

Profit and loss transfer agreement

between

Deutsche Wohnen AG,

Pfaffenwiese 300, 65929 Frankfurt am Main,

a stock corporation (*Aktiengesellschaft*) entered in the commercial register of the Frankfurt district court under HRB 42388 B

– hereinafter referred to as the "**Controlling Company**" –

and

Deutsche Wohnen Constructions and Facilities GmbH,

Mecklenburgische Strasse 57, 14197 Berlin,

a limited liability company (*Gesellschaft mit beschränkter Haftung*) entered in the commercial register of the Charlottenburg district court under HRB 143094 B

– hereinafter referred to as the "**Controlled Company**", together with the Controlling Company as the "**Parties to the Agreement**" and each individually as a "**Party to the Agreement**" –

Introduction

The Controlling Company is the sole shareholder of the Controlled Company, which intends to transfer its profits to the Controlling Company as from January 1, 2014. Management of business and representation of the Controlled Company shall continue to be the responsibility of the managing directors of the Controlled Company. Therefore, the Parties to the Agreement hereby enter into a profit and loss transfer agreement and agree as follows:

Section 1

Transfer of profit

(1) The Controlled Company undertakes to transfer its entire profit to the Controlling Company. The provisions of Section 301 German Stock Corporation Act (*AktG*) as in effect at

any given time apply accordingly and the maximum amount specified therein, subject to the creation or release of reserves in accordance with (2) below, shall be transferred.

(2) Subject to the consent of the Controlling Company, the Controlled Company may allocate amounts from the profit for the year to retained earnings in accordance with Section 272 paragraph 3 of the German Commercial Code (*HGB*) only to the extent permitted under commercial law and justified on a reasonable businessman's judgment. Any other retained earnings set aside during the term of this Agreement under Section 272 paragraph 3 German Commercial Code (*HGB*) must be released at the request of the Controlling Company.

(3) Any other retained earnings under (2) above set aside before this Agreement comes into effect shall not be transferred upon release.

(4) Amounts released from capital reserves shall not be transferred.

Section 2

Assumption of loss

The provisions of Section 302 German Stock Corporation Act (*AktG*) as in effect at any given time shall apply.

Section 3

Term of Agreement, Termination

(1) This Agreement is entered into subject to the approval of the General Shareholders Meeting of the Controlling Company and the Shareholder Meeting of the Controlled Company. The Controlled Company's resolution of approval must be certified by a notary.

(2) The Agreement shall come into effect upon entry in the commercial register at the registered office of the Controlled Company but no earlier than for the financial year starting January 1, 2014. The obligations to transfer profits and assume losses shall apply for the first time to the entire profit or loss for the financial year in which the Agreement comes into effect by being entered in the commercial register.

(3) The Agreement may be terminated by giving six months' notice prior to the end of a financial year, but no earlier than the end of the Controlled Company's financial year ending at least five full years after the start of the financial year in which the Agreement comes into effect. If notice of termination is not given the Agreement shall roll over one financial year at a time, remaining subject to the same notice period.

(4) This shall be without prejudice to the right to terminate early for good cause. In particular, the Controlling Company shall be entitled to terminate for cause if it ceases to hold the majority of the Controlled Company's voting rights or if one of the events occurs which is covered by directive R 60 paragraph 6 sentence 2 of the German Corporation Tax Directives 2004 (KStR 2004) or any other administrative directive substituting it.

(5) Termination must be made in writing.

Section 4

Final provisions

(1) Any amendments and additions to this Agreement, including to this provision, must be made in writing.

(2) In the event that one of the provisions of this Agreement should prove or become invalid or unenforceable in whole or in part, this shall be without prejudice to the validity, enforceability and execution of the remaining provisions hereof. The Parties to the Agreement shall replace any provision that is invalid or unenforceable with one that is valid and enforceable and corresponds as far as possible to the business objectives of the provision that was invalid or unenforceable. The same shall apply in the event of any omissions herein.

(3) The place of performance for both Parties shall be Berlin.