performance of the audit. In the event that the auditor, during the performance of the audit, discovers facts which indicate that the declaration of compliance with the German Corporate Governance Code issued by the Management Board and Supervisory Board in accordance with Section 161 AktG is incorrect, an obligation to provide information and disclosure in the audit report is agreed.

The auditor participates in the meetings of the audit committee and the full Supervisory Board to discuss the financial statements of alstria office REIT-AG and the consolidated financial statements of the Group. The auditor also participates in the meeting of the audit committee to discuss the half-year financial report. In the meetings, the auditor presents the main results of the respective audit. KPMG AG Wirtschaftsprüfungsgesellschaft, Hamburg, was appointed to audit the annual and half-year financial statements of alstria office REIT-AG and of the Group for the 2019 financial year and for further

interim financial reports until the next ordinary general meeting in 2020. Since the financial year 2018, René Drotleff has been the auditor directly responsible for auditing the financial statements of alstria office REIT-AG and the Group.

### Sustainability

alstria's sustainability approach is based on a three-pillar model and considers the effects of business activities in the areas of economy, ecology and social issues. As a commercial organization, alstria's main objective is to increase the value of the Company on a sustainable basis. It strives to generate the best possible return on its capital in the long-term. alstria's sustainability approach is not exclusively focuses on the environment, as the economic and social impacts of its activities is also taken into account. The Company weighs the risk-benefit ratio of all three areas before making any decisions and adapts its actions to what it feels is the most viable course of action in each case. The result of this approach is that alstria might not always make decisions that maximize its short-term profit, but strives to follow the path that will produce the best long-term prospects for the Company.

alstria's sustainability approach and performance in the three sustainability areas, as well as future goals are described in detail in the Company's annual sustainability report. The report is available on alstria's website.

February 2020

**The Management Board**

**The Supervisory Board**