

3. Corporate Governance Statement

In the following, the Supervisory Board and Management Board of Deutsche Konsum REIT-AG (the “Company”) report on the Company’s corporate governance and corporate management in accordance with § 289f of the German Commercial Code (HGB).

First, the current Declaration of Compliance of the Management Board and the Supervisory Board of Deutsche Konsum REIT-AG dated 13 September 2021 is presented. This is followed by a description of the working methods of the Management Board and the Supervisory Board as well as their composition. In addition, the corporate governance of the Company is presented, and the concept of diversity is discussed.

3.1. Declaration of Compliance 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), the Boards hereby declare that Deutsche Konsum REIT-AG has complied and will in future comply with the recommendations of the Government Commission on the German Corporate Governance Code in the version dated 16 December 2019, published in the official section of the Federal Gazette on 20 March 2020, with the following exceptions since the last Declaration of Compliance was issued on 15 September 2020 (updated on 23 March 2021):

Recommendation A.1 GCGC – Consideration of diversity in the filling of management positions:

The Management Board does not currently follow the recommendation to take diversity into account when filling management positions in the Company. The employees of the Company currently have no management functions. Apart from the Management Board, there are no management positions to be filled in the Company, which is why the Company cannot follow this recommendation currently.

Recommendation A.2 GCGC – Compliance Management System:

The Company currently employs only 28 employees (incl. two members of the Management Board). For this reason, the Management Board sees no need to formulate and publish formalised measures for compliance management and a so-called “whistleblowing”. The effort involved in setting up, implementing and maintaining formalised action systems was, in view of the size of the Company, not meaningful in relation to the potential benefit gained.

Recommendation B.1 GCGC – Consideration of diversity in the composition of the Management Board:

At present, the Supervisory Board does not follow the recommendation that diversity has been taken into account when appointing members of the Management Board. The Company is of the opinion that professional aptitude and knowledge of the Company are crucial as prerequisites for the appointment, so that the above-mentioned specifications are not expedient.

Recommendation B.2 GCGC – Long-term succession planning by the Supervisory Board:

In view of the current age of the members of the Management Board (39 to 44 years), the Company does not currently consider long-term succession planning to be necessary.

Recommendations C.1 GCGC – Specification of objectives for the composition of the Supervisory Board, in particular consideration of diversity, and development of a competence profile:

The Supervisory Board has not set any specific targets for its composition or developed a competence profile for that function and does not intend to set such targets or develop a competence profile in the future. Similarly, diversity rules have not been set in the objectives for the composition of the Supervisory Board or are to be set in the future. The Company is of the opinion that professional aptitude and knowledge of the Company are crucial as prerequisites for the appointment, so that the above-mentioned requirements are not effective. By resolution of 15 September 2020, the Supervisory Board set 16.67% as the target for women's participation in the Supervisory Board for the period up to 30 September 2025.

Recommendation C.5 GCGC – Supervisory board roles in non-group listed companies:

While the Company believes that Recommendation C.5 of the GCGC provides guidance for the Company's Supervisory Board members (and not for its Management Board), in view of the ambiguous wording, it is noted that Management Board member Rolf Elgeti holds more than two supervisory board roles in non-group listed companies or in comparable supervisory bodies (including as chairman of the supervisory board).

Recommendations D.2 to D.5 GCGC – Supervisory Board committees:

The Supervisory Board had refrained from forming committees in view of its small number of members and therefore did not follow recommendations D.2, D.3, D.4 and D.5 GCGC. However, Deutsche Konsum REIT-AG will elect an audit committee by the end of the year, which will start its work at the beginning of the next calendar year (2022). The Company will therefore follow recommendations D.3 and D.4 in the

future. Due to the continuing low complexity as well as the transparent business model of Deutsche Konsum REIT-AG, the Supervisory Board does not consider the formation of further committees to be necessary at present and will continue to cover all the pending topics.

Recommendations on section G.I GCGC – Compensation of the Management Board:

In the past, the compensation model for the Management Board, which had developed over time and was implemented prior to the publication of the current German Corporate Governance Code, did not yet comply with recommendations G.1, G.3, G.4, G.6, G.7, G.8 and G.10 to G.13. As already communicated in the update of the Declaration of Compliance of 23 March 2021, the Company has now established a compensation system for the Management Board that complies with the DCGK with the exception of the points mentioned below.

Recommendation G.10 GCGC – Compensation of the Management Board:

The compensation system of the Management Board approved by the Annual General Meeting of the Company on 11 March 2021 and determined by the Supervisory Board does not provide for variable compensation components granted to a member of the Management Board to be predominantly invested in shares of the Company or to be granted according to a share-based equivalent, in deviation from item G.10 of the GCGC. The Company is of the opinion that the creation of an incentive aimed at linking the value of the variable compensation to the long-term development of the share price of the Company is already sufficiently taken into account within the framework of the assessment of the variable compensation and the conditions for payment. Thus, the development of the share price (in addition to the financial performance and the net asset value of the Company) represents an essential basis for the

assessment of the variable compensation. Furthermore, the majority of the variable compensation is only paid out if a minimum target is also achieved in the three financial years following a financial year. The Company is therefore of the opinion that an additional variable compensation in shares is not necessary in order to set corresponding incentives. Employment contracts already concluded in the past (which in part do not yet fully correspond to the compensation system now established) shall continue to apply for the time being in accordance with § 26j EGAktG (German Introductory Act to the Stock Corporation Act).

**Recommendation G.16 GCGC –
Crediting of compensation when accepting non-group supervisory board roles:**

The Supervisory Board does not follow the recommendation that, when members of the Management Board accept non-group supervisory board roles, it should decide whether and to what extent compensation from the respective supervisory board role should be taken into account. Based on previous experience with the members of the Management Board and their handling of non-group supervisory board roles, it is not expected that non-group supervisory board roles will have a negative impact on the future activities of the members of the Management Board for the Company. Given the Supervisory Board's ability to exercise control, which also exists independently of the recommendation, a decision on taking into account compensation from non-group supervisory board roles is not necessary.

Broderstorf, 13 September 2021

For the
Supervisory Board



Hans-Ulrich Sutter
Chairman of the
Supervisory Board

For the
Management Board



Rolf Elgeti
Chairman of the
Management Board

The current Declarations of Compliance are published on our website <https://www.deutsche-konsum.de/en/>, in the "Investor Relations" section under the menu

items "Corporate Governance" and "Declaration of Compliance".

3.2. Functioning of the Management Board and Supervisory Board

Management structure with three bodies

The Management Board and the Supervisory Board work together closely for the benefit of the Company to ensure responsible management.

An essential element of corporate governance is the separation of corporate governance and corporate control. This is done through a clear division of tasks and responsibilities between the Management Board and the Supervisory Board. In addition, the Annual General Meeting is the third body. Through it, the shareholders are involved in fundamental decisions of the Company.

The Management Board

The Management Board manages the Company on its own responsibility and represents it in transactions with third parties. It is bound to the Company's interest with the goal of sustainable value creation. It develops the strategic direction of the Company, coordinates it with the Supervisory Board and ensures its implementation. The Management Board also ensures proper risk management and controlling in the Company.

The members of the Management Board, irrespective of their joint responsibility for the Company, are responsible for individual areas of responsibility. They cooperate collegially and keep each other informed about important processes and measures in their areas of responsibility. The board has adopted rules of procedure.

The Management Board of Deutsche Konsum REIT-AG is appointed by the Supervisory Board in accordance with § 6 no. 2 of the Articles of Association. The Supervisory Board also determines the total number of members of the Management Board and whether there should be a chairman or spokesman. The members of the Management Board are appointed for a maximum of five years. Reappointments are allowed.

The Supervisory Board does not currently follow recommendation B.1 GCGC to take diversity into account when appointing members of the Management Board. The Company is of the opinion that professional aptitude and knowledge of the Company are decisive as prerequisites for the appointment, so that the aforementioned requirements are not conducive to achieving the objective. For this reason, the Company has set 0% as the target for women's participation on the Management Board for the period until 30 September 2025 by resolution of 15 September 2020. This target has been achieved in the past and is currently being achieved.

The Management Board of Deutsche Konsum REIT AG currently consists of three persons, Mr. Rolf Elgeti, Mr. Alexander Kroth and Mr. Christian Hellmuth. The Management Board contracts of Mr. Kroth and Mr. Hellmuth were extended in 2020 for another three years until 30 June 2023.

Mr. Rolf Elgeti (CEO) is responsible for Human Resources and Legal/Compliance and Strategy. The investment and finance divisions are headed by Messrs. Alexander Kroth (CIO) and Christian Hellmuth (CFO). The business segment of the CIO includes the areas of acquisition and sales as well as asset and property management. The CFO is responsible for Corporate Finance, Accounting/Controlling, Treasury, Investor Relations and Risk Management. The CEO, CIO and CFO also manage and control the external service providers for their areas.

The CVs of the members of the Management Board are published under <https://www.deutsche-konsum.de/en/> in the category "Company" under the menu item "Management Board".

The Supervisory Board, Management Board and executives agree on annual targets whose implementation is regularly reviewed.

Measures for further education or refresher training of abilities and knowledge lie in the self-responsibility of the Management Board and the executives.

In item B.2, the GCGC recommends that long-term succession planning should be carried out by the

Supervisory Board. The Company does not comply with this recommendation, as it does not currently consider long-term succession planning to be necessary in view of the current age of the members of the Management Board (at the time the Declaration of Compliance was issued on 13 September 2021: 39 to 44 years).

By resolution of 15 September 2020, the Supervisory Board set an age limit for the Management Board of 80 years.

D&O insurance was taken out for the members of the Management Board considering § 93 (2) German Stock Corporation Act (AktG).

The compensation of the CEO, Rolf Elgeti, currently takes the form of a fixed payment via a pay-as-you-go agreement with Obotritia Capital KGaA. The compensation system for Management Board members Alexander Kroth and Christian Hellmuth is based on short and long-term remuneration incentives. Detailed information on the compensation of the Management Board is provided in the compensation report in the 2020/2021 management report. Pursuant to § 120a (1) of the German Stock Corporation Act (AktG), the Annual General Meeting of 11 March 2021 approved the resolution on the compensation system for the Management Board adopted by the Supervisory Board pursuant to § 87a (1) of the German Stock Corporation Act (AktG). Subsequently, the Supervisory Board determined the compensation system of the Management Board. Details of the Management Board's compensation system can be found on the Company's website at <https://www.deutsche-konsum.de/en/> in the „Investor Relations“ section under the menu items „Corporate Governance“ and „Compensation system Management Board & Supervisory Board“). In accordance with § 26j EGAktG (Introductory Act to the German Stock Corporation Act), employment contracts concluded in the past (some of which do not yet fully comply with the compensation system that has now been established) shall continue to apply for the time being.

Consideration of diversity in the filling of management positions

The Management Board does not currently follow the recommendation A.1 GCGC to take diversity into account when filling management positions in the Company. The employees of the Company have no management functions. Apart from the Management Board, there are no management positions to be filled in the Company, which is why the Company cannot follow this recommendation currently. Even though the Company was and is of the opinion that § 76 (4) of the German Stock Corporation Act (AktG) has no practical application in this particular case due to the lack of management positions to be filled, the Company has, as a purely precautionary measure and by resolution of 15 September 2020, set a target of 30% for the period until 30 September 2025 for the participation of women in management positions in the event that – contrary to the current opinion of the Company – management positions below the Management Board are to be filled. Since, in the opinion of the Company, there are no management positions below the Management Board, the Company cannot provide any information on the current achievement of the target figure. In the case of Deutsche Konsum REIT-AG, however, the decisive criterion when filling management positions is gender-independent the qualification and aptitude.

The Supervisory Board

The central tasks of the Supervisory Board are to advise and supervise the Management Board. The six-member Supervisory Board of Deutsche Konsum REIT-AG works based on rules of procedure, which it has imposed on itself. Overall, the members of the Supervisory Board have the necessary knowledge, skills and professional experience to perform their duties properly.

All Supervisory Board members are elected by the shareholders at the Annual General Meeting. The Supervisory Board of Deutsche Konsum REIT-AG currently consists of six persons, Mr. Hans-Ulrich Sutter, Mr. Achim Betz, Mr. Kristian Schmidt-Garve, Ms. Cathy Bell-Walker, Mr. Johannes C. G. (Hank) Boot and Mr. Nicholas Cournoyer.

Mr. Hans-Ulrich Sutter is Chairman of the Supervisory Board, Mr. Achim Betz First Deputy Chairman and Mr.

Schmidt-Garve Second Deputy Chairman. The term of office of all members of the Supervisory Board ends at the end of the Annual General Meeting, which resolves on the discharge of the members of the Supervisory Board for the financial year ending on 30 September 2021.

The CVs of the members of the Supervisory Board are published under <https://www.deutsche-konsum.de/en/> in the category “Company” under the menu item “Supervisory Board”.

At present, no representatives of employees are represented on the Supervisory Board of Deutsche Konsum REIT-AG. In the opinion of the shareholder representatives on the Supervisory Board, all shareholder representatives are to be considered independent.

The Supervisory Board does not intend to set concrete goals for its composition or to develop a competence profile for the entire Supervisory Board. Nor should diversity rules be set in the objectives for the composition of the Supervisory Board. The Company is of the opinion that professional aptitude and knowledge of the Company’s field of business are decisive as prerequisites for filling the position, so that the aforementioned requirements are not judged to be expedient. Since 5 March 2020, the actual level of female representation on the Supervisory Board has been 16.67%. By resolution of 15 September 2020, the Supervisory Board set 16.67% as the target for women’s participation on the Supervisory Board for the period until 30 September 2025. This target has been achieved in the past and is currently being achieved.

In view of its small number of members, the Supervisory Board has so far refrained from forming committees and thus did not follow recommendations D.2, D.3, D.4 and D.5 GCGC. However, Deutsche Konsum REIT-AG will elect an audit committee by the end of the year, which will start its work at the beginning of the next calendar year (2022). The Company will therefore follow recommendations D.3 and D.4 in the future. Due to the continuing low complexity as well as the transparent business model of Deutsche Konsum REIT-AG, the Supervisory Board does not consider the formation of further committees to be

necessary at present and will continue to cover all the pending topics.

By resolution of 15 September 2020, the Supervisory Board set an age limit for the Supervisory Board of 80 years.

Requests for resolutions as well as information on items of discussion are made available to the members of the Supervisory Board in good time before the respective meeting. At the request of the Chairman of the Supervisory Board, resolutions may be taken in individual cases outside of meetings. This option is occasionally used in urgent cases. If there is a tie in resolutions, the vote of the Chairman of the Supervisory Board decides.

The Supervisory Board regularly assesses the efficiency of its own task fulfilment within the framework of meetings held in person and by telephone. By resolution of 15 September 2020, the Supervisory Board also introduced a formalised self-assessment system, which is being applied in the current financial year. In this context, all members of the Supervisory Board were asked, among other things, about the efficiency, quality, timeliness and scope of the provision of information, the quality of the exchange with the Management Board, the composition and expertise of the Supervisory Board, the availability of resources and training opportunities, as well as possible compliance violations and conflicts of interest, with the option of anonymous responses also being available. The feedback from the Supervisory Board members confirmed that they consider the work of the Supervisory Board to be effective and efficient.

In January 2018, a D & O insurance policy was concluded for the members of the Supervisory Board of the Company.

In accordance with the Articles of Association, the members of the Supervisory Board receive fixed compensation and reimbursements for out-of-pocket expenses. Detailed information on the compensation of the Supervisory Board can be found in the Compensation Report of the 2020/2021 Management Report.

The members of the Supervisory Board ensure that they have sufficient time to carry out their duties. They shall undertake the necessary education and training on their own responsibility. The Company provides appropriate support to the members of the Supervisory Board during their inauguration and the training and further training measures. All members of the Supervisory Board are given access to specialist literature and are reimbursed for the costs of attending seminars and webinars whose topics are relevant to the work of the Supervisory Board.

Each year, the Chairman of the Supervisory Board explains the activities of the Supervisory Board in its Supervisory Board Report and verbally at the Annual General Meeting.

Further details on the work of the Supervisory Board can be found in the Report of the Supervisory Board, which is part of the 2020/2021 Annual Report.

Cooperation between the Management Board and the Supervisory Board

The Supervisory Board appoints the members of the Management Board, determines their respective total compensation and oversees their management. It also advises the Management Board on the management of the Company. The Supervisory Board approves the annual financial statements. Significant decisions of the Management Board require the approval of the Supervisory Board.

The Management Board ensures regular, timely and comprehensive reporting to the Supervisory Board. In addition, the Chairman of the Supervisory Board is regularly and continuously informed about the business development. Intensive and continuous communication between the Management Board and the Supervisory Board is the basis for efficient corporate management.

The Management Board of Deutsche Konsum REIT-AG regularly participates in the meetings of the Supervisory Board. It reports in writing and orally on the individual agenda items and proposals for resolutions and answers the questions of the members of the Supervisory Board. If necessary, the Supervisory Board meets without the Management Board.

Conflicts of interest

Conflicts of interest of members of the Management and Supervisory Boards must be disclosed to the Supervisory Board without delay. In the 2020/2021 financial year, no conflicts of interest occurred.

3.3. Essential corporate governance practices**Main features of compliance**

Deutsche Konsum REIT-AG is committed to responsible and sustainable corporate management of the Company. This includes trusting cooperation between the Management Board and the Supervisory Board as well as the employees and a high level of transparency in reporting and corporate communications.

The essential basis of Deutsche Konsum REIT-AG's business is to create, maintain and strengthen the trust of tenants, business partners, shareholders and other capital market participants as well as employees. Thus, compliance at the Company not only means complying with the law and the statutes, but also adhering to internal instructions and self-commitments to implement the values, principles and rules of responsible corporate governance in daily actions.

Compliance Management System

Currently, the Company employs only 28 people (including two members of the Management Board). For this reason, the Management Board saw and sees no need to formulate and publish formalised measures for compliance management and a so-called "whistle-blowing". The effort involved in setting up, implementing and maintaining formalised action systems was and is, in view of the size of the Company, not meaningful in relation to the potential benefit gained.

Organisation and controlling

Deutsche Konsum REIT-AG is headquartered in Germany and is, therefore, subject to the provisions of German stock corporation and capital markets law as well as the provisions of the Articles of Association.

Essentially, Deutsche Konsum REIT-AG manages the Company using the following key figures: EBIT, FFO, LTV, EPRA NAV (in future: EPRA NTA) and cash flow. Sustainable economic, social and environmental aspects are considered.

Shareholders and Annual General Meeting

The shareholders of Deutsche Konsum REIT-AG exercise their rights before or during the Annual General Meetings within the scope of the legal and statutory provisions and hereby exercise their voting rights. Each share grants one vote.

The Chairman of the Supervisory Board chairs the Annual General Meetings. Each shareholder is entitled to attend the Annual General Meeting, to speak on the relevant agenda items and to request information on Company matters, insofar as this is necessary for the proper assessment of an item of the Annual General Meeting. The Annual General Meeting decides on all tasks assigned to it by law.

The agenda of the Annual General Meeting and the reports and documents required for the Annual General Meeting are published in easily accessible form by Deutsche Konsum REIT-AG on its website at <https://www.deutsche-konsum.de/en/> under "Investor Relations" under the menu item "Annual General Meeting".

To make it easier for its shareholders to exercise their rights and to vote proxy, the Company appoints a representative for the proxy voting. He can also be contacted during the Annual General Meeting.

The Annual General Meeting takes place within the first eight months of each financial year. The Annual General Meeting of Deutsche Konsum REIT-AG, which passed resolutions on the financial year ended 30 September 2020, was held on 11 March 2021 as a virtual general meeting without the physical presence of shareholders or their proxies. More than 51% of the share capital was represented (share capital of the Company at the time of convening the Annual General Meeting: 35,155,938 shares). All agenda items were resolved by a large majority.

Stock option plans

There are currently no stock option programs or similar incentive systems at Deutsche Konsum REIT-AG.

Transparent reporting

Through its website, Deutsche Konsum REIT-AG ensures consistent, comprehensive, timely and simultaneous information to shareholders and the interested public about the economic situation and new facts. This information can be accessed via the Investor Relations section of the website at <https://www.deutsche-konsum.de/en/> in the “Investor Relations” section.

Reporting on the business and earnings situation is currently carried out in annual reports, quarterly reports as well as in the semi-annual reports, which are available for download on the Company’s homepage. Important up-to-date information is published via corporate news and ad hoc announcements and made accessible on the Company’s website. In addition, pursuant to Art. 19 of the Market Abuse Regulation (MAR), transactions of managers and related parties are publicly disclosed as “Directors’ Dealings” and are also available on the Company’s website.

In accordance with Art. 18 MAR, mandatory insider lists are maintained, and the persons listed on insider lists have been and will be informed of the legal obligations and sanctions that result for them.

Significant events and publication dates are maintained and published in the financial calendar, which can be viewed on the Company’s website at any time.

Accounting and auditing

The annual financial statements of Deutsche Konsum REIT-AG are prepared in accordance with IFRS, as adopted by the European Union. After preparation by the Management Board, the annual financial statements are audited and approved by the auditor and the Supervisory Board. In accordance with the German Corporate Governance Code, the Company aims to publish the annual financial statements

within 90 days of the end of the financial year and the mandatory financial information during the year (quarterly reports and the half-yearly financial report) within 45 days.

The 2021 Annual General Meeting elected DOMUS AG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft as the auditor for the financial year 2020/2021. DOMUS AG’s audits following German auditing regulations laid down by the Institut der Wirtschaftsprüfer as well as the principles of proper auditing and the International Standards on Auditing. The Chairman of the Supervisory Board is immediately informed by the auditor of any grounds for exclusion or exemption as well as inaccuracies of the Declaration of Compliance that occurred during the audit. The auditor reports without delay all issues and events that arise during the audit and are relevant for the task of the Supervisory Board to the Chairman of the Supervisory Board and is required to inform the Supervisory Board promptly of any possible grounds for exclusion or bias.

Opportunity and risk management

An essential element of corporate governance is risk management to adequately and systematically counter the risks that Deutsche Konsum REIT-AG is exposed to. A comprehensive process was introduced that enables management to identify, assess and manage risks and opportunities in a timely manner. As a result, unfavourable developments and events become transparent at an early stage and can be analysed and managed in a targeted manner. Further information on risk management is contained in the Opportunity and Risk Report of the Management Report 2020/2021.

Information on the Company's website

Further information is available for download on the Company's website, which can be reached at <https://www.deutsche-konsum.de/en/>. Here, among other things, the Compensation Report on the last financial year published in the Annual Report (in the „Investor Relations“ section under the menu item „Financial Reports“), the applicable compensation system pursuant to § 87a (1) and (2) sentence 1 of the German Stock Corporation Act as well as the last compensation resolution pursuant to § 113 (3) of the German Stock Corporation Act are available (in the „Investor Relations“ section under the menu items „Corporate Governance“ and „Compensation system Management Board & Supervisory Board“.)

Broderstorf, November 2021

For the
Supervisory Board



Hans-Ulrich Sutter
Chairman of the
Supervisory Board

For the
Management Board



Rolf Elgeti
Chairman of the
Management Board





REWE

J. PO

Frische Vielfalt
aus deiner Region... ♿

REWE
Janet Pomian
Kaufhaus
Kassensystem
Kartenzahlung
Mit dem REWE
Kaufhaus

Photo: Retail park Neiße-Center
Karl-Marx-Straße 96, 03172 Guben