

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 28 April 2022, published in the official section of the Federal Gazette on 27 Juni 2022, with the following exceptions since the last Declaration of Compliance was issued on 13 September 2021:

- **Recommendation A.1 GCGC – Opportunities and risks arising from social and environmental factors:** The Management Board is currently addressing the opportunities and risks for the Company associated with social and environmental factors, as well as the ecological and social impact of the Company's activities, in order to systematically identify and assess these. In this context, a concept is being developed to ensure that environmental and social objectives are appropriately taken into account in corporate strategy and corporate planning alongside long-term economic goals. It is planned to fully comply with recommendation A.1 in the future.
- **Recommendation A.2 (former 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.3 GCGC – Sustainability-related objectives in the internal control system and risk management system:** The Company is currently developing a concept to cover sustainability-related objectives in the internal control and risk management systems in the future and to include the recording and processing of sustainability-related data. It is planned to fully comply with recommendation A.3 in the future.
- **Recommendation A.4 (former A.2) GCGC – Compliance management system/“whistleblowing system“:** The Company currently has only 20 employees (including two members of the Management Board), so that in view of the size of the Company, the Management Board saw no need in the past to develop and disclose systems of measures in a formalised form for compliance management and whistleblowing. In the course of new legal regulations, however, the previous recommendation to set up a compliance management system was deleted from the current GCGC. Due to the new legal requirement, the Company has now integrated a compliance management system (CMS) into its internal control system (ICS) and will describe this in the Management Report. This recommendation will therefore no longer be commented on in the future. However, the Management Board still sees no need for the development and disclosure of a so-called "whistleblowing" system. In view of the size of the Company, the effort required to set up, implement and maintain this formalised system of measures was and is out of proportion to the potential benefits.
- **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 be 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 (40 to 45 years), the Company does not currently consider long-term succession planning to be necessary.
- **Recommendation 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. As no competence profile is (or will be) developed, this also does not include any expertise of supervisory board members on sustainability issues that are significant for the Company. 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 purposeful. 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 and D.4 (former D.5) GCGC – Supervisory Board committees:** In view of its small number of members, the Supervisory Board has so far refrained from forming committees not required by law and thus did not follow recommendations D.2 and D.4 (formerly D.5) GCGC. 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:** The Management Board's compensation system complies with the GCGC with the exception of the points listed 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 10 March 2022 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.

Potsdam, 22 September 2022

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.deutschemkonsum.de/en/>, in the "Investor Relations" section under the menu items "Corporate Governance" and "Declaration of Compliance".