

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 12 September 2018, which was supplemented on 12 November 2018:

- **Section 3.8 (3) GCGC – Deductible in D&O insurance for the Supervisory Board:** Pursuant to Section 3.8 (3) GCGC, a deductible is to be agreed in a D&O insurance policy for the Supervisory Board. The D&O insurance policy of Deutsche Konsum REIT-AG does not provide for a deductible for the Supervisory Board. The Company believed and believes that the agreement of a deductible has no impact on the sense of responsibility and the conscientiousness of its members of the Supervisory Board. In addition, the Company believes that a mandatory uniform deductible might possibly affect the members of the Supervisory Board differently due to different income and asset situations (also against the background of rather low Supervisory Board remuneration for a listed stock corporation).
- **Section 4.1.3 GCGC – Compliance Management System:** The Company has not employed more than sixteen employees since the last Declaration of Conformity. The Company currently employs sixteen 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 Management 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 5.1.2 (1) sentences 2 and 3, (2) sentence 3 GCGC – Consideration of diversity, determination of targets for the proportion of women in the Management Board and determination of an age limit:** The Supervisory Board did not and does not follow the recommendation to pay attention to diversity when appointing members of the Management Board in particular, to seek appropriate consideration of women. The Company was and is of the opinion that the professional aptitude and the knowledge of the Company as prerequisites for the appointment are crucial, so that the above-mentioned specifications were and are not expedient. For this reason, the Company has set 0% as the target for women's participation in the Management Board for the period until 30 September 2020. For these reasons, the definition of an age limit for members of the Management Board was and is waived. The Company was and is of the opinion that setting an age limit would be irrelevant, since the Company should also have access to the knowledge and experience of older persons in the context of the Management Board's activities.

- **Section 5.3 GCGC – Formation of committees:** The Supervisory Board had refrained from forming committees in view of its small number of members. Due to the still low complexity as well as the transparent business model of the DKR he considers the formation of committees not necessary in the future and dedicates himself furthermore in its entirety of the pending topics.
- **Section 5.4.1 (2), (3), (4) 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 appointment are crucial, so that the above-mentioned requirements were and are not effective. For this reason, the Company has set 0% as target for women's participation in the Supervisory Board for the period until 30 September 2020. For these reasons, the determination of an age limit and a standard limit for membership of the Supervisory Board was and is 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 Supervisory Board activities.

Broderstorf, 12 September 2019

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 <https://www.deutschemkonsum.de/en/>, in the "Investor Relations" section under the menu items "Corporate Governance" and "Declaration of Conformity".