

Declaration of Conformity with the German Corporate Governance Code pursuant to Section 161 AktG

Wording of the most recent Declaration of Conformity with the German Corporate Governance Code pursuant to Section 161 AktG

The Executive Board and Supervisory Board of DEMIRE Deutsche Mittelstand Real Estate AG (the „Company“) monitor compliance with the German Corporate Governance Code. They hereby declare that the Company has been complying with and will continue to comply with the recommendations of the „Government Commission German Corporate Governance Code“ in the version dated February 7, 2017, announced by the Federal Ministry of Justice in the official section of the electronic Federal Gazette, with the following exceptions:

- Article 3.8: A deductible for D&O insurance was agreed for the Executive Board but is not planned for the Supervisory Board. It is the Company's opinion that an agreement for such a deductible for Supervisory Board members would significantly reduce the appeal of a position on the Company's Supervisory Board and thereby have a negative impact on the chances of attracting adequate candidates for a position on the Company's Supervisory Board.
- Article 4.1.3: The Executive Board has set up an appropriate compliance management system, which is being further developed on an ongoing basis. Information from employees and third parties can be given to the Compliance Officer in confidence. The Compliance Officer's contact details are published on the Company's website.
- Article 4.2.3: The existing variable remuneration components of the members of the Executive Board were agreed upon before the publication and entry into force of the Code in the version of February 7, 2017. The Company intends to agree to variable remuneration components of the Executive Board members in the future in accordance with the current Code.
- Article 5.3.2: The Supervisory Board does not form committees since it consists of only three members. For this reason, the Supervisory Board assumes all of the duties of the Audit Committee.
- Article 5.4.1:
 - The Supervisory Board will define concrete targets for its composition, develop an expertise profile for the overall body and, according to its own discretion, define the appropriate number of independent shareholder representatives on the Board and provide the names of these members.
 - At the Annual General Meeting on June 29, 2017, the proposal to elect the Supervisory Board members, who for now have been appointed judicially by the District Court of Frankfurt am Main on February 14, 2017, will include curriculum vitae for the proposed members providing information on their relevant knowledge, skills and experience. This information will be supplemented by an overview of these proposed members' main activities in addition to the Supervisory Board mandate at DEMIRE Deutsche Mittelstand Real Estate AG and will be updated and published annually for all members of the Supervisory Board on the Company's website.

- Neither an age limit nor a limit for the regular length of membership have been established for members of the Supervisory Board. In the Company's opinion age is not an appropriate criterion to be used for the election of Supervisory Board members.
- Article 7.1.2: 1. The Company will continue to comply with the publication deadlines required by law until further notice.

This declaration has been made available to shareholders on the Company's homepage at www.demire.ag/en/home.

Frankfurt am Main, April 26, 2017

DEMIRE Deutsche Mittelstand Real Estate AG



Hon.-Prof. Andreas Steyer
Speaker of the Executive Board (CEO)



Dipl.-Kfm. (FH) Markus Drews
Executive Board Member (COO)



Dipl. Betriebsw. (FH) Ralf Kind
Executive Board Member (CFO)



Prof. Dr. Hermann Anton Wagner
Chairman of the Supervisory Board