

CORPORATE GOVERNANCE REPORT

Pursuant to the recommendation of Subsection 3.10 of the German Corporate Governance Code, the Management Board and the Supervisory Board of METRO AG deliver the following report on corporate governance at METRO GROUP.

The Management Board and the Supervisory Board of METRO AG are firmly committed to the principles of transparent, responsible corporate governance and supervision. They attach great importance to good corporate governance standards. Their voluntary commitment to the German Corporate Governance Code is reinforced by the following provision in the Boards' by-laws:

"The Management Board and the Supervisory Board of METRO AG base their actions on the relevant valid recommendations of the German Corporate Governance Code and only deviate from the Code's recommendations in well-founded exceptional cases. If the Management Board or Supervisory Board intends to deviate from a recommendation, the organs inform each other of the planned move prior to its implementation."

Implementation of the German Corporate Governance Code

During the year in review, the Management Board and the Supervisory Board of METRO AG discussed METRO GROUP's implementation of the recommendations of the German Corporate Governance Code in detail and issued the following declaration pursuant to § 161 of the German Stock Corporation Act (AktG) in December 2012:

"The Management Board and Supervisory Board of METRO AG hereby 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 electronic Federal Bulletin in the version of 15 May 2012 have been complied with in full and that the Management Board and Supervisory Board intend to also comply with them in the future.

Since the last declaration of compliance in December 2011, all recommendations made by the Government Commission in the version of 26 May 2010 have been complied with."

This and all previous declarations pursuant to § 161 of the German Stock Corporation Act (AktG) are made permanently available to METRO AG shareholders on the website www.metrogroup.de.

In addition to recommendations, the German Corporate Governance Code contains suggestions that listed companies can, but do not have to address. METRO AG follows the vast majority of these suggestions. In the financial year 2012, there were only 2 suggestions that the Company did not fully implement:

- Subsection 2.3.4 of the Code calls for enabling shareholders to follow the Annual General Meeting via modern communication media such as the Internet. As in previous years, METRO AG broadcast only the speech by the Chairman of the Management Board in 2012. This practice will be continued in 2013.
- Until June 2012, Subsection 3.6 of the Code included a suggestion that called for shareholder and employee representatives to separately prepare supervisory meetings. Members of the Supervisory Board of METRO AG generally hold such preparatory meetings, but not before every Supervisory Board meeting.

Division of duties and areas of responsibility between the Management Board and the Supervisory Board

The clear division between corporate management on the one hand and corporate supervision on the other is a key element of corporate governance for German stock corporations. Duties and areas of responsibility are clearly divided between the Management Board and the Supervisory Board.

The Management Board of METRO AG, which has 4 members, is responsible for running the Company. The management duties of the Management Board of METRO AG include defining corporate objectives and determining the strategic positioning for the Group as well as managing the Company, monitoring and planning. In addition, the Management Board of METRO AG ensures the availability of investment funds, decides on their allocation within the Group and is responsible for attracting and supporting highly qualified managers.

Pursuant to the German Co-determination Act (MitbestG), the German Stock Corporation Act (AktG) and the Articles of Association, the Supervisory Board of METRO AG is composed of 10 shareholder representatives and 10 employee representatives. The Supervisory Board of METRO AG advises the Management Board and monitors its corporate management, including its attainment of long-term corporate objectives. The Supervisory Board is brought into the planning of the development of METRO GROUP by the Management Board to the same degree that it is included in decisions about important measures. Aside from its legally prescribed approval obligations, the Supervisory Board has determined its own approval requirements for certain actions and business dealings of the Management Board.

Information on members of the Management Board can be found on pages 24 and 261 of the METRO AG Annual Report 2012. Members of the Supervisory Board are listed on pages 257 to 259. The modes of operation of the Management Board and Supervisory Board, the composition and functions of the Supervisory Board committees and information on key corporate management practices are described in the declaration on corporate management pursuant to §289 a of the German Commercial Code (HGB). The declaration of compliance pursuant to §161 of the German Stock Corporation Act (AktG) also appears in full in this report.

The declaration on corporate management is available on the website www.metrogroup.de in the section Company – Corporate Governance.

Objectives regarding the composition of the Supervisory Board and implementation status

To properly carry out its duties, the Supervisory Board must possess a broad range of knowledge, skills and specialist experience. To this end, the Supervisory Board has specified certain objectives regarding appointments, which were most recently updated in July 2012. These objectives are:

Diversity

Bearing in mind METRO GROUP's international expansion, the Supervisory Board is to include at least one business person with in-depth experience in one of the Company's growth regions. The current composition of the Supervisory Board more than fulfils this objective. In particular, the Board should include members with in-depth experience in the growth regions of Eastern Europe and Asia.

In 2010, an objective regarding the female representation on the Supervisory Board was determined to make better use of the pool of qualified candidates available for appointment to the Supervisory Board. The Supervisory Board aims to fill at least 20 percent of its seats with women following the Supervisory Board election in 2013. By 2018, the female proportion is to reach at least 30 percent. At present, female representation on the Supervisory Board amounts to 15 percent.

Impartiality

In accordance with legal stipulations, the Supervisory Board of METRO AG is composed of 10 employee representatives and 10 shareholder representatives. At least 5 shareholder representatives are to be impartial in accordance to Subsection 5.4.2 of the German Corporate Governance Code. The current composition of the Supervisory Board of METRO AG fulfils this objective.

Accounting and Audit Committee, impartiality of the committee Chairman

To ensure a qualified appointment of the Accounting and Audit Committee from the members of the Supervisory Board, at least 1 member of the Board must fulfil the requirements stipulated for the chair of the Accounting and

Audit Committee. Pursuant to the by-laws of the Accounting and Audit Committee, the committee Chairman must be impartial and possess professional knowledge in the areas of accounting and auditing as well as internal control measures (financial expert). 5 other committee members, who are appointed from the Supervisory Board, should possess sufficient professional knowledge and experience in these areas. Ideally, 1 potential member of the Accounting and Audit Committee should also possess special knowledge in the areas of corporate governance and compliance.

These objectives are implemented through the current composition of the Supervisory Board and its Accounting and Audit Committee. The committee is chaired by Dr jur. Hans-Jürgen Schinzler.

Potential conflicts of interest/age restrictions

To prevent potential conflicts of interest, members of the Supervisory Board of METRO AG may not assume board functions, consulting tasks or memberships on the supervisory boards of German or international, direct and material competitors. This requirement, which is laid down in the by-laws of the Supervisory Board, must be considered in the identification of candidates for the Supervisory Board. The same rule applies to another regulation in the by-laws that stipulates that members of the Supervisory Board may not remain in office after the end of the Annual General Meeting following their 75th birthday.

The Supervisory Board of METRO AG also meets these objectives. No member of the Supervisory Board will attain the age limit of 75 years soon, and no member has a seat on the supervisory board of a direct and material competitor.

Supervisory Board elections 2013

The end of the Annual General Meeting of METRO AG on 8 May 2013 potentially marks the potential end of the terms of 16 members of the Supervisory Board. 10 employee representatives and 6 shareholder representatives are affected. Supervisory Board elections are planned for 21 March 2013 in the Assembly of Employee Delegates and on 8 May 2013 at the Annual General Meeting.

The shareholder representatives' proposals for the election of members of the Supervisory Board are based on the above objectives and listed in the invitation to the Annual General Meeting. The invitation is available on the website www.metrogroup.de (Investor Relations/Annual General Meeting) beginning 22 March 2013. Should they be elected by the Annual General Meeting, 2 of the nominees (Prof. Dr Dr

mult. h.c. Erich Greipl and Dr Hans-Jürgen Schinzler) would reach the voluntarily stipulated age limit during their new terms. The Supervisory Board has asked these two members to seek re-election because the Board considers their in-depth knowledge and experience to be particularly valuable to the future work of the Supervisory Board.

The Supervisory Board of METRO AG does not have the right to propose candidates for the election of employee representatives to the Supervisory Board. Irrespective of this, the members of the Supervisory Board strive to jointly attain the above objectives for both employee and shareholder representatives. According to present estimates, the first level of the objective regarding female representation (20 percent) on the Supervisory Board will be attained within the self-imposed time frame, i.e. in 2013.

Compliance and risk management

METRO GROUP's business activities are subject to various legal and self-imposed conduct guidelines. METRO GROUP has bundled and expanded existing measures securing compliance with these rules and regulations in its uniform Group-wide compliance programme. The Group-wide compliance organisation meets both increased legal requirements in the various applicable jurisdictions as well as customer and public expectations.

METRO GROUP's compliance system aims to methodically and sustainably prevent regulatory infringements within the Company. METRO GROUP regularly identifies behavioural risks, establishes the necessary organisational structures and rigorously monitors and controls these risks through the responsible divisions. The Company practises systematic Group reporting. This ensures that the key compliance risks and measures are transparent and documented. The need for further development of the compliance management system is ascertained from the results of regular employee surveys on the issue of compliance.

METRO GROUP's risk management forms another integral component of value-oriented corporate management. It helps Company management to exploit opportunities and limit risks and is based on systematic and Group-wide risk reporting. As a result, unfavourable developments can be recognised at an early stage, allowing for the timely introduction of appropriate countermeasures. In addition, existing opportunities are identified, evaluated and realised in a systematic manner.

Additional information on the subjects of compliance and risk management can be found on page 158 of the Group Annual Report of METRO AG 2012 as well as in the declaration on corporate management pursuant to § 289 a of the German Corporate Code (HGB). The declaration is available on the website www.metrogroup.de in the section Company – Corporate Governance.

Transparent corporate management

Transparency is an essential element of good corporate governance. The website www.metrogroup.de serves as an important information source for METRO AG shareholders, the capital market and the general public. Aside from a host of information on METRO GROUP's business segments and sales lines, the site contains the financial reports and ad hoc statements of METRO AG as well as investor news and other publications pursuant to the German Securities Trading Act (WpHG). METRO GROUP publishes the dates for the most important regular publications and events (trading statement, annual reports as well as quarterly and half-year reports, the annual business press conference and the Annual General Meeting) in a financial calendar on its website in a timely manner. The website also offers information shown as part of roadshows, investor conferences and information events for private investors. Furthermore, an electronic investor relations newsletter can be subscribed to.

The General Meeting

The Annual General Meeting of METRO AG gives its shareholders the opportunity to use their legal rights, that is, in particular, to exercise their rights to vote (where these apply) as well as to address questions to the Company's Management Board. To help shareholders exercise their individual rights at the Annual General Meeting, documents and information for each Annual General Meeting are made available ahead of time on the METRO GROUP website.

The registration and legitimisation procedure for the Annual General Meetings of METRO AG complies with German stock corporation law and international standards. Each shareholder who would like to participate in an Annual General Meeting of METRO AG and exercise his or her voting right there must register and supply proof of the right to participate and exercise voting rights. Written proof of share ownership in German or English from the institution maintaining the securities deposit account satisfies this requirement. Deposit of shares is not necessary. Proof of share ownership corresponds to the beginning of the 21st day before each Annual General Meeting. Like the registration for the Annual General Meeting, it must be submitted to METRO AG at the address specified in the invitation within the

time frame specified by law and in the Articles of Association. Concrete registration and participation conditions are made public in the invitation for each Annual General Meeting.

Shareholders who are unable to attend the Annual General Meeting in person may exercise their voting rights through a proxy. The necessary voting right authorisation must be provided in writing. To the benefit of shareholders, eased formal stipulations apply in certain cases. These are described in the invitation to the Annual General Meeting, for example, for issuing voting right authorisations to banks or shareholder associations.

Shareholders may also authorise Company-appointed proxies to exercise their voting rights (known as proxy voting). The following rules apply: In addition to voting right authorisations, shareholders must also pass instructions on how to exercise these voting rights. The proxies appointed by the Company are obliged to vote according to these instructions. For assignment of voting rights during the Annual General Meeting for those shareholders who initially participate in the Annual General Meeting but who want to leave early without forgoing the exercise of their voting rights, the proxies appointed by METRO AG are also available. Naturally, the right to appoint other proxies to exercise one's voting rights is not affected by this. The details on proxy voting are listed in the invitation to each Annual General Meeting.

In the interest of shareholders, the Chairman of the Annual General Meeting, as a rule the Chairman of the Supervisory Board, works to ensure that the Annual General Meeting is conducted efficiently and effectively. The objective is to complete a regular METRO AG Annual General Meeting within 4 to 6 hours at the most.

Directors' dealings, share ownership by members of the Management and Supervisory Boards

Pursuant to § 15 a of the German Securities Trading Act (WpHG), members of the Management and Supervisory Boards must inform METRO AG of any transactions involving their own METRO shares or related financial instruments (directors' dealings). This obligation also applies to persons who have a close relationship with members of these two corporate bodies. No disclosure requirement applies as long as the transactions conducted by a member of the Board and the person who has a

close relationship with the member of the Board do not reach a total amount of €5,000 by the end of the calendar year.

————— Notifications of directors' dealings during the reporting year 2012 have been published on the website www.metrogroup.de in the section Investor Relations – Publications – Directors' Dealings.

The total share ownership of METRO AG shares held by all members of the Management and Supervisory Boards totalled less than 1 percent of the shares issued by the Company as of 31 December 2012.

Accounts audit

Audits 2012

The Annual General Meeting of METRO AG in May 2012 elected KPMG AG Wirtschaftsprüfungsgesellschaft (KPMG) to be the auditor for the financial year 2012. The Supervisory Board's commissioning of the contract to carry out the accounts audit considered the recommendations listed in Subsection 7.2 of the German Corporate Governance Code.

Throughout the audit, which was completed in February 2013, KPMG made no reports to the Supervisory Board regarding grounds for disqualification or conflicts. There was also no evidence that any existed. Furthermore, in the course of the audit, there were no unexpected, substantial findings and events concerning Supervisory Board functions. As a result, an

extraordinary report from the auditor to the Supervisory Board was not required. The auditor found no deviations from the Management and Supervisory Boards' statements of compliance with the German Corporate Governance Code.

Auditor's impartiality

The auditor fulfils 2 key functions. The auditor supports the Supervisory Board in exercising corporate control. In addition, the audit activities provide the basis for the trust of the general public and capital market participants, in particular, in the accuracy of the annual accounts, notes to the financial statements and the management reports. The auditor's impartiality is a key precondition of fulfilling these two functions.

To strengthen the impartiality of METRO AG's auditor, the Management Board – after coordination with the Supervisory Board's Accounting and Audit Committee – decided at the end of 2011 to introduce a voluntary commitment going beyond the legal regulations and recommendations of the German Corporate Governance Code. Under this commitment, the annual fees for non-audit services rendered by the elected auditor and the members of its network must amount to no more than one-third of the total annual fee for the audit and audit-related services starting in 2012. The Management Board requires the approval of the Accounting and Audit Committee to commission or approve non-audit assignments exceeding this threshold.

————— Comprehensive information on the topic of corporate governance at METRO GROUP is also available on the website www.metrogroup.de in the section Company – Corporate Governance.