



DECLARATION OF COMPLIANCE

PURSUANT TO

SEC 161 OF THE GERMAN STOCK

CORPORATION ACT (AKTG)

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

The Management Board and Supervisory Board of Instone Real Estate Group AG (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 and Consumer Protection 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 Declaration of Compliance in December 2020.

The Management Board and Supervisory Board declared therein that since submitting the last Declaration of Compliance in December 2019, they have not complied with certain recommendations of the Government Commission on the German Corporate Governance Code in the version last published in the official part of the Federal Gazette on 20 March 2020 and dated 16 December 2019 (“**2020 GCGC**”) on the remuneration of the members of the Management Board in section G.I. of the 2020 GCGC (G.1, G.2, G.6, G.7, G.10 and G.11) and will also not do so in future until an updated remuneration system for the members of the Management Board has been approved. On 23 April 2021, the Supervisory Board approved an updated remuneration system for the members of the Management Board which is to be proposed to the 2021 Annual General meeting for resolution and which complies with the recommendations of section G.I. of the 2020 GCGC with the following exceptions so that the Declaration of Compliance is to be updated in this respect:

Pursuant to recommendation G.7 of the 2020 GCGC, 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 to strategic goals. The Supervisory Board derives the relevant performance criteria for the Management Board from the Company’s planning and guidance that are, 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.

Pursuant to recommendation G.10 sentence 2 of the GCGC 2020, 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 in accordance with the current provisions of the Management Board employment contracts. This is in line with both the requirements of stock corporation law for long-term assessment bases 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.

In all other respects, the Declaration of Compliance as of December 2020 remains unchanged.

Essen, April 2021

The Management Board

The Supervisory Board