



DECLARATION OF COMPLIANCE
PURSUANT TO
SEC 161 OF THE GERMAN STOCK
CORPORATION ACT (AKTG)

Declaration of Compliance pursuant to Section 161 of the German Stock Corporation Act (AktG)

The Management Board and Supervisory Board of Instone Real Estate Group SE (the “**Company**”) are required pursuant to Section 161 (1) of the German Stock Corporation Act (AktG) to issue an annual Declaration of Compliance stating that the recommendations of the “Government Commission on the German Corporate Governance Code” published by the Federal Ministry of Justice in the official Section of the Federal Gazette have been and are being complied with or which recommendations have not been or are not being complied with and why not. The Management Board and Supervisory Board issued their latest annual Declaration of Compliance in December 2022.

For the period between submission of the Declaration of Compliance in December 2022, the Management Board and Supervisory Board declare that they have, with the following exceptions, complied with the recommendations by the Government Commission on the German Corporate Governance Code in the version last published in the official part of the Federal Gazette on 28 April 2022 (“**GCGC 2022**”) and, as the case may be, will comply with in the future:

1. In accordance with recommendation B.3, the initial appointment of members of the Management Board should be for a maximum of three years. During the declaration period, the Supervisory Board filled the CFO position that had become vacant due to the resignation of Dr. Madjllessi with Mr. David Dreyfus for a term of office of 4 years and 3 months. The Supervisory Board hereby deviated from recommendation B.3 in the company’s interest because Mr. Dreyfus emerged from the structured recruiting process as the clear favorite and first choice of the Supervisory Board and, among other things, he could be attracted for the vacant position on the basis of the agreed term,. In addition, the agreed term reflects an appropriately long-term and sustainable appointment pursued by the Supervisory Board, which also avoids the expiry of current Management Board mandates in a close temporal context.
2. Pursuant to recommendation G.7 of the GCGC 2022, the Supervisory Board shall establish by referring to the forthcoming financial year performance criteria for each Management Board member covering all variable remuneration components; besides operating targets, such performance criteria shall be geared mainly to strategic goals. The Supervisory Board derives the relevant performance criteria for the Management Board from the Company’s planning and guidance that is, due to the higher amount of planning certainty, approved at the beginning of each financial year. Considering this, the Supervisory Board establishes the performance criteria for the variable remuneration components also at the beginning of each financial year. In the view of the Supervisory Board, this is appropriate in order to match the approved planning with the performance criteria for the members of the Management Board. Therefore, the Company will not comply with this recommendation in the future.

3. Pursuant to recommendation G. 10 sentence 2 of the GCGC, granted long-term variable remuneration components shall be accessible to Management Board members only after a period of four years. In deviation of this, the remuneration system for the members of the Management Board provides for the granting of long-term variable compensation after a three-year performance-period. This is in line with both the requirements of stock corporation law for long-term assessment basis for variable compensation and the recommendations of various institutional voting advisers. In contrast, in the view of the Supervisory Board, a longer deferral of payment of the variable long-term compensation has no additional benefit for incentivizing the Management Board compared with the existing contractual arrangements. Therefore, the Company will not comply with this recommendation in the future.

Essen, December 2023

The Management Board

The Supervisory Board