

## **Declaration of Conformity of Deutsche Konsum REIT-AG to the German Corporate Governance Code (GCGC)**

The Management Board and the Supervisory Board of Deutsche Konsum REIT-AG welcome and support the German Corporate Governance Code (GCGC) and its objectives. In accordance with § 161 (1) German Stock Corporation Act (AktG), they hereby declare that Deutsche Konsum REIT-AG complied and will also comply in the future with the recommendations of the Government Commission on the German Corporate Governance Code in the version of the Code of 7 February 2017, published in the Federal Gazette on 24 April 2017, with the following exceptions since the last Declaration of Conformity was issued on 5 December 2017:

- **Section 4.1.3 GCGC - Compliance Management System:** The Company has not employed more than ten employees since the last Declaration of Conformity. The Company currently employs ten people. For this reason, the Management Board saw and sees no need to formulate and disclose formalised measures for compliance management and a so-called “whistleblowing”. The effort involved in setting up, implementing and maintaining formalised action systems was and is, in view of the size of the Company, not in any meaningful relation to the potential benefit gained.
- **Section 4.1.5 GCGC – Consideration of women in the appointment for management functions:** The Executive Board did not and does not currently follow the recommendation to pay attention to diversity when filling management positions within the Company and, in particular, to aim for appropriate consideration of women. The Company had and currently has only employees without leadership function. Apart from the Management Board, there were and are no management positions in the Company and, therefore, the Company can currently not follow this recommendation for formal reasons. For this reason, the Company had and has set 0% as the target for women's participation in leadership positions for the period ending 30 September 2020. In the case of Deutsche Konsum, however, the decisive criterion when filling management positions is gender-independent the qualification and aptitude.
- **Section 4.2.5 GCGC - Presentation of the Remuneration Components of the Management Board in the Remuneration Report:** In the remuneration report for the 2016/2017 financial year, the remuneration components of the Management Board have not yet been presented in accordance with the recommendations of Section 4.2.5, since no remuneration system was in place. For this reason, the two Executive Board members appointed as of 1 July 2017, received flat-rate variable compensation for the three-month transitional period until the end of the financial year. For the financial year 2017/2018, on the other hand, a new compensation system for the Management Board in accordance with the recommendations of the German Corporate Governance Code was adopted and introduced by the Supervisory Board. Accordingly, the presentation in the compensation report will be undertaken acc. Section 4.2.5.
- **Sections 5.1.2, 5.4.1 para. 2, para. 4, 5.4.2 sentence 1 GCGC - Appointment of objectives for the composition of the Supervisory Board, in particular consideration of diversity, and development of a competence profile as well as an age limit and a limit for Membership of the Supervisory Board:** The Supervisory Board has neither set specific goals for its composition nor has it developed a competence profile for the entire Supervisory Board and does not intend to set such goals or develop a competence profile in the future either. Similarly, diversity rules have not been established in the objectives for the composition of the Supervisory Board or will be established in the future. The Company was and is of the opinion that the professional aptitude and the knowledge of the Company as prerequisites for the occupation are crucial, so that the above-mentioned requirements were and are not effective. For these reasons, the determination of an age limit and a statutory limit for membership of the Supervisory Board was and is not waived. The Company was and is of the opinion that the determination of an age limit and a regular limit on the length of service to the Supervisory Board

would not be appropriate, since the Company should also have the knowledge and experience of older persons for a longer period in the context of the Management and Supervisory Board activities.

- **Section 5.3 GCGC - Formation of committees:** The Supervisory Board has refrained from forming committees in view of its small number of members. If the number of members remains the same, the Supervisory Board will also refrain from forming committees in future.

Broderstorf, 12 September 2018

For the Supervisory Board

For the Management Board

Hans-Ulrich Sutter

Rolf Elgeti

Chairman of the Supervisory Board

Chairman of the Supervisory Board

The current Declarations of Conformity are published on our website <http://www.deutsche-konsum.de/en/>, in the "Investor Relations" section under the menu items "Corporate Governance" and "Declaration of Conformity".