

## Combined corporate governance declaration in accordance with sections 289f and 315d HGB

In this combined corporate governance declaration in accordance with section 289f and 315d HGB, LEG reports on the principles of corporate governance and corporate governance at the Group. This declaration includes (i) the declaration of compliance in accordance with section 161(1) of the German Stock Corporation Act (AktG), (ii) information on LEG's remuneration system, (iii) relevant information on corporate governance practices exceeding legal requirements, (iv) a description of the working methods of the Management Board and the Supervisory Board plus the composition and working methods of their committees, (v) targets for the participation of men and women in managerial positions and (vi) a description of the diversity concept for the Supervisory Board and Management Board.

### Declaration of Conformity in accordance with section 161(1) AktG

The Management Board and Supervisory Board of LEG Immobilien SE issued the following declaration in November 2023 in accordance with section 161 of the German Stock Corporation Act (AktG):

"The Management Board and Supervisory Board of LEG Immobilien SE (the "Company") declare in accordance with section 161 AktG that the Company has complied without exception with the recommendations of the "Government Commission on the German Corporate Governance Code" in the version dated 28 April 2022 (the "Code") published by the Federal Ministry of Justice in the official section of the Federal Gazette on 27 June 2022 since the last Declaration of Conformity pursuant to Section 161 AktG was issued in November 2022.

The Management Board and Supervisory Board of LEG Immobilien SE also declare that the Company currently complies with the recommendations of the Code without exception and will continue to do so in the future.

Dusseldorf, November 2023

The Management Board of LEG Immobilien SE  
The Supervisory Board of LEG Immobilien SE"

### Remuneration system

The Management Board and Supervisory Board remuneration systems comply with the recommendations of the German Corporate Governance Code. In line with the regulations of the German Stock Corporation Act, they are submitted to the Annual General Meeting for resolution in the event of any material changes and at least every four years.

The Supervisory Board made changes to the system for Management Board remuneration with effect from the 2023 financial year to anchor the new cash-focussed steering of the company in the remuneration system. It observed all recommendations and suggestions of the German Corporate Governance Code. The new remuneration system was approved by the Annual General Meeting on 17 May 2023.

The Management Board and Supervisory Board have produced a joint remuneration report in accordance with section 162 (2) AktG. This remuneration report provides detailed information on the design of the remuneration system at LEG and the amount and structure of Management Board and Supervisory Board remuneration. It will be submitted to the 2023 Annual General Meeting for approval in accordance with section 120 a (4) AktG.

The remuneration report and the auditor's report in accordance with section 162 AktG and the remuneration system in place in accordance with section 87a (1) and (2) AktG are available at the [company's website](#).

### Relevant disclosures on Corporate Governance Practices exceeding legal requirements

#### Compliance and value management

LEG is geared towards sustainable, successful portfolio management. The foundation for sustainable management is lawful, responsible and honest conduct. LEG's objective and strategy, as well as its values that are essential for working with customers, employees, investors, business partners and society, are set out in LEG's declaration of fundamental values. These values include integrity and fairness, commitment and professionalism, confidentiality, transparency, and sustainability.

With its declaration of principles on respect for human rights and the environment, LEG is committed to strengthening human and environmental rights in its relationships with its business partners in the supply chain, its customers and its employees and to preventing, minimising and remedying violations of these rights.

The LEG's Code of Conduct describes the guiding principle and the declaration of fundamental values in more detail and puts the values set out here into practice for everyday business by way of standards of conduct for employees and executives. Details on these standards of conduct can be found in internal Group rules and guidelines. These guidelines are published on the [company's website](#). Accordingly, LEG also translates these values for business relationships with its suppliers and service providers into concrete standards of behaviour in a Business Partner Code.

Executives and employees are made aware of these issues and advised on them in regular training sessions and through advisory services. All new employees receive comprehensive compliance and, in particular, data protection training in four annual sessions. Refresher training is provided for all employees once a year using an electronic training programme. An electronic whistle-blower system gives employees and third parties the opportunity to anonymously report compliance violations in LEG's area of responsibility around the clock.

Details on LEG's compliance management system can be found in the > [Risks, opportunities and forecast report](#).

### Responsibility and sustainability

LEG aims to act sustainably and responsibly. An understanding of sustainability and a sustainability strategy are outlined in its sustainability model. As part of a materiality analysis with all relevant stakeholders, LEG identified five central areas of sustainability: business, tenants, employees, the environment and society. These cover the three dimensions of sustainability – environmental, social and governance (ESG).

In 2023, LEG made considerable progress on its sustainability and decarbonisation strategy, especially on green innovations and on tenant behaviour campaigns. Hence, in addition to the further development of RENOWATE, the joint venture dekarbo and the company termios were founded to pursue the goal of being climate neutral by 2045. At the same time, the requirements for social aspects and good corporate governance were further developed. Each year, LEG sets specific short-term and long-term targets for all three ESG dimensions that contribute to the implementation of the sustainability strategy and that are tracked and reviewed on an ongoing basis. These sustainability targets have been part of both variable Management Board and management remuneration since the 2021 financial year.

The sustainability committee acts as a body for strategic decisions and to pool activities, comprising heads of central areas and operations managers. ESG governance was stepped up by establishing a dedicated ESG department under the Management Board Chairman's responsibility, where ESG issues are pooled, monitored and improved. LEG's Supervisory Board formed a separate ESG Committee in 2022, further reinforcing the importance of the issue in LEG's supervisory and advisory body.

LEG's non-financial Group declaration provides annual reporting on sustainability management and on targets, measures, activities and progress in this area. The non-financial Group declaration is part of the Management Report since financial year 2023.

### Other corporate governance disclosures

#### Suggestions of the German Corporate Governance Code

LEG goes beyond simply complying with all recommendations of the Code. It also complies with the suggestions of the Code, which can be deviated from without disclosure in the Declaration of Compliance, with the following exception:

In accordance with suggestion A 8, in the event of a takeover bid, the Management Board should convene an extraordinary general meeting at which shareholders discuss the takeover bid and possibly decide on corporate action. It is questionable as to whether the organisational

effort of convening a general meeting would be justified if no corporate action was to be resolved. Accordingly, the Management Board reserves the right to convene an extraordinary general meeting only if a resolution is planned.

#### Adequacy and effectiveness of the internal control system

There were no indications in the 2023 financial year that the internal control system as a whole may be inadequate or ineffective.<sup>1</sup>

#### Institute for Corporate Governance in the German Real Estate Industry

LEG is a member of the Corporate Governance Institute of the German Real Estate Industry Association (ICG). The ICG has a "Corporate Governance Code of the German Real Estate Industry" (as at October 2020, "ICGK"), which supplements the German Corporate Governance Code with industry-specific recommendations and is intended to bring about greater transparency, an improved reputation and stronger competitiveness of the property sector. The Supervisory Board and the Management Board of LEG Immobilien SE are committed to the key goals and principles of the ICG.

The ICG developed a certification system for compliance management systems at property companies. LEG had its compliance management system certified using this system in 2019. This certificate was confirmed in September 2021 as part of a second certification. It is valid for three years.

### Description of the working methods of the Management Board and the Supervisory Board and the composition and working methods of their committees

LEG Immobilien SE has the legal form of a European Company (Societas Europaea, SE). As an SE based in Germany, the company is subject to European and German SE regulations as well as German stock corporation law. LEG Immobilien SE has a dual management system consisting of the Management Board and the Supervisory Board. Executive management and control are clearly separated in a dual management system.

#### Management Board

As per section 6.1 of the Articles of Association, the Management Board of LEG Immobilien SE comprises at least two members. As at 31 December 2023, there were three people on the Management Board. The Management Board manages the company on its own responsibility in accordance with the provisions of law, the Articles of Association and the Rules of Procedure for the Management Board. The Rules of Procedure for the Management Board were most recently amended by the Supervisory Board on 18 July 2022. Among other things, these stipulate that certain transactions of particular significance or that involve an exceptionally high economic risk require the prior approval of the Supervisory Board or one of its committees. They also state that transactions between the company or

<sup>1</sup> Statement not inherent in management report

one of its Group companies on the one hand and a member of the Management Board and a related party on the other hand must meet the standards that are customary for transactions with outside third parties.

The Management Board performs its management duties as a collective body. Regardless of their overall responsibility, the individual members of the Management Board manage the departments assigned to them in the context of Management Board resolutions on their own responsibility. The allocation of duties among the members of the Management Board is based on the assignment plan.

The Management Board ensures that laws and internal company guidelines and regulations are observed and works to ensure that these are complied with by Group companies. To achieve this, it has established a comprehensive compliance management system designed for the company's risk situation. It is also responsible for the establishment of an appropriate and effective internal control system (ICS) and a risk management system, which also cover sustainability-related aspects.

The Management Board reports to the Supervisory Board regularly, comprehensively and in a timely manner on all issues of strategy, planning, business performance, the risk situation, risk management and compliance relevant to the company.

### Supervisory Board

The Supervisory Board has six members and monitors and advises the Management Board. It appoints and dismisses the members of the Management Board and, together with the Management Board, ensures long-term succession planning. Its duties and rights are determined by the legal provisions, the Articles of Association and the Rules of Procedure for the Supervisory Board. The Supervisory Board most recently amended the Rules of Procedure on 21 November 2023. The Supervisory Board regularly reviews the efficiency of its work and the work of its committees, most recently in the 2023 reporting year. The review was performed in the form of a self-evaluation based on interviews with Professor Michael Bursee of MB Board Advisory GmbH and by using an anonymous questionnaire that is drawn up externally.

### Cooperation between the Management Board and the Supervisory Board

The Management Board and the Supervisory Board work together closely for the good of the company. The intensive and constant dialogue between the bodies is the basis for efficient and targeted business management. The Management Board develops the strategic orientation of LEG, coordinates this with the Supervisory Board and ensures its implementation. The Management Board discusses the status of the strategy implementation with the Supervisory Board at regular intervals.

The Chairman of the Supervisory Board maintains regular contact with the Management Board, particularly with the Chairman of the Management Board, and advises on issues of strategy, planning, business performance, the risk situation, risk management and compliance at the company. He is immediately informed by the Chairman of the Management Board of key events significant to the assessment of the position and development of the company and Group companies and their management. He then reports to the Executive Committee or the Supervisory Board and convenes extraordinary meetings if necessary.

## Committees of the Supervisory Board

The Supervisory Board had five committees in the 2023 financial year: the Executive Committee, the Nomination Committee, the Remuneration Committee, the Risk and Audit Committee and the ESG Committee. Further committees can be formed if required.

### Executive Committee of the Supervisory Board

The Executive Committee discusses key issues and prepares discussions and resolutions of the Supervisory Board unless the Supervisory Board has assigned this to another committee. In particular, the Executive Committee discusses resolutions by the Supervisory Board on the following matters:

- The appointment and dismissal of members of the Management Board, the appointment and dismissal of the Chairman of the Management Board;
- The conclusion, amendment and termination of employment agreements with members of the Management Board.

The Executive Committee regularly discusses long-term succession planning for the Management Board with the involvement of the Management Board. In place of the Supervisory Board but subject to the above and other mandatory responsibilities of the Supervisory Board, the Executive Committee passes resolutions on the following matters:

- Transactions with members of the Management Board in accordance with section 112 AktG;
- Approval of transactions with a value in excess of EUR 25,000 between the company or one of its Group companies on the one hand and a member of the Management Board or persons or undertakings related to a member of the Management Board on the other;
- Delayed disclosure of inside information in accordance with Article 17 (4) of the Regulation (EU) no. 596/2014 of 16 April 2014 (market abuse regulation), where the Supervisory Board is responsible for the subject of the insider information;
- Granting loans to the persons named under sections 89, 115 AktG;
- Approval of contracts with Supervisory Board members in accordance with section 114 AktG;
- Any other approval required for measures by the Management Board in accordance with the Articles of Association of the company or the Rules of Procedure for the Management Board if the matter cannot be delayed and a resolution by the Supervisory Board cannot be passed in a timely manner.
- Consent to other activities by a member of the Management Board in accordance with section 88 AktG and approval of other additional employment, in particular holding supervisory board mandates and mandates in similar executives bodies of companies outside the Group.

The members of the Executive Committee are Mr Michael Zimmer, Dr Claus Nolting, and Mr Martin Wiesmann. As the Chairman of the Supervisory Board, Mr Michael Zimmer is also the Chairman of the Executive Committee. Dr Jochen Scharpe has been elected deputy member (in the case of absence).

### Nomination Committee

The Nomination Committee meets as required and suggests suitable candidates to the Supervisory Board for its nominations for the Annual General Meeting. The members of the Nomination Committee are the members of the Executive Committee (Mr Michael Zimmer, Dr Claus Nolting and Martin Wiesmann). As per the Articles of Association, the Chairman of the Supervisory Board is also the Chairman of the Nomination Committee.

### Remuneration Committee

On 21 November 2023, the Supervisory Board created a Remuneration Committee. The Remuneration Committee meets when required and prepares the resolutions of the Supervisory Board on the following matters:

- Remuneration system of the Management Board and determining the total remuneration of the individual members of the Management Board;
- Remuneration system of the Supervisory Board.

The members of the Remuneration Committee are Mr Martin Wiesmann, Mr Michael Zimmer, and Dr Claus Nolting. Mr Martin Wiesmann is the Chairman of the Remuneration Committee and is independent of the company and the Management Board within the meaning of the German Corporate Governance Code.

### Risk and Audit Committee

The work of the Risk and Audit Committee focuses on the following issues:

- Accounting audits, primarily of the consolidated financial statements and of the group management report (including CSR reporting);
- Monitoring the accounting process;
- Effectiveness of the internal control system (ICS) and the internal audit system;
- Audit of the financial statements – in particular the independence of the auditor, the quality of the auditor, the other services performed by the auditor, the granting of the audit mandate to the auditor, the determination of the key areas of the audit and the fee agreement;
- Compliance and risk management.

The Risk and Audit Committee also deals with the non-financial Group declaration to be prepared in accordance with section 289b HGB. It prepares the resolutions by the Supervisory Board on the annual financial statements and the consolidated financial statements and the agreements with the auditor, in particular, the granting of the audit mandate to the auditor, the determination of the key areas of the audit and the fee agreement. The Risk and Audit Committee takes appropriate measures to determine and monitor the independence of the auditor. Thus, the Risk and Audit Committee released a white list of a limited number of non-audit services that can be provided by the auditor. If the auditor is commissioned to perform further tasks, the Risk and Audit Committee must approve the task. In addition, on the Risk and Audit Committee's behalf, the company has established a process to ensure that no prohibited non-audit services are contracted to the current auditor or

potential future auditors. The work of the Risk and Audit Committee is based on particular Rules of Procedure that were most recently amended on 24 August 2021.

The Risk and Audit Committee has three members who are appointed by the Supervisory Board by a majority of votes cast. The members as of 31 December 2023 were Dr Claus Nolting (Chairman), Dr Jochen Scharpe and Mr Martin Wiesmann. Dr Katrin Suder has been elected deputy member (in the case of absence).

Dr Claus Nolting, the Chairman of the Risk and Audit Committee, is independent and has special expertise and experience in the application of accounting policies and internal control procedures, as well as in financial statement auditing. Dr Nolting gained his special expertise during his many years working as a senior executive in the banking sector, where he was responsible for areas including accounting and financial statement auditing. In addition, he served for several years as Chairman of the Risk and Audit Committee of a German bank and as a member and later Chairman of the Risk and Audit Committee, where he was involved in accounting and financial statement auditing as well as sustainability reporting and auditing.

Dr Jochen Scharpe developed his expertise in the fields of accounting and auditing during his many years as a commercial director, where his responsibilities included accounting. He also played an active role in numerous annual financial statement audits during his many years spent working for a leading German audit and consulting firm. Since 2004, he has also been a member and, in some cases, chair of the audit committees at several listed companies. As part of this role, he has supported audits of annual financial statements by various audit firms and has also been responsible for sustainability reporting and audits of these reports.

As a member of the executive management team at a major international bank, Mr Martin Wiesmann was responsible for annual financial statement audits for many years and so also has special expertise and experience in this area.

### ESG Committee

The ESG Committee is responsible for all sustainability-related issues, in particular environmental, social and corporate governance ("ESG") topics. The ESG Committee's main responsibilities are:

- Advising and monitoring the Management Board when incorporating sustainability targets in the company strategy and planning and implementing these, as well as regarding other sustainability measures;
- At the request of the Risk and Audit Committee, providing support for sustainability-related statements as part of its preliminary audit of the separate non-financial declaration of LEG Immobilien SE and the separate non-financial Group declaration, as well as with its consideration of whether the internal control system and

risk management system adequately and effectively cover sustainability objectives and include the processes and systems for recording and processing sustainability data;

- Preparing the discussions and resolutions of the Supervisory Board and, if requested, supporting the Executive Committee and Nomination Committee with sustainability issues.

The members of the ESG Committee are Dr Katrin Suder (Chairwoman), Dr Sylvia Eichelberg and Mr Martin Wiesmann. Mr Michael Zimmer has been elected deputy member.

## Composition of the Boards

### Targets for the participation of women

In accordance with section 76(4) and section 111(5) of the German Stock Corporation Act, the Supervisory Board and the Management Board are required to set targets for the participation of women in (i) the Supervisory Board, (ii) the Management Board and (iii) the two management levels below the Management Board, to stipulate a timeframe for when this goal must be achieved, to report on the achievement of this goal, or give reasons in the event of non-achievement of this goal.

### Supervisory Board

In a resolution dated 24 January 2022, the Supervisory Board agreed that women should make up 33.3% of the Supervisory Board (two women in a six-person Supervisory Board) and set 31 December 2024 as the deadline for achieving this target. As at 31 December 2023, women accounted for 33.3% of the Supervisory Board.

### Management Board

In a resolution dated 24 January 2022, the Supervisory Board set the share of women on the Management Board at 33.3% and gave 31 December 2024 as the deadline for achieving this goal. As at 31 December 2023, women accounted for 33.3% of the Management Board.

### Management levels below Management Board

LEG Immobilien SE itself has no employees and so no targets can be set for LEG Immobilien SE employees. However, the Management Board voluntarily set Group-wide targets for the appointment of women to management positions and, in a resolution dated 25 January 2022, set a target of 30% for the first and second management levels below the Management Board which it must achieve by 31 December 2025.

## Supervisory Board and Management Board composition (Diversity Concept)

### Diversity Concept of the Supervisory Board

The Supervisory Board has stated targets for its composition and drawn up a competence profile. The targets and the competence profile include the following diversity targets as well as a diversity concept:

- With the overall composition of the Supervisory Board, the competence profile set should be met. On the basis of their knowledge, skills and professional experience, the members of the Supervisory Board should be able to perform the duties of a Supervisory Board member of a listed property company with a focus on residential properties. The Supervisory Board has stated that Group management, the housing industry, property transactions, bank and capital market financing, finances, accounting and auditing, management and regulation and sustainability are special areas of competence which should be met by the Supervisory Board as a whole.
- The members of the Supervisory Board should satisfy the requirements of the German Corporate Governance Code.
- At least five members of the Supervisory Board, including the Chairman of the Supervisory Board, the Chairman of the Risk and Audit Committee, the Chairman of the Executive Committee and the Chairman of the Remuneration Committee, must be independent as defined by the German Corporate Governance Code.
- In the interests of complementary cooperation, the members of the Supervisory Board should have sufficient diversity regarding different professional backgrounds, specialist knowledge and experience when selecting candidates.
- At least one third of the Supervisory Board must be female and one third male.
- Only candidates younger than 75 at the time of the election should be proposed for the Supervisory Board.
- The term of office of a Supervisory Board member should usually not last longer than 15 years.

### Implementation status: attainment of targets set, the competence profile and the diversity concept

In its decision on candidates, the Supervisory Board takes into account not only the statutory requirements and the provisions of the Articles of Association, but in particular the above targets and the competence profile. The same applies to the Nomination Committee, which supports the Supervisory Board by providing assistance in its search for suitable candidates. The Supervisory Board most recently took account of the goals, including the competence profile, in the selection process conducted with the involvement of an external personnel consultancy in connection with the succession of Dr Jochen Scharpe's Supervisory Board mandate.

With the current composition of the Supervisory Board all goals have been achieved and the current composition of the Supervisory Board is balanced. The Supervisory Board members have the professional and personal qualifications considered necessary. Diversity is adequately taken into account on the Supervisory Board, one third of which are women. The Supervisory Board believes that it has a sufficient number of independent members. At present, all members of the Supervisory Board are independent as defined by recommendation C.6 of the GCGC. The regulation on the age limit (75 years at the time of the election) is also taken into account.

### ● Composition of the Supervisory Board

	Age	Member since <sup>1</sup>	Appointed until (AGM)	Independence	Members of committees			
					Executive committee <sup>2</sup>	Risk and audit committee	ESG committee	Remuneration committee
Michael Zimmer (Chairman)	60	2021 (2013)	2025	X	O			X
Dr Claus Nolting (Deputy Chairman)	72	2021 (2016)	2025	X	X	O		X
Dr Sylvia Eichelberg	44	2021	2025	X			X	
Dr Jochen Scharpe	64	2021 (2013)	2025	X		X		
Dr Katrin Suder	52	2022	2025	X			O	
Martin Wiesmann	58	2021 (2020)	2025	X	X	X	X	O

X = member/fulfilled; O = Chairman/Chairwoman

<sup>1</sup> In the Supervisory Board of LEG Immobilien SE (in brackets: in the Supervisory Board of LEG Immobilien AG)

<sup>2</sup> The composition of the Nomination Committee corresponds to the Executive Committee.

The current Supervisory Board composition also meets the competence profile.

### ● Competence profile

	Competencies						
	Group management	Housing industry	Property transactions	Bank and capital market financing	Finance, accounting and audit	Management and regulation	Sustainability
Michael Zimmer (Chairman)	●●	●●	●●	●	●	●	●
Dr Claus Nolting (Deputy Chairman)	●●	●	●●	●●	●●	●●	●
Dr Sylvia Eichelberg	●●	●	●	●	●	●●	●●
Dr Jochen Scharpe	●●	●●	●●	●	●●	●	●
Dr Katrin Suder	●●	●	●	●	●	●●	●●
Martin Wiesmann	●	●	●●	●●	●	●	●●

● = General knowledge ●● = Expert knowledge

To allow for an evaluation of their skills and a comparison with the goals, the CVs of the Supervisory Board members are published on the [company's website](#).

### Management Board diversity concept and succession planning for the Management Board

There are the following targets for the composition of the Management Board:

- Each member of the Management Board must have not only his own fundamental qualification, but also must be suitable for the company in its current situation and in view of future tasks.
- As a rule, members of the Executive Board should be appointed with effect until they reach the age of 65 at the latest.
- The members of the Management Board should supplement each other in respect to competence and knowledge. Here the Management Board should be composed in a way that the Board as a whole not only has entrepreneurial and managerial competence but also knowledge of property management and extensive expertise concerning regional housing markets.

- Moreover, the composition of the Management Board should allow it to have financial markets expertise as well as social competence, e. g. in the area of social management.
- The Supervisory Board defined a goal for the share of women on the Management Board of 33.3%.

Together with the Management Board, the Supervisory Board ensures long-term succession planning. The Supervisory Board and its Executive Committee ensure that the composition of the Management Board takes place taking due account of the targets set. In addition, account is taken of the relevant legislation and the recommendations of the German Corporate Governance Code. The Management Board as it stands at presents meets all targets.

The CVs of the Management Board members are published on the [company's website](#) so that these can be compared against the diversity concept.