

Deutsche Wohnen SE declaration of conformity with the German Corporate Governance Code

The Management Board and Supervisory Board of Deutsche Wohnen SE have carefully reviewed its compliance with the standards of the German Corporate Governance Code (“**Code**”) taking into consideration the Code in the version of 16 December 2019, published in the Federal Gazette on 20 March 2020, and adopted the following declaration of conformity under section 161(1) of the German Stock Corporation Act [AktG] in October 2021:

Since making its last declaration of conformity in December 2020, Deutsche Wohnen SE has complied and will continue to comply with the recommendations of the Government Commission on the German Corporate Governance Code with the following exceptions:

The provisions on remuneration of Management Board members in still existing employment contracts and the remuneration system approved by the Annual General Meeting currently do not comply with all recommendations of the Code:

- Recommendation G.10 is potentially not fully complied with. According to recommendation G.10, first sentence, Management Board members’ variable remuneration is to be predominantly invested in company shares by the respective Management Board member or is to be granted predominantly as share-based remuneration, taking the respective tax burden into consideration. The Company provides share ownership guidelines and for the amount of LTI remuneration to be calculated based on key LTI figures that are half calculated based on shares – through the relevant relative share performance – and half calculated based on a property yield.
- The recommendation in G.11 is not complied with in Management Board contracts that have not yet been converted to comply with the remuneration system approved by the Annual General Meeting. This recommendation provides for the Supervisory Board to have the possibility to account for extraordinary developments to an appropriate extent and to retain or reclaim variable remuneration, if justified. The Supervisory Board can reduce all remuneration components, including variable remuneration, if the company’s position deteriorates in accordance with section 87(2) of the German Stock Corporation Act [AktG], even under the Management Board contracts that have not yet been converted. Furthermore, the Supervisory Board can retain all remuneration components, including variable remuneration, in the event of a breach of obligation amounting to a loss for the company.
- The recommendation in G.12 is not complied with possibly in view of the regulations on change of control in Management Board contracts that have not yet been converted to comply with the remuneration system approved by the Annual General Meeting. According to G.12, if

a Management Board member's contract is terminated, the disbursement of any remaining variable remuneration components attributable to the period up until contract termination is to be based on the originally agreed targets and comparison parameters, and on the due dates or holding periods stipulated in the contract. The Management Board employment contracts that have not yet been converted (in accordance with section 4.2.3, paragraph 5, of the 2017 Code) provide for the Management Board members to enjoy a one-time right to terminate the contract with three months' notice, counted from the end of a month, in the event of a change of control for the purposes of the contract. Upon exercising the termination right, the Management Board member receives an amount of up to three years' remuneration, capped at an amount equal to the remuneration otherwise payable after their employment ends. This severance pay becomes due for payment when the contract ends. The reason behind this provision for severance pay due to a change of control is that a change of control can be associated with changes that make it appear unjustified to make the calculation of variable remuneration components dependent on performance after the change of control and to comply with the due dates stipulated in the contract.

With the takeover of the company by Vonovia SE, a change of control occurred in terms of the Management Board employment contracts that had not yet been converted.

- In view of the takeover of the company by Vonovia SE, the company will pay the long-term variable remuneration components for the years 2018 to 2021 to the members of the Management Board early and in full. The recommendations G.8, G.9, G.10 and G.12 of the Code are not complied with in this respect.

Berlin, October 2021

Management Board

Supervisory Board

Disclaimer

The German version of this statement is legally binding. The company cannot be held responsible for any misunderstanding or misinterpretation arising from this convenience translation.