

*Rules of Procedure for  
the Supervisory Board*

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The Supervisory Board of Instone Real Estate Group SE (the "**Company**") has adopted the following Rules of Procedure (the "**Rules of Procedure**") for the Supervisory Board of the Company (the "**Supervisory Board**") on 14. October 2021 pursuant to Section 13 (4) and Section 18 (2) of the Articles of Association of the Company.

The Company is a shareholder in a number of subsidiaries ("**Subsidiaries**") (the Company together with its consolidated subsidiaries, the "**Instone Group**"). The Supervisory Board advises and supervises the Management Board of the Company (the "**Management Board**").

These Rules of Procedure are published on the Company's website

## I. SUPERVISORY BOARD AND ITS MEMBERS

### § 1 Duties of the Supervisory Board; Qualifications

- 1.1 The Supervisory Board shall conduct its business in compliance with the German Corporate Governance Code in accordance with the provisions of the law, the company's Articles of Association and these Rules of Procedure.
- 1.2 The Supervisory Board advises and monitors the Management Board in its management of the Company, including the long-term goals and corporate strategy for the Instone Group, and supervises its implementation.
- 1.3 In order to fulfill its duties, the Supervisory Board may, at its own dutiful discretion, commission auditors, legal and other internal and external consultants and call them into Supervisory Board meetings. The costs shall be borne by the Company.
- 1.4 The Supervisory Board shall work closely with the Management Board for the benefit of the Company and shall ensure that high governance standards are maintained in all areas of Instone Group's business activities.
- 1.5 The Supervisory Board shall regularly review how effectively the Supervisory Board as a whole and its committees perform their duties.
- 1.6 At least one member of the Supervisory Board shall have expertise in the field of accounting and at least one member shall have expertise in the field of auditing; the members of the Supervisory Board as a whole shall be familiar with the real estate sector.

### § 2 Rights and duties of the members of the Supervisory Board

- 2.1 All members of the Supervisory Board shall have the same rights and duties, unless otherwise provided by law, the Articles of Association of the Company or these Rules of Procedure. They are not bound by orders or instructions.
- 2.2 The members of the Supervisory Board shall comply with the recommendations of the German Corporate Governance Code as amended from time to time, unless any deviations are declared in the Compliance Statement to be submitted by the Company pursuant to Section 161 of the German Stock Corporation Act (AktG).
- 2.3 The members of the Supervisory Board shall - even after leaving office - maintain secrecy with regard to Confidential Information and Secrets of the Company (as defined in § 2.5 of these Rules of Procedure), namely trade and business secrets, which become known to them through their activities on the Supervisory Board. This applies in particular to confidential reports and confidential discussions. Each member of the Supervisory Board shall ensure that employees or consultants engaged by him comply with the duty of confidentiality in the same way. Persons who attend meetings of the Supervisory Board but do not belong to it shall be expressly bound to secrecy.
- 2.4 Upon termination of office, a Supervisory Board member shall return to the Chairman of the Supervisory Board all documents, etc. in his possession, with the exception of the minutes of meetings.

- 2.5 **"Confidential Information"** shall be all information which is either expressly designated as confidential or in respect of which it cannot be ruled out on reasonable commercial grounds that the interests of the Company could be prejudiced if it were disclosed. A **"Secret"** of the Company shall be any fact directly or indirectly connected with the Company's business and operational activities which is known only to a limited circle of persons and which, from a reasonable commercial point of view, it can be assumed that the Company desires to be kept secret and that there is a need to keep it secret in the interest of the Company.
- 2.6 The Supervisory Board shall ensure that the Company has a sound plan for succession in office within the Management Board and the Supervisory Board, which aims at maintaining an appropriate balance in terms of the required expertise, experience and diversity within the Management Board and the Supervisory Board, respectively.
- 2.7 A Supervisory Board member shall inform the Supervisory Board in advance of any other positions he/she wishes to take up.

### § 3 Conflicts of Interest

- 3.1 Each member of the Supervisory Board is obliged to act in the interests of the Company. In making decisions, they may neither pursue personal interests nor use business opportunities to which the company is entitled for their own benefit.
- 3.2 In the event of material and not merely temporary conflicts of interest, the Supervisory Board member concerned shall resign from office. In its report to the Annual General Meeting, the Supervisory Board shall provide information on any conflicts of interest that have arisen and how they have been dealt with.
- 3.3 A Supervisory Board member shall immediately disclose any actual or potential conflicts of interest in connection with a legal transaction that is of material importance for the Company and/or the Supervisory Board member concerned to the Chairman of the Supervisory Board. Each member of the Supervisory Board shall also inform the Chairman of the Audit Committee without delay of any transactions which he or a party related to him within the meaning of Section 111a (1) of the German Stock Corporation Act (AktG) intends to conclude with the Company or with a company affiliated with the Company within the meaning of Sections 15 et seq. of the German Stock Corporation Act (AktG).
- 3.4 The determination as to whether a conflict of interest exists with regard to a member of the Supervisory Board is primarily the responsibility of the Supervisory Board member concerned. In the event of disagreement on this matter, the Supervisory Board shall determine whether a conflict of interest exists with regard to a Supervisory Board member. The Supervisory Board member concerned may not be involved in the determination.
- 3.5 A member of the Supervisory Board may not participate in and/or vote on resolutions of the Supervisory Board relating to matters in respect of which he is subject to an identified conflict of interest. If a resolution of the Supervisory Board cannot be adopted for this reason, the resolution shall nevertheless be adopted by the Supervisory Board as if there were no conflict of interest.

- 3.6 Transactions in respect of which a conflict of interest is of material significance for the Company and/or the Supervisory Board member concerned shall require the approval of the Supervisory Board or, in the case of transactions subject to the requirements of § 10.4 lit. (b), the approval of the Audit Committee. Transactions with members of the Supervisory Board or related parties of members of the Supervisory Board, including those in respect of which a member of the Supervisory Board is subject to a potential conflict of interest, shall be concluded at arm's length conditions.
- 3.7 In order to avoid potential or apparent conflicts of interest, Supervisory Board members shall refrain from the following actions:
- Entering into competition with the Company;
  - Request or accept gifts of substantial value for themselves or their relatives from the Company;
  - Provide unjustified benefits to third parties to the detriment of the Company;
  - Take business opportunities to which the Company would be entitled for themselves or their dependents.
- 3.8 The Company may enter into transactions with its Supervisory Board members, in particular personal loans, guarantees or similar financing arrangements, in the ordinary course of business only at arm's length and which are also available to all employees of the Company, and only with the prior consent of the Audit Committee. Any loans to members of the Supervisory Board may not be waived.

#### **§ 4 Holding and trading in financial instruments**

- 4.1 The members of the Supervisory Board must observe the Company's Capital Market Compliance Guideline with regard to holding shares in the Company's capital and/or financial derivatives as well as trading in such.
- 4.2 In addition, each Supervisory Board member must exercise restraint with regard to the following transactions:
- when trading in shares or other financial instruments issued by another listed company, to the extent that this could reasonably create the impression that the Supervisory Board member in question is violating the applicable prohibitions with regard to insider trading and/or market manipulation; and
  - trading in shares or other financial instruments issued by another listed company in direct competition with the Company.
- 4.3 Transactions by members of the Supervisory Board and persons related to members of the Supervisory Board (including directly or indirectly controlled companies) in shares or debt instruments of the Company or in financial instruments relating thereto, in particular derivatives, shall be reported without delay to the Company and to the German Federal Financial Supervisory Authority ("BaFin") pursuant to Art. 19 of Regulation (EU) No. 596/2014 of the European Parliament and of the Council on

market abuse (Market Abuse Regulation), if the total amount of such transactions in the calendar year reaches or exceeds the threshold set by BaFin for reportable proprietary transactions by executives (as of January 1, 2020: a total of EUR 20,000).

### **§ 5 Chairman and Deputy Chairman**

- 5.1 Following the Annual General Meeting, at the end of which the term of office of the members elected by the Annual General Meeting begins, the Supervisory Board shall elect a Chairman and a Deputy Chairman from among its members for the duration of their respective terms of office at a meeting to which no special invitation is required. The election shall be chaired by the oldest member of the Supervisory Board present. The Chairman of the Supervisory Board shall be independent of the Company and the Management Board.
- 5.2 The Deputy Chairman of the Supervisory Board shall have the rights and duties of the Chairman of the Supervisory Board if the latter is prevented from attending and unless otherwise provided by law, the Articles of Association of the Company or the Rules of Procedure of the Supervisory Board.
- 5.3 The resignation of the Chairman from his office prior to the expiry of the term of office shall not affect the continuation of the office of the Deputy Chairman. The same shall apply vice versa. If the Chairman or the Deputy Chairman resigns from office before the end of their term of office, the Supervisory Board shall immediately hold a new election for the remaining term of office of the resigning member.
- 5.4 Declarations of intent by the Supervisory Board and its committees shall be made on behalf of the Supervisory Board by the Chairman or, if he is prevented from doing so, by his deputy. The Chairman or, if he is prevented from doing so, his deputy, is authorized to accept declarations on behalf of the Supervisory Board. Section 78 (2) sentence 2 of the German Stock Corporation Act (AktG) shall remain unaffected.
- 5.5 The Chairman coordinates the work of the Supervisory Board and the collaboration of the Supervisory Board and the Management Board. The Chairman shall maintain a regular exchange with the Management Board, in particular with the Chairman or the Deputy Chairman of the Management Board pursuant to § 12.4 of the Rules of Procedure.

## **II. APPROVAL REQUIREMENTS**

### **§ 6 Transactions requiring approval**

- 6.1 The Management Board shall require the approval of the Supervisory Board for the transactions listed in Section 10.2 of the Articles of Association of the Company and in Annex 2 of the Rules of Procedure of the Management Board.
- 6.2 The Supervisory Board may make other types of transactions and measures subject to its approval.

- 6.3 The Supervisory Board may grant its consent to a certain group of transactions in general or revocable in advance in the event that the individual transaction meets certain conditions.
- 6.4 In the case of transactions requiring approval where a resolution of the Supervisory Board cannot be obtained in good time without jeopardizing important interests of the Company, the Chairman of the Supervisory Board or, if he is prevented from doing so, the Deputy Chairman, shall be informed in advance of the planned measure and the subsequent approval of the Supervisory Board shall be obtained without delay. If the Chairman of the Supervisory Board or, if he is prevented from doing so, the Deputy Chairman prohibits the transaction, it must not be carried out.
- 6.5 The Supervisory Board or a committee designated for this purpose shall - in deviation from § 7.1 of these Rules of Procedure - resolve within five (5) working days after submission by the Management Board on the acquisitions and disposals of real property, real property rights and rights to real property, heritable building rights requiring approval pursuant to item 2.1 of Annex 2 of the Rules of Procedure of the Management Board and notify the Management Board of the result of the resolution.

### III. MEETINGS OF THE SUPERVISORY BOARD

#### **§ 7 Convening of meetings, agenda, passing of resolutions and taking of minutes**

- 7.1 The meetings of the Supervisory Board shall be convened by the Chairman of the Supervisory Board or, if he is prevented from doing so, by the Deputy Chairman with a notice period of five (5) days. When calculating the period of notice, the day on which the invitation is sent and the day of the meeting shall not be counted. The Chairman of the Supervisory Board or, if he is prevented from doing so, the Deputy Chairman may shorten this period appropriately in urgent cases.
- 7.2 If an item on the agenda has not been properly announced, a resolution may only be passed on it if no Supervisory Board member present objects. In such a case, absent members of the Supervisory Board shall be given the opportunity to object to the resolution within a reasonable period to be determined by the Chairman or, if he is prevented from doing so, by the Deputy Chairman. The resolution shall only become effective if the absent members of the Supervisory Board have not objected within the time limit or if they have given their consent.
- 7.3 The quorum, majority requirements, form of adoption of resolutions and taking of minutes shall be governed by Section 16 of the Articles of Association of the Company.

### IV. COMMITTEES

#### **§ 8 General regulations**

- 8.1 The Supervisory Board shall form a Nomination Committee (§ 9 of these Rules of Procedure), an Audit Committee (§ 10 of these Rules of Procedure) and a Remuneration

Committee (§ 11 of these Rules of Procedure) from among its members. Further committees are formed as required. Committees shall consist of at least three members of the Supervisory Board. The exact number of members shall be determined in each case by the Supervisory Board.

- 8.2 The members of the committees shall be appointed at the constituent Supervisory Board meeting for the duration of their term of office as a member of the Supervisory Board. The members of the committees must have the knowledge, skills and experience required to perform the respective committee tasks.
- 8.3 If a member of a committee elected by the Supervisory Board resigns from the committee or is prevented from exercising his office not only temporarily, the Supervisory Board shall elect a successor for the remaining term of office of the resigning or prevented member without delay - at the latest at its next meeting.
- 8.4 The Supervisory Board shall appoint one committee member to chair each committee, unless otherwise provided for in these Rules of Procedure. The meetings of the committees shall be convened and chaired by the respective committee chairman.
- 8.5 Committees which decide in place of the Supervisory Board shall only constitute a quorum if half of the members, but at least three members, participate in the adoption of the resolution.
- 8.6 The chairmen of the committees shall report regularly to the Supervisory Board on the work of the respective committees.
- 8.7 The provisions made for the Supervisory Board in the Articles of Association of the Company and these Rules of Procedure shall apply mutatis mutandis to the internal organization and convening of the meetings of the committees, unless otherwise provided below.

### **§ 9 Nomination Committee**

The Nomination Committee proposes suitable candidates to the Supervisory Board for its election proposals to the Annual General Meeting and manages the long-term succession planning in the Supervisory Board.

### **§ 10 Audit Committee**

- 10.1 When electing the members of the committee, the Supervisory Board shall ensure that the chairman of the Audit Committee has special knowledge and experience in the application of accounting principles and internal control procedures and is familiar with the auditing of financial statements. The Chairman of the committee shall be independent of the Company, the Management Board and any controlling shareholder and shall not be a former member of the Management Board of the Company whose appointment ended less than two (2) years prior to his appointment as Chairman of the Audit Committee. The Chairman of the Supervisory Board shall not chair the Audit Committee. § 1.6 of these Rules of Procedure shall apply mutatis mutandis

to the composition of the Audit Committee. The Audit Committee is also a committee pursuant to § 107 (3) sentence 4 of the German Stock Corporation Act (AktG).

- 10.2 The Audit Committee shall deal in particular with
- (a) the monitoring of the accounting process;
  - (b) the effectiveness of the internal control system;
  - (c) the risk management system and the internal audit system;
  - (d) the audit of the financial statements, in particular the independence of the auditor;
  - (e) the additional services provided by the auditor;
  - (f) the issuing of the audit mandate to the auditor;
  - (g) the determination of audit focal points and the fee agreement;
  - (h) the assessment of the quality of the audit;;
  - (i) compliance,
  - (j) transactions with related parties pursuant to sections 111a et seq. of the German Stock Corporation Act (AktG), and
  - (k) ESG and CSR reporting.
- 10.3 The Audit Committee prepares the resolutions of the Supervisory Board on the annual financial statements (and the consolidated financial statements). The Audit Committee shall take appropriate measures to determine and monitor the independence of the auditor.
- 10.4 The Audit Committee shall decide in place of the Supervisory Board on
- (a) agreements with the auditor (in particular, the issuance of the audit engagement letter, the determination of audit priorities and the fee agreement); and
  - (b) the approval of transactions with related parties pursuant to Section 107 (3) sentence 4 in conjunction with Section 111b (1) of the German Stock Corporation Act (AktG).
- 10.5 Agreements with auditors pursuant to § 10.4 (a) of these Rules of Procedure shall be concluded externally by the Chairperson of the Audit Committee following a corresponding resolution and authorization by the Audit Committee, unless the Audit Committee authorizes another member of the Audit Committee to do so.

### **§ 11 Remuneration Committee**

- 11.1 At least one member of the Remuneration Committee must be an independent member of the Supervisory Board. The chairman of the committee shall be independent of the Company and of the Management Board.
- 11.2 The Remuneration Committee shall deliberate on the service contracts of the members of the Management Board and prepare resolutions of the Supervisory Board. It

shall further prepare the resolutions of the Supervisory Board on the remuneration systems and the remuneration reports for the members of the Management Board and the Supervisory Board.

## V. REPORTING

### § 12 Information order

- 12.1 The Supervisory Board shall ensure that the Management Board fulfills the reporting obligations vis-à-vis the Supervisory Board set forth in Art. 41 SE Regulation, Section 90 AktG as well as other statutory provisions, the Articles of Association of the Company and these Rules of Procedure.
- 12.2 Reports of the Management Board to the Supervisory Board shall, as a rule, be made in text form (Section 126 of the German Civil Code). If necessary in individual cases due to particular urgency, oral reports shall be submitted to the Supervisory Board. Reports may also be sent to the members of the Supervisory Board by fax, electronically or by other customary means of telecommunication.
- 12.3 As part of the reporting pursuant to § 12.1 of these Rules of Procedure, the Supervisory Board shall be informed at its meetings on a regular basis and - if necessary - on special occasions about the intended business policy, the course of business of the Company and its expected development and other fundamental issues of the Company, in particular the net assets, financial position and results of operations, the risk situation, risk management and risk controlling, reputation, personnel development, major legal cases, compensation issues and compliance. In addition, fundamental issues of corporate planning, in particular financial and human resources planning, must be reported on at least once a year. Furthermore, Group Compliance shall report regularly, but at least once a year, to the Supervisory Board and the Audit Committee.
- 12.4 The Chairman of the Supervisory Board shall maintain regular contact with the Management Board, in particular with its Chairman or Deputy Chairman, and shall discuss with him or her issues of corporate strategy (in particular concerning the strategic planning of the use of funds), planning, business development, risk situation, risk management and compliance of the Company, as well as important events that are of material significance for the assessment of the situation and development as well as for the management of the Company. The Chairman of the Supervisory Board shall be informed without delay by the Management Board, in particular by its Chairman or Deputy Chairman, of important events that are of material significance for the assessment of the situation and development as well as for the management of the company and the Instone Group. The Chairman of the Supervisory Board shall then inform the Supervisory Board and, if necessary, convene an extraordinary meeting of the Supervisory Board.

## VI. FINANCIAL STATEMENTS, AUDIT REPORTS

### **§ 13 Transmission of the annual financial statements and the audit reports to the members of the Supervisory Board**

- 13.1 The annual financial statements, the consolidated financial statements (in each case together with the management report) and the audit reports shall be sent to the members of the Supervisory Board in accordance with Section 170 (3) of the German Stock Corporation Act (AktG) for preparation for the Supervisory Board meeting whose agenda includes the resolution on the annual financial statements.
- 13.2 The annexes and explanatory sections to the audit reports shall be handed over or sent only to the members of the Audit Committee; all members of the Supervisory Board may, however, inspect these documents.

## VII. MISCELLANEOUS

### **§ 14 Interpretation of the Rules of Procedure**

- 14.1 Terms specified in the singular also include their respective plural form.
- 14.2 Gender-specific terms also include the other gender in each case.