



Declaration of compliance pursuant to section 161 German Stock Corporation Act (AktG)

[NON BINDING TRANSLATION OF THE GERMAN TEXT OF THE DECLARATION]

The Management Board and Supervisory Board declare that BRANICKS Group AG (formerly DIC Asset AG) has complied and will comply with the recommendations of the German Corporate Governance Code in the version dated April 28, 2022 since issuing its last Declaration of Compliance. The following exceptions applied or will apply in future:

- The Code recommends in clause C.10 sentence 1 that the Chairman of the Supervisory Board shall be independent of the Company and its Management Board. According to clause C.7 of the Code, when assessing the independence from the Company and its Management Board it shall be taken into account, among other things, whether the Supervisory Board member (i) currently is maintaining (or has maintained) a material business relationship with the Company or one of the entities dependent upon the Company in the year prior to his appointment, directly or as a shareholder, or in a leading position of a non-group entity, and/or (ii) has been a member of the Supervisory Board for more than 12 years. The Supervisory Board has decided to use the formal indicators referred to in the Code as relevant for its assessment and not to apply a different classification, as would be permitted under clause C.8 of the Code. Notwithstanding the fact that the Chairman of the Supervisory Board based on the aforementioned formal indicators would not be regarded as independent of the Company and its Management Board, the Supervisory Board has no doubt that the Chairman can fully meet his advisory and supervisory duties. In addition, the Supervisory Board has what it considers to be an appropriate number of independent members as more than half of the shareholder representatives, including the Chairman of the Audit Committee, are independent of the Company and its Management Board.
- In deviation from clause D.4 of the Code, no nomination committee will be formed. As the six members of the Supervisory Board are all representatives of the shareholders and the current practice of voting proposals being prepared by the full Supervisory Board has proved to be efficient, the Supervisory Board sees no need to form a nomination committee.
- In deviation from the first and second indents of clause G.1 of the Code, the remuneration system for the members of the Management Board does not stipulate the determination of a “target total remuneration”, which corresponds to the total remuneration in the event that 100 percent of targets are achieved (in relation to variable remuneration components), and does not determine the relative proportions of individual remuneration components in relation to such “target total remuneration”. Under the remuneration system for Management Board members approved by the General Shareholders’ Meeting on 24 March 2021, their variable remuneration comprises a performance-related annual bonus (STI) and options on phantom stocks in the Company as a share-based payment element with a long-term incentive effect (LTI). With regard to the STI, the Supervisory Board sets company-related and personal annual targets when preparing the annual budget. The specific amount of STI payments upon achievement of the annual targets is at the discretion of the Supervisory Board and is determined ex-post in connection with the Supervisory Board’s determination of target achievement. LTI payments depend solely on the share price; an ex-ante agreed “target amount” is therefore not provided for the LTI either. The Supervisory Board is of the opinion that the variable remuneration structure for the Management Board members



is clearly geared to linking the performance of the Management Board members to the amount of remuneration (pay for performance) and that the design of the share-based remuneration element contributes to an increased alignment of the interests of the members of the Management Board and shareholders. The strategic goal of increasing the value of the Company in the long term is promoted by this structure.

- According to the recommendation in clause G.2 of the Code, the specific “target total remuneration” of each member of the Management Board shall be determined annually. This remuneration shall be appropriate to the Management Board member’s own tasks and performance as well as to the enterprises’ overall situation and performance, and it shall not exceed the usual level of remuneration without specific reasons. In accordance with the requirements of stock corporation law, the appropriateness of the total remuneration of Management Board members is reviewed regularly and, if necessary, on an ad hoc basis (e.g. when a decision is made to extend a service agreement). As explained, the remuneration system does not provide for “target total remuneration” as defined by the Code, so there is also no need for this to be determined specifically on an annual basis. In the opinion of the Supervisory Board, the definition of the remuneration conditions in the Management Board service agreement and the subsequent determination of the amount of STI payment provide sufficient leeway to ensure the appropriateness of the Management Board remuneration on a consistent basis.
- According to the recommendation in clause G.6 of the Code, the long-term variable remuneration (LTI) shall exceed the share of remuneration from short-term targets (STI), whereby the Code uses 100 percent target achievement as a basis for comparison. The options granted on phantom stocks in the Company (LTI) provide for a long-term remuneration component which – provided that the share price develops accordingly – can account for the majority of the total variable remuneration granted, without it being required for this component to outweigh the short-term variable remuneration. As neither the STI nor the LTI provide for “target remunerations”, a deviation from the recommendation in clause G.6 of the Code is declared as a precaution. Taking into account the proportions of the STI (up to 35%) or the LTI (up to 55%) in the total remuneration specified by the remuneration system as the expected annual expense amount, the Supervisory Board considers the long-term oriented part of the variable remuneration to be predominant as a rule and sufficiently weighted in any case.
- The recommendation in clause G.7 sentence 1 of the Code, according to which the Supervisory Board, referring to the forthcoming financial year, shall establish performance criteria for each Management Board member covering all variable remuneration components, which, besides operating targets, shall be geared mainly to strategic goals, is not followed insofar as no further performance criteria are determined in the context of the long-term share price-oriented remuneration component (LTI) in addition to the dependency of the payment amount on the stock market price. The link to the stock market price contributes to an increased alignment of the interests of the members of the Management Board and shareholders and the strategic goal of increasing the value of the Company in the long term is thereby promoted.
- According to the recommendation in clause G.10 sentence 1 of the Code, the variable remuneration granted shall be predominantly share-based or invested in Company shares. With the options granted on phantom stocks in the Company (LTI), a share-based remuneration component is provided for. However, as already explained, it is not mandatory that the share-based remuneration component accounts for the majority of the variable remuneration. Therefore, as a precautionary measure, a deviation from the recommendation in clause G.10 sentence 1 of the Code is declared. Taking into account



the proportions of STI (up to 35%) and LTI (up to 55%) in the total remuneration specified by the remuneration system, the Supervisory Board considers that the share price orientation of the variable remuneration is sufficiently ensured.

- Clause G.10 sentence 2 of the Code recommends that the long-term variable remuneration shall be accessible to Management Board members only after a period of four years. The options on phantom stocks in the Company granted as LTIs provide for a vesting period oriented to the term of the respective Management Board service agreement, which as a rule covers three to five years and after the expiry of which an option may be exercised at the earliest. Taking into account the term of the respective Management Board service agreement, the four-year period recommended by the Code may therefore also be shorter. In the opinion of the Supervisory Board, the general orientation of the vesting period to the respective term of appointment contributes sufficiently to the incentive effect of the share-based remuneration.
- In deviation from clause G.11 of the Code, the remuneration system and the existing service agreements of the Management Board members do not provide for any possibility agreed in advance to take account of extraordinary developments and to retain or reclaim variable remuneration, if justified (so-called malus and clawback provisions). Among other things, the ex-post determination of the amount of the performance-related annual bonus (STI), which is at the discretion of the Supervisory Board, and the limitation by the maximum remuneration provided for in the remuneration system are, in the opinion of the Supervisory Board, sufficiently effective means of taking into account any extraordinary developments that may have occurred. The Supervisory Board does not consider contractual malus and clawback provisions to be necessary in view of the existing statutory claims in the event of a breach of duty.
- According to the Articles of Association, members of the Supervisory Board are granted a performance-related remuneration that is based on the annual dividend payment and may thus deviate from clause G.18 of the Code, which recommends that remuneration be linked to the long-term performance of the Company. The dividend payment is a key measure of success for the shareholders. We consider it appropriate that members of the Supervisory Board be remunerated in accordance with criteria that are also of significance for the shareholders.

Frankfurt am Main, 19 December 2023

Management Board and Supervisory Board of Branicks Group AG