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Remuneration SYSTEM

for the Management Board of Deutsche EuroShop AG

2025

DES
Deutsche EuroShop

Remuneration System for the Management Board of Deutsche EuroShop AG

Publication pursuant to **Section 120a para. 2 Stock Corporation Act (Aktiengesetz, "AktG")**

The Company's Annual General Meeting last passed a resolution on the remuneration system for the Management Board on 18 June 2021 with an approval rate of 93.45%.

The remuneration system for the Management Board is scheduled to be resolved on again with minor adjustments at this year's Annual General Meeting on 27 June 2025 in accordance with agenda item 8.

The resolution proposal and description of remuneration are reproduced in full below.

RESOLUTION ON THE APPROVAL OF THE REMUNERATION SYSTEM FOR THE EXECUTIVE BOARD

Pursuant to section 120a para. 1 AktG, the Annual General Meeting of a listed company must pass a resolution on the approval of the remuneration system for the Executive Board presented by the Supervisory Board whenever there is a material change to the system, at least, however, every four years. The Company's Annual General Meeting last passed such a resolution on 18 June 2021 and approved it with an approval rate of 93.45%; thus, in accordance with the regular cycle, a new resolution is required.

Against this background, the Supervisory Board has reviewed the existing remuneration system, taking into account the Company's strategic goals as regards market practice and competitiveness. In principle, the existing remuneration system has proven successful and should therefore be continued with minor adjustments. The adjustments relate to short-term and long-term variable remunerations, where the criteria-based multiplier has been simplifi ed and the performance target replaced, the adjustment of the clawback provisions and the flexibilization of the share purchase obligation.

Detailed information on the remuneration systems for the members of the Executive Board and Supervisory Board of Deutsche EuroShop AG is available on the Company's website: **www.deutsche-euroshop.com/remuneration**

The Supervisory Board proposes – based on the recom-mendation of its executive committee, which also acts as nomination committee – that the remuneration system for the members of the Executive Board resolved by the Supervisory Board be approved.

I. INTRODUCTION

Pursuant to section 120a para. 1 AktG, the remuneration system for the Executive Board of Deutsche EuroShop AG (hereinafter also referred to as "DES") must be submitted to the Annual General Meeting for approval at least every four years or in the event of material changes. The remuneration system for the Executive Board was last approved by the Annual General Meeting in 2021. The Supervisory Board in coordination with its executive committee has therefore reviewed the remuneration system with regard to current market practice and market trends, the regulatory requirements under the German Stock Corporation Act (AktG) and the principles, recommendations, and suggestions under the German Corporate Governance Code (DCGK).

As the general structure of the remuneration system provides appropriate incentives for the Executive Board and has proven successful in practice, the Supervisory Board has identified and implemented only minor changes to the remuneration system. These changes are:

- **The criteria-based multiplier in the short-term variable remuneration (short-term incentive – STI) has been simplified. In the interests of simple, transparent and comprehensible incentives, the two personal target categories will be combined into one target category in future. The criteria-based multiplier will therefore consist of an ESG factor (0.8 – 1.2) and a personal performance factor (0.8 – 1.2), each weighted at 50%.**
- **In the long-term variable remuneration (long-term incentive – LTI), the previous performance target "Loan-to-Value (LTV)" has been replaced by the performance target "Financing". By measuring the financing volume taking into account any existing investment grade factor, it shall be ensured that the strategic orientation of DES's financing structure is reflected in the long-term remuneration structure.**
- **Further specification of the provisions on malus and clawback and inclusion of the possibility of a clawback if the consolidated financial statements are not correct.**
- **Flexibilization regarding the obligation to acquire shares amounting to at least 70% of the basic remuneration.**

These minor changes to the remuneration system shall ensure that the remuneration system remains competitive, transparent and easily comprehensible. The changes to the remuneration system are reflected in the amended remuneration system and described below. Subject to the approval of the Annual General Meeting 2025, the present remuneration system shall apply to all Executive Board employment contracts which are extended or newly concluded.

II. PRINCIPLES OF THE REMUNERATION SYSTEM

DES is the only joint stock company in Germany to invest solely in shopping centers in prime locations. The strategy pursued by DES focuses on investments in high-quality shopping centers in city centers and established locations offering the potential for stable, long-term value growth.

A key objective is to generate high surplus liquidity from leases in shopping centers, which can be paid out to shareholders in the form of an annual dividend. To this end, the Company invests its capital in shopping centers in different European regions in accordance with the principle of risk diversification. Germany is the main focus of investment. Indexed and turnover-linked commercial rents form the basis to achieve the high earnings targets. In addition, new investments must be funded from a balanced mix of equity and debt.

ESG (Environmental, Social and Governance) is another top priority for DES. The aim is to combine sustainability and profitability as well as shopping experience and environmental awareness.

The remuneration system of the DES Executive Board supports this strategy in a balanced way and serves as an important control to achieve the core corporate objectives. Within this context, the structure of the remuneration system for the DES Executive Board is based on the following principles:

- **Strategy-compliant and performance-based consideration of key figures relevant to corporate governance as well as individual performance targets**
- **Integration of the topic of ESG through the inclusion of criteria from environmental, social and governance (ESG)**
- **Focus on sustainable corporate development in order to align the Executive Board's actions with the long-term and consistent success of DES**
- **Compliance with regulatory requirements and consideration of current market practice**
- **Ensuring that the interests of shareholders and other stakeholders are aligned with those of the DES Executive Board**

The remuneration system for the Executive Board developed on this basis meets the regulatory requirements of the AktG and also complies with the recommendations of the DCGK. The performance targets defined by the remuneration system set incentives for successful and sustainable corporate growth and link the remuneration of the Executive Board to the long-term successful development of the Company.

The components of the remuneration system are explained in detail below.

III. PROCEDURE FOR ESTABLISHING, IMPLEMENTING AND REVIEWING THE REMUNERATION SYSTEM

Pursuant to section 87a para. 1 AktG, the Supervisory Board of DES determines a remuneration system for the Executive Board, which is submitted to the Annual General Meeting for approval pursuant to section 120a para. 1 AktG.

If, in the course of the ongoing review of the remuneration system, material changes are made to the remuneration system, it must be resubmitted to the Annual General Meeting. Even if no material changes are made to the remuneration system, such resubmission is required at least every four years after the last vote on the remuneration system by the Annual General Meeting.

In the event that the Annual General Meeting does not approve the remuneration system, the Supervisory Board must submit a revised remuneration system to the next Annual General Meeting for approval in accordance with section 120a para. 3 AktG.

The regulations outlined in the AktG and the DCGK on the handling of conflicts of interest in the case of members of the Supervisory Board are observed both during the process of establishing and implementing the remuneration system and as part of its ongoing review. If conflicts of interest exist, the members of the Supervisory Board concerned must disclose these to the Chair of the Supervisory Board and abstain from voting on the relevant matters. In addition, the Chair of the Supervisory Board reports to the DES Annual General Meeting on any conflicts of interest that have arisen and how they have been dealt with. If the conflicts of interest are material and not merely temporary, they must lead to a termination of the Supervisory Board mandate.

IV. DETERMINATION OF THE SPECIFIC TARGET TOTAL REMUNERATION; SUITABILITY TEST

The Supervisory Board sets a target total remuneration for the members of the Executive Board. In doing so, it ensures that this remuneration is proportionate for the duties and performance of the respective member of the Executive Board as well as the situation of the Company and does not exceed the customary remuneration without special reasons. In addition, the target total remuneration must be geared towards the long-term and sustainable development of the Company.

To ensure a suitable level of remuneration, the remuneration levels of the members of the DES Executive Board are compared with the remuneration levels customary in the market using a suitable peer group (horizontal comparison). The Supervisory Board furthermore takes into account the Company's internal remuneration ratios when determining remuneration levels by comparing the remuneration of the Executive Board with the remuneration of the general workforce (vertical comparison). This also takes into account the remuneration trends of the aforementioned employee groups over time.

If the Supervisory Board enlists the services of an external remuneration expert to develop the remuneration system and assess the appropriateness of the defined remuneration, it must ensure that the expert is independent of the Executive Board and of the Company.

V. OVERVIEW OF THE REMUNERATION SYSTEM

1. COMPONENTS OF THE REMUNERATION SYSTEM

The following overview shows the basic components of the remuneration system and their structure:

Fixed (non-performance-related) components	
Annual remuneration	■ Fixed basic annual remuneration, paid monthly in twelve equal instalments
Ancillary benefits	■ Car for business and private use ■ Accident insurance / D&O insurance ■ Subsidy for health insurance and long-term care insurance
Company pension scheme	■ Defined contribution plan in the form of an annual fixed amount paid into a pension fund
	■ Alternative: taking out a retirement insurance policy for pension benefits; allowance for private pension provision / term life insurance
Variable (performance-related) components	
Short-Term Incentive (STI)	
Plan type	■ Annual target bonus plan
Cap	■ 150% of target amount
Performance targets	■ Financial performance target: – Funds from operations (FFO) per share ■ Criteria-based multiplier (0.8 – 1.2): – 50% ESG target (e.g. certification of centers) (0.8 – 1.2) – 50% personal performance factor (0.8 – 1.2)
Payment	■ Due in cash upon approval of the annual financial statements
Long-Term-Incentive (LTI)	
Plan type	■ Performance cash plan (annual rolling)
Cap	■ 150% of target amount
Performance targets	■ Total shareholder return (TSR; 75%): – 2/3 absolute TSR – 1/3 relative TSR compared to relevant competitors ■ Financing (25%): – Financing volume – Investment grade factor
Performance-Periode	■ Four years
Payment	■ Due in cash upon approval of the annual financial statements for the last financial year of the respective tranche
Other contractual arrangements	
Maximum remuneration per Executive Board member	■ EUR 1,100,000 p.a.
Share Ownership Guidelines	■ Obligation to acquire and hold shares in Deutsche EuroShop AG amounting to at least 70% of gross annual basic remuneration
	■ Obligation to hold shares for the entire period of service
	■ Build up over one third of the STI and 100% of the LTI payout amount
Malus and Clawback	■ Possibility of reducing and reclaiming variable remuneration (STI as well as LTI) in certain cases
Severance cap	■ Limited to two years' remuneration (basic annual remuneration plus contributions to the company pension scheme, STI and LTI), but no longer than the remaining term of the employment contract

2. RELATIVE SHARES OF THE REMUNERATION COMPONENTS IN THE TARGET TOTAL REMUNERATION

The target total remuneration of the members of the Executive Board is defined as the sum of the annual basic remuneration, ancillary benefits, company pension scheme as well as STI and LTI (in each case assuming 100% target achievement). The basic annual remuneration corresponds to between 40 – 50% of the total target remuneration. The STI accounts for around 15 – 25% and the LTI for around 25 – 35% of the target total remuneration. The company pension scheme accounts for around 5% and ancillary benefits for around 1 – 4% of the target total remuneration.

The significant share of the variable remuneration components in the target total remuneration and the higher weight of the LTI compared with the STI underline the "pay for performance" approach and the alignment of the remuneration towards the long-term and sustainable success of DES.

3. MAXIMUM REMUNERATION OF THE EXECUTIVE BOARD

The variable remuneration components of the Executive Board (STI and LTI) are subject to an individual cap of 150% of the target amount in each case. In addition to this individual cap, the Supervisory Board has set a maximum level of remuneration in accordance with section 87a para. 1 sentence 2 no. 1 AktG. The amount of the maximum remuneration per Executive Board member for each financial year is EUR 1,100,000. This maximum remuneration additionally limits the payouts of all remuneration components granted for a financial year (basic annual remuneration, ancillary benefits, company pension scheme as well as STI and LTI), irrespective of when they are paid out.

VI. COMPONENTS OF THE REMUNERATION SYSTEM IN DETAIL

1. Fixed (non-performance-related) components

1.1 Annual basis remuneration

The members of the Executive Board receive a fixed basic annual salary for their work, which is paid in twelve equal monthly instalments and is based on the duties of the respective Executive Board member.

1.2 Ancillary benefits

In addition to the basic annual remuneration, the fixed remuneration components include further ancillary benefits for the members of the Executive Board. These essentially include a car for business and private use as well as accident insurance. The members of the Executive Board also receive an allowance for health and long-term care insurance amounting to 50% of the amounts payable by them, but not exceeding 50% of the contributions to statutory health and long-term care insurance. In addition, a standard D&O insurance policy is taken out for the members of the Executive Board.

1.3 Company pension scheme

The members of the Executive Board receive a company pension in the form of a defined contribution plan. Under this plan, the Company pays a fixed amount each year into a support fund or another pension investment vehicle (e.g. unit-linked investments). Alternatively, the Company may take out a retirement insurance policy on behalf of the Executive Board member for pension benefits or grant an allowance for private pension provision and term life insurance.

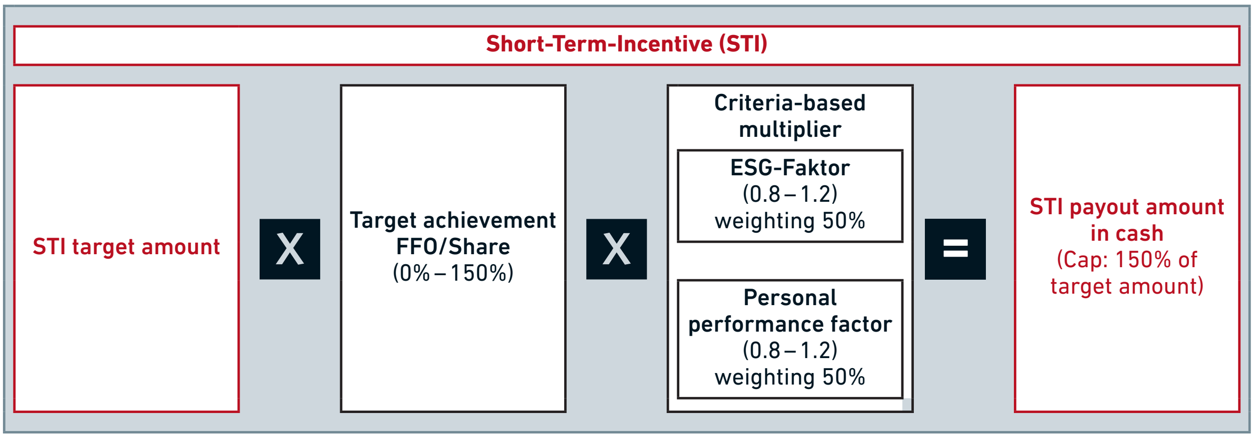
2. VARIABLE (PERFORMANCE-RELATED) COMPONENTS

In addition to the non-performance-related components, the members of the Executive Board are granted performance-related remuneration components on an annual basis. These ensure that the Executive Board is remunerated in line with its performance and underline the Company's commitment to the "pay for performance" approach. The variable components are divided into the one-year short-term incentive (STI) and the four-year long-term incentive (LTI). The division into STI and LTI streamlines the focus on DES's long-term and sustainable development while pursuing its annual operational targets. The variable components thus underpin successful implementation of the corporate strategy.

2.1 Short-Term Incentive (STI)

The STI is designed in the form of a target bonus system that promotes the successful implementation of the corporate strategy through targeted incentives. For this purpose, alongside a main control parameter of DES – funds from operations (FFO), consideration is given to the personal strategic goals for the individual members of the Executive Board as well as to sustainability goals from the areas of environment, social and governance (ESG). The payout amount is calculated by first multiplying the STI target amount agreed in the Executive Board member's employment contract by the level of target achievement of the financial performance target FFO per share and then by the criteria-based multiplier. The criteria-based multiplier (0.8 – 1.2) is calculated from the equally weighted target achievement of the ESG factor and the personal performance factor. The STI payout amount can assume a value between 0% and a maximum of 150% of the STI target amount. Any possible STI payment is due upon approval of the annual financial statements.

The main features of the STI are as follows:



a. Funds from Operations (FFO) per share

FFO is taken into account in STI target achievement in the form of the financial performance target FFO per share, which can reach a possible target achievement of 0% to a maximum of 150%. FFO are used to finance ongoing investments in portfolio properties, scheduled repayments on long-term bank loans and as the distribution of dividends. Significant non-recurring effects that are not part of the Group's operating activities are eliminated in the calculation of FFO. FFO is therefore the key indicator for assessing the performance of the operating business and, in the form of FFO per share, is an important indicator for external valuation of the Company. The inclusion of FFO per share in the STI supports the corporate strategy by incentivising the sustained stable performance of the shopping centers and the generation of a high liquidity surplus from their leasing. Since FFO per share is also a strong indicator of future dividend payments, the interests of shareholders are likewise taken into account in the remuneration of the Executive Board.

At the beginning of each financial year, a target value for FFO per share is set in line with capital market communication, whereby target achievement is set at 100%. This target value corresponds to the value for FFO per share specified in budget planning for the respective financial year. For each 1% deviation from the respective budget value, the target achievement is reduced or increased by 1.5 percentage points. From a deviation in FFO per share of minus 25% compared with the budget value, target achievement is 0%. In addition, if FFO per share is plus 33.33% versus budget, target achievement is capped at 150%. If this upper limit is reached, a further increase in FFO per share will not result in a further increase in target achievement.

b. Criteria-based multiplier

Besides the financial performance target FFO per share, the final STI payout amount is determined on the basis of a criteria-based multiplier. This criteria-based multiplier is determined on the basis of an ESG factor and a personal performance factor, each accounting for 50%. The criteria-based multiplier can have a value of 0.8 to 1.2, depending on the average of the ESG factor and the personal performance factor.

The ESG factor is a multiplier that can have a value of 0.8 to 1.2, depending on the certification of the shopping centres held by the Company. As an investment company with hardly any staff of its own, sustainable real estate is a core objective of DES. The external and independent certification of the shopping centres, e.g. by Deutsche Gesellschaft für Nachhaltiges Bauen e.V. (DGNB – German Sustainable Building Council) or a comparable organisation, is therefore taken into account as a sustainability goal. The DGNB issues certificates in platinum, gold, silver or bronze to certified shopping centers upon qualification. These certificates attest to greater sustainability in the operation of real estate. Depending on the DGNB certificate, one of the following values is assigned to each shopping center held by the Company: platinum receives the factor 1.2, gold 1.0, silver 0.9 and bronze or no certificate (or a certification by another organisation comparable to DGNB) 0.8. The ESG factor corresponds to the arithmetic mean of the ESG certification values assigned to all shopping centers of the DES Group. The ESG factor shall in no event be lower than 0.8 or higher than 1.2 and is taken into account with a weighting of 50% when determining the value of the criteria-based multiplier.

The personal performance factor, as the second part of the criteria-based multiplier, refers to a multiplier that can also have a value between 0.8 and 1.2, as determined by the Supervisory Board based on its assessment of the extent to which the respective Executive Board member has achieved one or more personal performance targets for the financial year in question and has demonstrated good role-specific performance in doing so. If the Supervisory Board assesses the performance of the Executive Board member against the performance targets as well as the role-specific performance as “very good”, the factor is 1.2. A “good to very good” rating results in a factor of 1.1. A performance rated as “good” results in a factor of 1.0, while a rating of “good to below average” results in a factor of 0.9. A factor of 0.8 will be assigned to a performance rated as “below average”.

The performance targets relevant for the personal performance factor shall be determined between the Company and the Executive Board member in a target agreement for the following financial year.

The Supervisory Board may adjust individual factors of the criteria-based multiplier for objective reasons (e.g. in the event of a discontinuation of a certification institution) and within the framework of the remuneration system for Executive Board members. Such a change is only permissible with effect for future financial years.

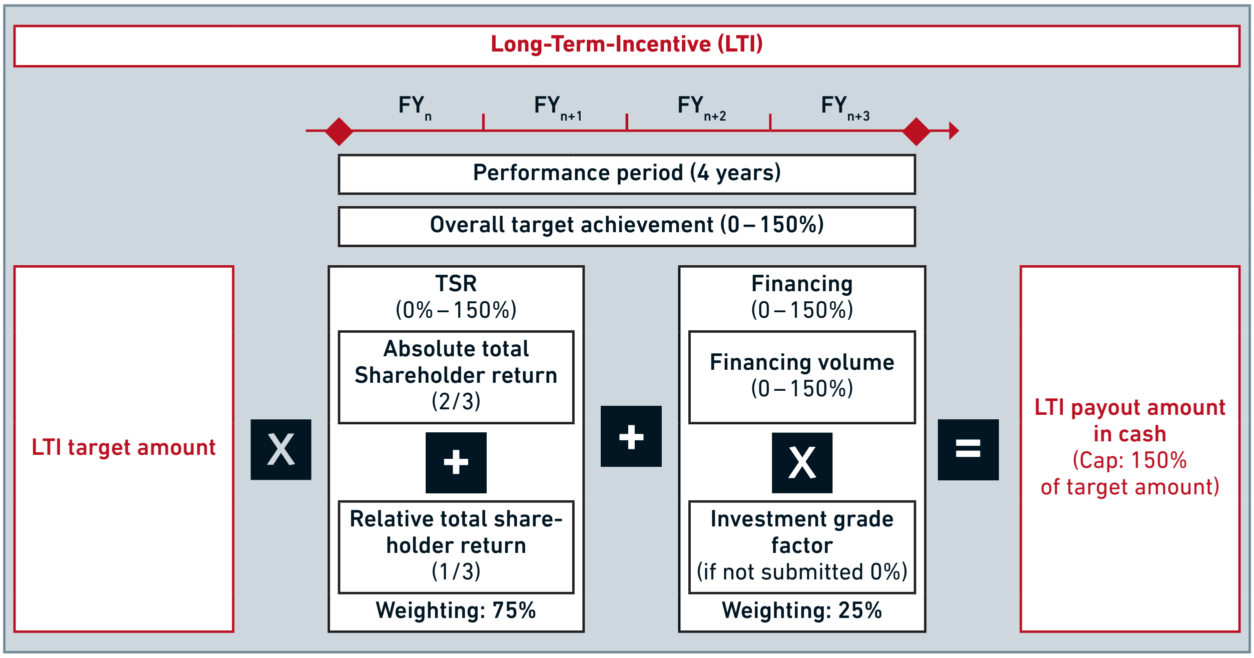
The STI actually paid out is disclosed ex post in the remuneration report after the end of the respective financial year.

2.2 Long-Term-Incentive (LTI)

The LTI takes the form of a performance cash plan with a performance period of four years. When selecting the performance targets for the LTI, special focus is placed on the long-term and stable performance of DES. The LTI is granted on a rolling basis, meaning that at the beginning of each financial year a target LTI is proposed for each Executive Board member, which is agreed in their employment contract. This rolling allocation additionally promotes sustainable behaviour as the results from one financial year are relevant for several LTI tranches. Depending on predefined performance targets, the overall target achievement for each LTI tranche at the end of the four-year performance period determines the final LTI payout amount. Alongside internal key figures, the performance targets also take into account relative performance compared with competitors. The LTI payout amount can assume a value between 0% and a maximum of 150% of the LTI target amount. A potential LTI payout is due upon approval of the annual financial statements for the last financial year of the respective tranche.

The LTI payout amount results from the target achievement of the total shareholder return (TSR), which is weighted at 75% and measured both in relative and absolute terms, and from a financing target achievement rate, which is weighted at 25%.

The main features of the LTI are as follows:



a. Total Shareholder Return (TSR)

The TSR, which is weighted at 75%, is considered in two ways. Two-thirds of the TSR success target depends on absolute TSR. The remaining third is determined by the relative TSR compared with relevant competitors. This ensures an adequate shareholder return in both absolute and relative terms.

The absolute TSR denotes the total shareholder return from the change in the share price over the performance period under consideration plus notionally reinvested gross dividends. In order to avoid distortions due to e.g. reporting date effects, the absolute TSR is calculated on the basis of the average of the closing prices of the DES share at the last twenty trading days before the beginning and before the end of the respective performance period, plus the notionally reinvested gross dividend during this period.

The target value for achieving 100% corresponds to an absolute TSR of 24%. In addition, a lower limit is set where target achievement is 0%. This case occurs at an absolute TSR of 0%. The upper limit is set at an absolute TSR of 36%, with target achievement of 150%. An increase in the absolute TSR beyond 36% does not result in a further increase in achievement of the target. The degree of target achievement is interpolated on a linear basis between the specified target achievement points (0%/100%/150%).

The relative TSR compares the TSR with a peer group of relevant competitors. The peer group currently consists of the following companies: Unibail-Rodamco-Westfield SE, Klépierre S.A., Citycon Oyj, Eurocommercial Properties N.V., Mercialys S.A. and Wereldhave N.V. The Supervisory Board has the option of removing individual companies from the peer group before the start of a new tranche. The prerequisite for this is that the respective company no longer exists in its current form or that comparability with DES is no longer given. There is also the possibility of adding new, suitable companies.

To determine target achievement, the average TSR of the peer group is first determined as described, with all peer companies weighted equally. This is subtracted from the TSR of DES to obtain the outperformance in percentage points. The outperformance value describes the relative TSR. If this calculation results in outperformance of 0 percentage points (i.e. the average TSR of the peer group has performed identically to the TSR of DES over the performance period), this corresponds to target achievement of 100%. With a relative TSR of minus 20 percentage points, target achievement is 0%. The maximum target achievement corresponds to 150% and is reached beginning from a relative TSR of plus 20 percentage points. The degree of target achievement is interpolated on a linear basis between the specified target achievement points (0%/100%/150%).

b. Financing

In addition to the TSR, the financing target achievement rate is reflected in the LTI with a weighting of 25%. The financing target achievement rate is determined on the basis of the financing volume and the investment grade factor.

The financing volume is defined as the total financing volume achieved during the performance period. For calculating the financing volume, the end of the respective performance period shall in each case be relevant. The financing volume includes every contract concluded for new financing, extension or refinancing, regardless of the financing instrument (e.g. loan, bond, promissory note).

The financing target achievement rate can be between 0% and 150%. If the financing volume amounts to less than EUR 400 million, the financing target achievement rate will be 0%. A financing volume of EUR 400 million corresponds to a target achievement of 80%. A financing volume of EUR 500 million corresponds to a target achievement of 100%; a target achievement of 150% results from a financing volume of EUR 600 million. If, at the end of the relevant performance period, the financing volume amounts to between EUR 400 million and EUR 500 million, or between EUR 500 million and EUR 600 million, the target achievement is determined by linear interpolation. The target achievement can never exceed 150%.

Another component reflected in the financing target achievement rate is the investment grade factor. If the Company does not have an investment grade profile at the end of the relevant performance period, the financing target achievement rate for this tranche irrespective of the calculations described above will always amount to 0%.

An investment grade profile exists if a rating agency has issued a corresponding investment grade rating for a financing instrument of the Company. Irrespective of the issue of a financing instrument and irrespective of the granting of a rating by an agency, an investment grade profile exists as long as the Company maintains an investment grade profile by complying with the relevant credit parameters. European real estate companies or real estate bonds with an investment grade rating are used for comparison to determine the relevant credit parameters (e.g. loan-to-value, secured loan-to-value, EBITDA-to-interest, net debt-to-EBITDA).

Any changes to the composition of the peer group and the reasons for such changes, as well as the LTI payout actually achieved, are disclosed ex post in the remuneration report after conclusion of the respective performance period.

3. MALUS AND CLAWBACK

In the event of an intentional breach of duty, the Supervisory Board has the possibility to reduce the variable remuneration that has not yet been paid out but was promised for the year in which the breach occurred in whole or in part at its reasonable discretion (section 315 BGB) to zero ('malus'). In exercising its discretion, the Supervisory Board takes into account the severity of the breach, the degree of fault on the part of the Executive Board member and the material and immaterial damage incurred by the Company, although, however, the existence of damage is not a prerequisite for a reduction of the variable remuneration.

In the event of intentional breaches of duty, the Supervisory Board, at its reasonable discretion, may also demand repayment of any variable remuneration already paid and promised for the year in which the breach occurred in whole or in part ('compliance clawback', section 315 BGB). In exercising its discretion, the Supervisory Board takes into account the severity of the breach, the degree of fault on the part of the Executive Board member and the material and immaterial damage incurred by the Company, although, however, the existence of damage is not a prerequisite for a clawback of variable remuneration. A clawback is excluded if the relevant breach occurred more than six years ago.

Apart from that, any variable remuneration already paid must be repaid if, after payment, it transpires that the consolidated financial statements on the basis of which the payout amount was calculated were incorrect and that, based on the corrected consolidated financial statements, a lower or no amount would have been payable ('performance clawback'). In this context, a fault on the part of the Executive Board member is not relevant. The Executive Board member must repay the difference between the gross amounts. A claim for repayment shall, however, no longer exist if more than five years have elapsed since the end of the relevant financial year.

4. SHARE OWNERSHIP GUIDELINES (SOG)

The employment contracts of the members of the Executive Board are also subject to obligations pertaining to purchasing and holding shares, known as Share Ownership Guidelines (SOG). These require each member of the Executive Board to buy and hold Deutsche EuroShop AG shares worth at least 70% of their respective gross annual basic remuneration (SOG target). Until this SOG target is reached, Executive Board members must invest one third of their STI payment amount and 100% of their LTI payment amount (in each case, after income tax) in Deutsche EuroShop AG shares within a period of three months of their respective receipt. In the case of insider trading, the Supervisory Board has the option of extending this three-month acquisition period. Shares already directly held by the Executive Board member are factored into achievement of the SOG target. The shares must be held for the entire period of service.

The SOG regulations described above further align the interests of the Executive Board with those of shareholders while at the same time incentivising the long-term and sustainable development of DES.

VII. REMUNERATION-RELATED LEGAL TRANSACTIONS

1. CONTRACT TERMS AND TERMINATION OPTIONS

The employment contracts of the members of the Executive Board have a fixed term of up to five years. In the case of initial appointments, the contract period is a maximum of three years.

Neither party has the ordinary right to terminate employment contracts. This does not affect the right of either party to terminate the employment contract for good cause pursuant to section 626 para. 1 BGB.

2. PROVISIONS IN THE EVENT OF PREMATURE TERMINATION OF THE EMPLOYMENT CONTRACT

In the event that the employment contract is terminated prematurely by the Company without good cause for which the Executive Board member is responsible as defined by section 84 para. 3 AktG, the Executive Board member is entitled to a gross severance payment in the amount of two years' remuneration. The annual remuneration comprises the basic annual salary and contributions to the company pension scheme as well as the STI and LTI, assuming that the respective overall target achievement is 100%. For measurement of the annual remuneration amount, the average annual remuneration for the financial year just ended and the probable annual remuneration for the current financial year is applicable. If the remaining remuneration to which the Executive Board member is entitled until the scheduled end of the employment contract amounts to less than two years' remuneration, the severance payment entitlement is reduced accordingly, meaning that the severance payment only provides compensation for the remaining term of the employment contract.

In all other cases of premature termination of the employment contract, there is no entitlement to a severance payment.

If the employment contract is terminated at the instigation of the Company without good cause for which the Executive Board member is responsible as defined by section 84 para. 3 AktG, any components of variable remuneration that have already been granted will be paid out in accordance with the scheduled payment conditions.

In the event that the employment contract is terminated prematurely by the Company for good cause for which the Executive Board member is responsible as defined by section 84 para. 3 AktG, all components of variable remuneration that have already been committed but not yet paid must be forfeited.

3. TEMPORARY AND PERMANENT INCAPACITY FOR WORK AND DEATH

In the event of temporary incapacity for work, all remuneration components must be paid pro rata temporis for a period of six months, but no longer than until termination of the employment contract.

If the Executive Board member becomes permanently incapacitated for work during the term of the employment contract, the employment contract must end at the close of the quarter during which the permanent incapacity for work was established. In this case, the remuneration components for the financial year in question are reduced pro rata temporis up to the departure date. The calculation and payment of variable remuneration components that have already been committed but not yet paid is made immediately based on the assumption that overall target achievement of the variable remuneration components is 100%. The contributions to the company pension scheme must continue to be paid until the end of the year in which the Executive Board member became permanently incapacitated for work.

In the event of death, the same regulations apply as in the case of permanent incapacity for work. However, the employment contract ends at the end of the month in which death occurred. All payment claims arising from the employment contract are heritable.

4. REGULATIONS IN THE EVENT OF ENTRY OR EXIT DURING THE YEAR

If the Executive Board member's activity begins or ends during the current financial year, the basic annual remuneration, the variable remuneration and the annual contribution to the company pension scheme are granted pro rata temporis. The variable remuneration components are paid out in accordance with the scheduled payment conditions.

5. INTERNAL SUPERVISORY BOARD MANDATES

Any remuneration received by a member of the Executive Board for assuming internal Supervisory Board mandates or comparable mandates from affiliated companies is offset against the Executive Board remuneration.

VIII. TEMPORARY DEVIATION FROM THE REMUNERATION SYSTEM

Pursuant to section 87a para. 2 sentence 2 AktG, the Supervisory Board of DES may temporarily deviate from the remuneration system insofar as this is necessary in the interests of the long-term prosperity of DES.

Such deviations may be necessary, for example, to ensure adequate incentives in the event of a serious corporate crisis (e.g. destruction of a center), force majeure or economic crisis (e.g. COVID-19 crisis). A temporary deviation of this kind is possible only in exceptional circumstances. Generally unfavourable market developments do not count as exceptional circumstances justifying a temporary deviation from the remuneration system. The circumstances necessitating the deviation are determined by resolution of the Supervisory Board.

Irrespective of a possible temporary deviation from the remuneration system, the Supervisory Board ensures that the remuneration of the Executive Board continues to be aligned to the long-term and sustainable development of DES. In addition, the Supervisory Board oversees that the remuneration of the Executive Board is commensurate with the situation of DES and the tasks as well as the performance of the respective Executive Board member.

If the Supervisory Board determines that exceptional circumstances exist, it may adjust individual remuneration components and temporarily deviate from the remuneration structure. In particular, adjustments may be made to the variable remuneration, including, for example, changes or replacements of the performance targets for variable remuneration (STI and LTI) or changes to their weighting. It is also possible to provide for new remuneration components instead of (or in addition to) existing ones.

In the event of a temporary deviation, the circumstances necessitating the deviation and the procedure for the deviation are explained in the remuneration report in accordance with section 162 para. 1 no. 5 AktG, and the remuneration components affected by the deviation are specified.

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