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Deutsche EuroShop AG, Hamburg

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**On agenda item 6 of the
Annual General Meeting
held on 28 June 2018**

**Nomination process for
Dr. Henning Kreke and Alexander Otto**

Dr. Henning Kreke and Alexander Otto were elected as members of the Supervisory Board of Deutsche EuroShop AG until the 2018 Annual General Meeting.

The Supervisory Board discussed its ideas about the number of members and composition of the Board in its meetings in 2017 and 2018.

The Supervisory Board is of the opinion that the special structure of the company with few individuals operationally active and very high capital expenditure continues to justify a number of nine members on the Supervisory Board.

When selecting potential candidates for succession as members of the Supervisory Board, the Executive Committee, which also functions as the Nomination Committee, thoroughly discussed and carefully weighed all of the criteria it had set for the target composition of the Supervisory Board. The criteria for composition include:

- most of the members should be independent and should include both men and women
- the members should have knowledge and experience of the following areas: application of accounting principles and internal audit processes in accordance with German and/or international accounting principles, retail, rental of retail space as well as management of shopping centres, equity and debt financing, capital market, corporate governance and business management

Suitable applications for the mandates up for election were not received by the Supervisory Board.

Based on the consideration of the above criteria, the two members were elected and their term in office will end at the Annual General Meeting on 28 June 2018. The Supervisory Board ultimately decided that the two members should be nominated for re-election:

a) **Dr. Henning Kreke:** Through his professional activities as managing partner of Jörn Kreke Holding KG and Kreke Immobilien KG, both located in Hagen/Westphalia, and his preceding activities, in particular his many years as Chairman of the Board of DOUGLAS Holding AG, Hagen/Westphalia, Dr. Kreke has extensive experience

- of applying accounting principles and internal audit processes in accordance with German and international accounting principles
- in the retail sector
- in business management and corporate governance

Dr. Henning Kreke has been a member of the Supervisory Board since 2013 and is deemed to be dependent.

b) **Alexander Otto:** Through his professional activities as CEO of Verwaltung ECE Projektmanagement G.m.b.H., Hamburg, and his preceding activities, Alexander Otto has extensive experience

- in the retail sector
- in the leasing of retail space
- in the management of shopping centres
- in business management and corporate governance

Alexander Otto is invested in Deutsche EuroShop AG as a shareholder with a stake of 17.8% (as at 11 April 2018) and has been on the Supervisory Board since 2002. He is deemed to be dependent.

If Dr. Henning Kreke and Alexander Otto are elected to the Supervisory Board, the Supervisory Board of Deutsche EuroShop AG will continue to fulfil all criteria for its composition. In addition, the target for the quota of women continues to be met. In the opinion of the Supervisory Board, the knowledge gained by the two candidates about the company in the last mandate periods would have a positive impact on further collaboration.

The Executive Committee, which simultaneously functions as the Nomination Committee, decided on the selection in its meeting of 11 April 2018 and presented this proposed appointment of Dr. Henning Kreke and Alexander Ott based on the fulfilled criteria above in its meeting on 25 April 2018.

Dr. Henning Kreke and Alexander Ott personally informed the members of the Supervisory Board of their willingness to stand for re-election. In this meeting, the Supervisory Board therefore decided to propose to the Annual General Meeting on 28 June 2018 the re-election of Dr. Henning Kreke and Alexander Ott to the Supervisory Board.