

Declaration of conformity with the German Corporate Governance Code pursuant to section 161 AktG

THE 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 7 February 2017, announced by the Federal Ministry of Justice in the official section of the electronic Federal Gazette, with the following exceptions:

- **Item 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.
- **Item 4.1.3:** The Executive Board has set up an appropriate compliance management system that is in continuous further development. Information from employees and third parties can be given confidentially to the Compliance Officer. The contact details of the Compliance Officer are published on DEMIRE’s website.
- **Item 4.2.3:** The existing variable remuneration components of the Executive Board members were agreed prior to the Code’s publication and entry into force as amended on 7 February 2017. The Company intends to provide future variable compensation components to the Executive Board members in accordance with the current Code.
- **Item 5.3.2:** The Supervisory Board does not form committees since it consists of only three members. Therefore, the Supervisory Board carries out all of the duties of an audit committee.

– Item 5.4.1:

- The Supervisory Board has the skills required to carry out its duties and a sufficient number of independent members with its composition consisting of Prof Dr Wagner as auditor and professor at the Frankfurt School of Finance and Management, Mr Frank Hölzle with a background in business administration and Head of the Family Office of Mr Klaus Wecken and Dr Thomas Wetzel as a Swiss lawyer.
- Neither an age limit nor a limit for the regular length of membership has 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.

- **Item 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 website* www.demire.ag.

Frankfurt am Main, 12. April 2018
DEMIRE Deutsche Mittelstand Real Estate AG



Ralf Kind Dipl.-Betriebsw. (FH)
(CEO/CFO)



Prof Dr Hermann Anton Wagner
(Chairman of the Supervisory Board)