

METRO GROUP

Declaration of Compliance

of the Management Board and Supervisory Board of METRO AG

**in respect to the recommendations of the German Corporate Governance Code
pursuant to section 161 of the German Stock Corporation Act (Aktiengesetz, AktG)**

Management Board and Supervisory Board of METRO AG declare that the recommendations of the Government Commission on the German Corporate Governance Code published by the Federal Ministry of Justice in the official section of the Federal Gazette in the version of 5 May 2015 have been complied with without exception since the issue of the last declaration of compliance in September 2015.

Management Board and Supervisory Board intend to comply with the recommendations of the Government Commission in the version of 5 May 2015 with the following exceptions:

1. Clause 4.2.3 sec. 2 sentence 8 GCGC

METRO AG prepares the demerger of METRO GROUP into two independent companies listed on the stock exchange, one with the business sector Wholesale & Food Specialist and one with the business sector Consumer Electronics. The effectiveness of the demerger is expected for Mid-2017 and thus in the course of the coming financial year 2016/17. The current remuneration system of the Management Board, which was approved by the Supervisory Board in 2014, does respectively not take the planned demerger of METRO GROUP into consideration. Against this background new remuneration systems for the Management Board for both new entities are currently developed, which will orientate specifically on the respective operating business of the new entities. These remuneration systems will be introduced as of the effective date of the demerger. In this context also the handling of the already granted tranches of the perennial variable compensation ("Long Term Incentive") will be decided. As expected, within the next financial year the performance targets and comparison parameters of the annual variable compensation ("Short Term Incentive") as well as the perennial variable compensation will be changed. This intra-annual adaptation will lead to a one-time deviation from the recommendation pursuant to clause 4.2.3 sec. 2 sentence 8 GCGC. According to this recommendation changing the performance targets or the comparison parameters for the variable parts of the Management Board remuneration retroactively shall be excluded.

2. Clause 7.1.2 sentence 4 GCGC

The planned demerger of METRO GROUP will be presented for approval to the General Meeting of METRO AG in February 2017. After approval of the General Meeting the business sector Wholesale & Food Specialist would have to be reported as discontinued operation in the sense of IFRS 5 in the balance sheet of METRO AG and would have to be deconsolidated after the demerger has become effective. In particular in light of the size of the split-off business sector both steps entail significantly higher effort. Consequently, the concerned interim financial reports (as expected for 31 March 2017 and 30 June 2017) will be publicly available within the legally set time period but not within 45 days after the end of the reporting period which does not comply with the recommendation pursuant to clause 7.1.2 sentence 4 GCGC.

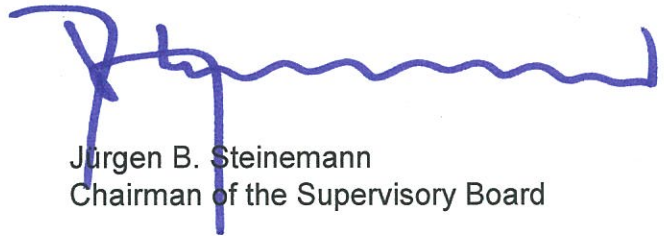
Düsseldorf, 27 September 2016

For the Management Board



Olaf Koch
Chairman of the Management Board

For the Supervisory Board



Jürgen B. Steinemann
Chairman of the Supervisory Board