



Deutsche Wohnen AG

Frankfurt/Main

ISIN DE000A0HN5C6

WKN A0HN5C

Invitation to the Annual General Meeting 2015

The shareholders of our Company are hereby invited to attend the

Annual General Meeting 2015

taking place

at

Marriott Hotel
Hamburger Allee 2, 60486 Frankfurt/Main

at 10:00 a.m. (CEST)

on Friday, June 12, 2015.

I. Agenda

1. **Presentation of the approved annual financial statements and the consolidated financial statements as of December 31, 2014 as adopted by the Supervisory Board, the management reports for the Company and the Group, including the Supervisory Board Report for financial year 2014, as well as the Explanatory Management Board Report to the Notes pursuant to Section 289 para. 4 and 5 and Section 315 para. 4 of the German Commercial Code (*Handelsgesetzbuch*, HGB) as of December 31, 2014.**

The Supervisory Board has adopted the annual financial statements and consolidated financial statements prepared by the Management Board; the annual financial statements are thus approved. It is therefore not planned, nor is it necessary, for the Annual General Meeting to pass a resolution on Agenda Item 1. Instead, these documents shall merely be made accessible to the Annual General Meeting and shall be explained by the Management Board or, in the case of the Supervisory Board Report, by the Chairman of the Supervisory Board. As part of their right to information, shareholders shall have the opportunity to ask questions regarding the submitted documents.

2. **Resolution on the utilization of net profits for financial year 2014 by Deutsche Wohnen AG**

The Management Board and the Supervisory Board propose to utilize the net profits of EUR 177,351,852.19 in the approved annual financial statements as of December 31, 2014 as follows:

Distribution to shareholders:

Distribution of a dividend of EUR 0.44 per bearer share with the securities identification number ISIN DE000A0HN5C6, bearing dividend rights for financial year 2014; for 295,020,995 bearer shares, this amounts to	EUR	129,809,237.80
Profit carry-forwards	EUR	47,542,614.39
Net profits	EUR	<u>177,351,852.19</u>

The amounts stated for the dividend distribution and profit carry-forwards were based on the no-par value shares bearing dividend rights existing at the time of the proposal of the Management Board and Supervisory Board on the utilization of profits. Should the number of no-par value shares with ISIN DE000A0HN5C6 bearing dividend rights for financial year 2014

increase by the date of the Annual General Meeting due to compensation demands from minority shareholders of GSW Immobilien AG under the terms of the domination agreement existing between Deutsche Wohnen AG and GSW Immobilien AG, and associated issuances of new shares of the Company from the Conditional Capital 2014/II (Article 4c of the Articles of Association), the Annual General Meeting shall be sent an amended draft proposal, which takes account of this increase, as follows:

The amount of the dividend per no-par value share bearing dividend rights shall remain at EUR 0.44. Insofar as the number of no-par value shares with ISIN DE000A0HN5C6 bearing dividend rights for financial year 2014, and thus the total amount of dividend distributed, increases by EUR 0.44 per new share with ISIN DE000A0HN5C6 issued, the profit carry-forwards shall be reduced accordingly.

3. Resolution on the discharge of the members of the Management Board for financial year 2014

The Management Board and the Supervisory Board propose that the officiating members of the Management Board in financial year 2014 be granted discharge for that financial year.

4. Resolution on the discharge of the members of the Supervisory Board for financial year 2014

The Management Board and the Supervisory Board propose that the officiating members of the Supervisory Board for financial year 2014 be granted discharge for that financial year.

5. Election of the auditor of the annual financial statements and the auditor of the consolidated financial statements, as well as the auditor for any audited review of the half-year financial report for financial year 2015

On the recommendation of the Audit Committee, the Supervisory Board proposes to pass the following resolution:

Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart, shall be appointed as auditor of the annual financial statements and the consolidated financial statements, as well as auditor of any audited review of the half-year financial report for financial year 2015.

6. Elections to the Supervisory Board

Pursuant to Sections 95, 96 para. 1, Section 101 para. 1 of the German Stock Corporation Act (*Aktiengesetz*, AktG) and Article 6 para. 1 of the Articles of Association, the Supervisory Board

is composed of six members, all of whom are to be elected by the shareholders. The Annual General Meeting is not bound to candidate nominations.

The term of office of Dr. rer. pol. Andreas Kretschmer and Mr. Matthias Hünlein as members of the Supervisory Board of Deutsche Wohnen AG shall end effective with the closing of the Annual General Meeting on June 12, 2015, due to the passage of time pursuant to Article 6 para. 1 sentence 1 of the Articles of Association. As a result, two Supervisory Board members shall be newly elected.

In light of this and based on the recommendation of the Nomination Committee of the Supervisory Board, the Supervisory Board proposes to resolve the following:

a) Election of Dr. rer. pol. Andreas Kretschmer

Dr. rer. pol. Andreas Kretschmer, resident in Düsseldorf, CEO of Ärzteversorgung Westfalen-Lippe, Münster, an institution of the medical association Westfalen-Lippe -KöR-, shall be appointed as a member of the Supervisory Board of Deutsche Wohnen AG for a term of office until the closing of the Annual General Meeting that resolves upon the discharge for the fourth financial year after the beginning of the term of office, not including the financial year in which the term of office commences.

Dr. rer. pol. Andreas Kretschmer is currently a member of the following supervisory boards and supervisory bodies within the meaning of Section 285 para. 2 no. 10 HGB, in conjunction with Section 125 para. 1 sentence 5 AktG:

- BIOCEUTICALS Arzneimittel AG, Bad Vilbel (Chairman of the Supervisory Board)
- Amprion GmbH, Dortmund (Vice-Chairman of the Supervisory Board)

Furthermore, at the date of the publication of this invitation, Dr. rer. pol. Andreas Kretschmer is Vice Chairman of the Supervisory Board of GSW Immobilien AG, Berlin. In the notice of the general meeting of GSW Immobilien AG effected on April 24, 2015, it was announced that Dr. rer. pol. Andreas Kretschmer has resigned from his office with effect at the end of the general meeting of GSW Immobilien AG on June 2, 2015.

In the opinion of the Supervisory Board, there are no personal or business relationships relevant to the voting of the Annual General Meeting between Dr. rer. pol. Andres Kretschmer on one side, and the Deutsche Wohnen Group, the executive bodies of Deutsche Wohnen AG or any shareholder with, directly or indirectly, more than 10% of the voting shares of Deutsche Wohnen on the other side.

Dr. rer. pol. Andreas Kretschmer studied economics with a focus on auditing and further earned a degree in law from Johann Wolfgang Goethe University in Frankfurt/Main. In 1977 he received a Ph.D. in Economics from Johannes Gutenberg University in Mainz. From 1973 to 1992 he held various managerial positions at Dresdner Bank AG. From 1991 to 1992, he also worked as head of finance at Treuhandanstalt. In 1992, Dr. Kretschmer joined Ärzteversorgung Westfalen-Lippe in Münster/Westfalen, initially as head of capital investment before being appointed as CEO in 2009.

b) Election of Mr. Matthias Hünlein

Mr. Matthias Hünlein, resident in Oberursel, Managing Director of Tishman Speyer Properties Deutschland GmbH, Frankfurt/Main, shall be appointed as a member of the Supervisory Board of Deutsche Wohnen AG for a term of office until the closing of the Annual General Meeting that resolves upon the discharge for the fourth financial year after the beginning of the term of office, not including the financial year in which the term of office commences.

At the date of the publication of this invitation Mr. Matthias Hünlein is a member of the Supervisory Board of GSW Immobilien AG, Berlin. In the notice of the general meeting of GSW Immobilien AG effected on April 24, 2015, it was announced that Mr. Matthias Hünlein has resigned from his office with effect at the end of the general meeting of GSW Immobilien AG on June 2, 2015. There are no other memberships of supervisory boards and supervisory bodies within the meaning of Section 285 para. 2 no. 10 HGB, in conjunction with Section 125 para. 1 sentence 5 AktG.

In the opinion of the Supervisory Board, there are no personal or business relationships relevant to the voting of the Annual General Meeting between Mr. Matthias Hünlein on one side and the businesses of Deutsche Wohnen Group, the executive bodies of Deutsche Wohnen AG or any shareholder with, directly or indirectly, more than 10% the voting shares of Deutsche Wohnen AG on the other side.

Mr. Matthias Hünlein received his law degree (*Erstes juristisches Staatsexamen*) from the University of Passau. He began his professional career in 1990 with the Deutsche Bank Group after taking his bar exam (*Zweites Staatsexamen*). Among other positions, he worked at Deutsche Bank-Investmentgesellschaft DB Real Estate Management GmbH (now RREEF Management GmbH) and was managing director of DB Real Estate Spezial Invest GmbH (now RREEF Spezial Invest GmbH), where he was responsible for product development and customer service. In November 2005, Matthias Hünlein joined Tishman Speyer Properties

Deutschland GmbH where he is responsible, as managing director, for customer service and capital-raising activities in Europe and the Middle East.

7. Resolution on the adjustment of the remuneration of the Supervisory Board and corresponding amendment to the Articles of Association as well as amendment to the Articles of Association pertaining to the term of office of succeeding members of the Supervisory Board

The Management Board and the Supervisory Board, the latter of which upon recommendation of its Executive Committee, propose to the Annual General Meeting to pass the following resolution on an adjustment to the remuneration of the Supervisory Board and a corresponding amendment to Article 6 para. 6 of the Articles of Association:

“Article 6

- (6) Each ordinary member of the Supervisory Board of Deutsche Wohnen AG shall receive an annual fee of EUR 60,000. The chairman of the Supervisory Board shall receive double this amount, and the vice-chairman shall receive one-and-a-half times the remuneration of an ordinary member. In addition, each member of the Audit Committee shall receive a lump sum of EUR 10,000 per financial year; the chairman of the Audit Committee shall receive double this amount. Membership in other committees of the Supervisory Board, with the exception of the Nomination Committee, shall be compensated in the amount of EUR 5,000 per financial year, per member and committee. If a financial year is shorter than twelve months, remuneration shall be paid on a pro rata basis. Supervisory Board members who are not a member of the Supervisory Board or a committee for a full financial year, or who have not held the position of chairman or vice-chairman of the Supervisory Board, or who have not been chairman of a committee for a full financial year, shall be remunerated for their activities on a pro rata basis for each calendar month started. Each member of the Nomination Committee shall receive EUR 2,500 per meeting. The remuneration and the meeting attendance fees shall each be paid after the Annual General Meeting.”

The aforementioned amendment to the Articles of Association shall supersede the current regulation on the remuneration of the Supervisory Board and shall apply for the first time for the financial year beginning on January 1, 2015.

In addition, Article 6 para. 2 sentence 4 of the Articles of Association contains the following regulation:

“If a Supervisory Board member is elected in place of a resigning member for whom there is no succeeding replacement member, this member's term of office shall endure for the remainder of the departing member's term of office.”

The regulation under Article 6 para. 2 sentence 4 of the Articles of Association means that Supervisory Board elections are occurring more frequently and are therefore causing the Company unnecessary costs.

The Management Board and the Supervisory Board thus propose the following resolution to the Annual General Meeting:

Articles 6 para. 2 sentence 4 of the Articles of Association shall be deleted without replacement.

8. Resolution on the creation of an Authorized Capital 2015 with the possibility to exclude subscription rights and cancel the existing authorized capital, as well as the associated amendment to the Articles of Association

By way of a resolution of the Annual General Meeting on June 11, 2014, the Management Board was authorized, with the consent of the Supervisory Board, to increase the share capital of the Company, once or several times during the period until June 10, 2017, by up to EUR 85,000,000.00 by issuing up to 85,000,000 new, no-par value bearer shares in return for contributions in cash and/or in kind (Authorized Capital 2014/I).

In order for the Company to remain flexible in the future to increase its equity capital as necessary (including due to the exclusion of subscription rights in the issuance of new shares against cash contributions), the existing Authorized Capital 2014 is to be canceled, a new authorized capital is to be resolved and the Articles of Association are to be amended accordingly.

The Management Board and Supervisory Board therefore propose to pass the following resolution:

a) Creation of an Authorized Capital 2015 with the possibility of excluding subscription rights

The Management Board is authorized, with the consent of the Supervisory Board, to increase the Company's share capital, once or several times in the period until June 11, 2018, by up to EUR 100,000,000.00 by the issuance of up to 100,000,000 new no-par value bearer shares against contributions in cash and/or in kind (Authorized Capital 2015).

Shareholders are to be granted subscription rights in principle. Pursuant to Section 186 para. 5 AktG, the shares may also be assumed by one or several credit institutions, with the obligation to offer such shares to the Company's shareholders for subscription (“indirect subscription right”). The Management Board is, however, authorized, subject to the approval of the Supervisory Board, to exclude shareholders’ subscription rights for one or more capital increases from authorized capital:

- aa) to exclude fractional amounts from subscription rights;
- bb) insofar as it is necessary to grant holders or creditors of convertible bonds, bonds with warrants, participation rights and/or participating bonds (or combinations of these instruments) (hereinafter referred to collectively as “**bonds**”), which are carrying conversion or option rights or conversion or option obligations and have been or will be issued by the Company, an entity dependent on the Company or an entity in which the Company holds a direct or indirect majority interest, a subscription right to new, no-par value bearer shares of the Company to the extent to which such holders or creditors would be entitled after exercising their option or conversion rights or fulfilling their conversion or option obligations;
- cc) to issue shares against contributions in cash, provided the issue price of the new shares is not significantly lower than the market price of the shares already listed within the meaning of Section 203 para. 1 and para. 2, and Section 186 para. 3, sentence 4 AktG and the pro rata amount of the share capital attributable to the new shares excluded from subscription rights according to Section 186 para. 3, sentence 4 AktG does not exceed 10% of the Company's share capital, neither at the date on which the authorization becomes effective nor the date on which such authorization is exercised. This restriction to 10% of the share capital shall also include shares that were issued to service bonds carrying conversion or option rights, or conversion or option obligations, or are to be issued based on the conversion price prevailing at the time of the resolution of the Management Board on the utilization of the Authorized Capital 2015, insofar as these bonds were issued, as specified by Section 186 para. 3 sentence 4 AktG, during the period of this authorization with the exclusion of subscription rights. Furthermore, this limit of 10% of share capital shall also include the Company's treasury shares that were sold within the term of this authorization with the exclusion of shareholders' subscription rights pursuant to Section 71 para. 1 No. 8 sentence 5 clause 2, in conjunction with Section 186 para. 3 sentence 4 AktG;

- dd) to the extent this is necessary to be able to issue shares to individuals who are or were employees of the Company and/or its affiliates, in particular under the stock option plan described in item 16 of the agenda to the Annual General Meeting of the Company on June 11, 2014, whereby the pro rata amount of the new shares issued from the share capital must not exceed 5% of the share capital, neither at the date on which the resolution on this authorization was passed, nor the date on which such authorization is exercised. This 5% restriction shall also include the Company's treasury shares and shares from the Company's conditional capital that were granted to employees and executive bodies of the Company or its affiliates during the term of this authorization;
- ee) to issue shares in return for contributions in kind, especially for – but not limited to – the purpose of the direct (or indirect) acquisition of companies, parts of companies, participations in companies, or other assets (in particular real estate portfolios and shares in real estate companies) or to service bonds that were issued in return for contributions in kind.

The total of the above-mentioned authorizations for excluding subscription rights for capital increases against contributions in cash and/or in kind shall not exceed 20% of the share capital, either at the date on which the authorization becomes effective or the date on which such authorization is exercised. This 20% limit shall also include treasury shares sold during the term of this authorization with the exclusion of subscription rights as well as those shares that are issued to service bonds (including participation rights) carrying conversion or option rights and/or a conversion obligation (or a combination of these instruments) or are to be issued based on the conversion price prevailing at the time of the Management Board's resolution on the utilization of the Authorized Capital 2015, provided that the bonds or participation rights were issued with the exclusion of shareholders' subscription rights during the term of this authorization. The above-mentioned 20% limit shall also include those shares that were or are to be issued from conditional capital to service stock option rights, provided that the stock option rights were granted during the term of this authorization.

The Management Board shall also be authorized, subject to the approval of the Supervisory Board, to define the further details of share rights and the terms of share issuance.

b) Amendment to Article 4a of the Articles of Association

Article 4a of the Company's Articles of Association shall be revised as follows for the Authorized Capital 2015:

“Article 4a

- (1) The Management Board is authorized, with the consent of the Supervisory Board, to increase the Company's share capital, on one or several occasions in the period until June 11, 2018, by up to EUR 100,000,000.00 by issuing up to 100,000,000 new no-par value bearer shares in return for contributions in cash and/or in kind (Authorized Capital 2015).
- (2) Shareholders shall be granted subscription rights in principle. Pursuant to Section 186 para. 5 AktG, the shares may also be assumed by one or several banks, provided that the bank or banks undertake to offer these shares to the Company's shareholders for subscription (“indirect subscription right”). The Management Board shall, however, be authorized, with the consent of the Supervisory Board, to exclude shareholders’ subscription rights for one or more capital increases in connection with the authorized capital:
 - (i) to exclude fractional amounts from subscription rights;
 - (ii) insofar as it is necessary to grant holders or creditors of convertible bonds, bonds with warrants, participation rights and/or participating bonds (or combinations of these instruments) (hereinafter referred to collectively as “**bonds**”), which have carrying conversion or option rights or conversion or option obligations and were or are still to be issued by the Company, an entity dependent on the Company or an entity in which the Company holds a direct or indirect majority interest, a subscription right to new, no-par value bearer shares of the Company to the extent to which such holders or creditors would be entitled after exercising their option or conversion rights or fulfilling their conversion or option obligations;
 - (iii) to issue shares against contributions in cash, provided the issue price of the new shares is not significantly lower than the market price of the shares already listed within the meaning of Section 203 para. 1 and para. 2 and Section 186 para. 3 sentence 4 AktG and the pro rata amount of the

new shares excluded from subscription rights according to Section 186 para. 3 sentence 4 AktG does not exceed 10% of the Company's share capital, either at the date on which the authorization becomes effective or the date on which such authorization is exercised. This restriction to 10% of the share capital shall also include shares that were issued to service bonds carrying conversion or option rights, or conversion or option obligations, or are to be issued based on the conversion price prevailing at the time of the resolution of the Management Board on the utilization of the Authorized Capital 2015, insofar as these bonds were issued, as specified by Section 186 para. 3 sentence 4, AktG, during the period of this authorization, with the exclusion of subscription rights. This upper limit of 10% of the share capital shall also include those treasury shares of the Company that were sold during the term of this authorization, with the exclusion of shareholders' subscription rights pursuant to Section 71 para. 1 No. 8 sentence 5 clause 2, in conjunction with Section 186 para. 3 sentence 4 AktG;

- (iv) to the extent this is necessary to be able to issue shares to individuals who are or were employees of the Company and/or its affiliates, in particular under the stock option plan described in item 16 of the agenda to the Annual General Meeting of the Company on June 11, 2014, whereby the pro rata amount of the new shares issued from the share capital must not exceed 5% of the share capital, either at the date on which the resolution on this authorization was passed, or the date on which this authorization was exercised. This 5% restriction shall also include the Company's treasury shares and shares from the Company's conditional capital that were granted to employees and executive bodies of the Company or its affiliates during the term of this authorization;
 - (v) to issue shares against contributions in kind, especially for – but not limited to – the purpose of the direct (or indirect) acquisition of companies, parts of companies, participations in companies, or other assets (in particular real estate portfolios and shares in real estate companies) or to service bonds issued in return for contributions in kind.
- (3) The total of the aforementioned authorizations to exclude subscription rights for capital increases against contributions in cash and/or in kind shall not exceed 20% of the share capital, either at the date on which this authorization becomes

effective or the date on which such authorization is exercised. This 20% limit shall also include treasury shares sold during the term of this authorization, with the exclusion of subscription rights as well as those shares that are issued to service bonds (including participation rights) carrying conversion or option rights and/or a conversion obligation (or a combination of these instruments), or are to be issued based on the conversion price prevailing at the time of the Management Board's resolution on the utilization of the Authorized Capital 2015, provided that the bonds or participation rights were issued with the exclusion of shareholders' subscription rights during the term of this authorization. Furthermore, the above-mentioned 20% limit shall also include those shares that are or are to be issued from conditional capital to service stock option rights, provided that the stock option rights were granted during the term of this authorization.

- (4) The Management Board shall also be authorized, with the consent of the Supervisory Board, to define the further details of share rights and the terms and conditions of share issuance.”

c) Cancellation of the existing authorized capital

The authorization granted by the Annual General Meeting on June 11, 2014 to increase the share capital in accordance with Article 4a of the Articles of Association for the period until June 10, 2017 shall be canceled once the new Authorized Capital 2015 takes effect.

d) Application for entry in the commercial register

The Management Board is instructed to apply for entry in the commercial register of the cancellation, resolved under c), of the authorized capital contained in Article 4a of the Articles of Association and of the new Authorized Capital 2015 resolved under a) and b), with the proviso that the cancellation is entered first but only if the new Authorized Capital 2015 is entered immediately afterwards.

Subject to the preceding paragraph, the Management Board is authorized to apply for the Authorized Capital 2015 to be entered into the commercial register regardless of any other resolutions passed by the Annual General Meeting.

9. Resolution on the granting of a new authorization to issue convertible bonds and/or bonds with warrants, as well as participation rights with conversion or option rights (or a combination of these instruments), in a volume of up to EUR 1.5 billion with the possibility to exclude subscription rights; creation of a new Conditional Capital 2015 in the amount of EUR 50 million, cancellation of the existing (residual) authorization to issue convertible bonds and bonds with warrants, partial cancellation of the existing Conditional Capital 2014/I and corresponding amendment to the Articles of Association

By means of a resolution of the Annual General Meeting on June 11, 2014, the Management Board was authorized, subject to the approval of the Supervisory Board, to issue bonds with warrants, convertible bonds, participation rights and/or participating bonds (or a combination of these instruments) (hereinafter referred to as “**Bonds 2014**”) with a total nominal value of up to EUR 950,000,000.00, with or without a limitation on maturities, on one or several occasions in the period until June 10, 2019. A Conditional Capital 2014/I in the amount of EUR 50,000,000.00 was created to service the Bonds 2014 (Article 4b para. 2 of the Articles of Association).

The Company exercised this authorization in part in September 2014 by means of the private placement of a convertible bond with a total nominal value of EUR 400,000,000.00 with simplified exclusion of subscription rights. This bond can be converted, among other things, into up to 25,000,000 new no-par value shares to be created on the basis of the Conditional Capital 2014/I, each representing a pro rata amount of the Company’s share capital of EUR 1.00. As a result, the authorization granted by the Annual General Meeting on June 11, 2014 can no longer be used flexibly, as the possibility for simplified exclusion of subscription rights has been mostly exhausted.

In order for the Company to remain flexible in the future to issue convertible bonds and/or bonds with warrants and/or participation rights carrying option or conversion rights (or a combination of these instruments) when necessary – including with simplified exclusion of subscription rights – and to be able to back these instruments with shares to service the resulting option or conversion rights, the Authorization 2014 and the Conditional Capital 2014/I – provided they have not been exercised and/or do not need to be reserved – shall be canceled and replaced with a new authorization and a new conditional capital (Conditional Capital 2015).

Given that the Authorization 2014/I is to be canceled by the following resolution insofar as it has not been exercised, and that therefore no further bonds may be issued under the authorization from this point in time, the existing Conditional Capital 2014/I for securing the Bonds 2014 must only be reserved up to an amount of EUR 25,000,000.00. An amount of

EUR 25,000,000.00 of the Conditional Capital 2014/I can therefore be canceled and the Articles of Association amended accordingly.

The Management Board and Supervisory Board therefore propose to pass the following resolution:

a) Authorization to issue convertible bonds, bonds with warrants, participation rights and/or participating bonds (or combinations of these instruments) and to exclude subscription rights

aa) Nominal amount, authorization period, number of shares

The Management Board shall be authorized, with the consent of the Supervisory Board, to issue convertible bearer or registered bonds, bonds with warrants, participation rights and/or participating bonds (or combinations of these instruments) (hereinafter referred to collectively as “**bonds**”) in a nominal amount of up to EUR 1,500,000,000.00, with or without a limitation on maturities, on one or several occasions in the period until June 11, 2020, and to grant the creditors or holders of the bonds conversion or option rights to shares of the Company with a pro rata amount of up to EUR 50,000,000.00 of the share capital, as set out in the terms and conditions of such bonds with warrants, convertible bonds and participation rights (hereinafter referred to as the “**Terms and Conditions**”). The relevant Terms and Conditions may also stipulate mandatory conversions at maturity or at other times, including an obligation to exercise the conversion or option right. Bonds may also be issued in return for a contribution in kind.

In addition to euro, the bonds may also be issued in the official currency of any OECD country – provided the corresponding euro equivalent is not exceeded. The bonds may also be issued by dependent companies or enterprises in which the Company has a direct or indirect majority stake; in this case, the Management Board shall be authorized to guarantee the bonds on behalf of the dependent or majority-owned company and to grant the creditors of such bonds conversion or option rights to the Company's shares. When the bonds are issued, they may be/are usually divided into multiple partial bonds with equal rights.

bb) Granting of subscription rights, exclusion of subscription rights

Shareholders shall be granted a subscription right to the bonds in principle. The bonds may also be underwritten by one or more bank(s) subject to the proviso that these banks offer these indirectly to the shareholders for subscription (indirect

subscription right), pursuant to Section 186 para. 5 AktG. The Management Board shall, however, be authorized, with the consent of the Supervisory Board, to exclude the shareholders' subscription rights:

- (1) to exclude fractional amounts from subscription rights;
- (2) insofar as it is necessary to grant holders of bonds already issued or to be issued by the Company, or an entity in which the Company directly or indirectly holds a majority interest, a subscription right to the extent to which such holders are entitled after exercising their option or conversion rights or after fulfilling their conversion or option obligations as a shareholder;
- (3) insofar as the bonds carrying conversion or option rights or conversion or option obligations are issued against cash, and the issue price is not significantly below the theoretical value of the partial bonds determined using recognized actuarial principles, pursuant to Section 221 para. 4 sentence 2 and Section 186 para. 3 sentence 4 AktG. However, this authorization to exclude subscription rights shall apply only to the extent that bonds with rights to shares do not represent more than 10% pro rata of the share capital, either at the date on which this authorization becomes effective or the date on which such authorization is exercised. This restriction shall also include the sale of treasury shares, insofar as they are sold within the term of this authorization with the exclusion of subscription rights pursuant to Section 71 para. 1 No. 8 sentence 5 clause 2, in conjunction with Section 186 para. 3 sentence 4 AktG. Furthermore, this restriction shall also include those shares that were issued within the term of this authorization from authorized capital with the exclusion of subscription rights pursuant to Section 203 para. 2 sentence 2, in conjunction with Section 186 para. 3 sentence 4 AktG;
- (4) insofar as the bonds are issued in return for contributions in kind, provided that the value of the contribution in kind is commensurate with the market value of the bonds as determined in the manner described in paragraph (a), bb), para. 3 above.

The aforementioned authorizations for excluding subscription rights may not, in sum, exceed 20% of the share capital, either at the date on which this authorization becomes effective or the date on which such authorization is exercised. This 20% limit shall also include treasury shares that were sold during the term of this

authorization with the exclusion of subscription rights and such shares that have been issued from authorized capital during the term of this authorization with exclusion of shareholders' subscription rights. The above-mentioned 20% limit shall also include those shares that were or are to be issued from conditional capital to service stock option rights, provided that the stock option rights were granted during the term of this authorization.

Insofar as participation rights or participating bonds bearing no conversion or option rights or conversion or option obligations are issued, the Management Board shall also be authorized, with the consent of the Supervisory Board, to completely exclude shareholders' subscription rights if these participation rights or participating bonds carry similar rights to other bonds, i.e., they do not convey membership rights in the Company, nor do they grant a share in the proceeds of a liquidation and the interest yield is not calculated based on the amount of net income for the year, net retained profits or the dividend. In addition, the interest yield and the issuing amount of the participation rights or participating bonds in this case must correspond with prevailing market conditions for similar borrowing at the time of issue.

cc) Conversion and option rights

If bonds featuring conversion rights are issued, the creditors may convert their bonds into shares in the Company according to the Terms and Conditions. The conversion ratio is calculated by dividing the nominal amount of one partial bond by the fixed conversion price for one share of the Company. The conversion ratio can also be determined by dividing the issue price of a partial bond, which is lower than the nominal value, by the fixed conversion price for one share of the Company. The conversion ratio may be rounded up or down to a whole number, moreover, an additional cash payment may be determined. Moreover, provision may be made that fractions shall be combined and/or compensated for in cash. The terms may also provide for a variable conversion ratio. The proportionate amount of the share capital of each partial bond to the purchased shares shall not exceed the nominal value of each partial bond.

If bonds with warrants are issued, one or more warrants shall be attached to each partial bond, entitling the bearer to purchase shares in the Company pursuant to the provisions of the Terms and Conditions as stipulated by the Management Board. The option provisions may also allow for the option price to be settled in full or in part through the transfer of partial bonds. The subscription ratio is calculated by

dividing the nominal amount of one partial bond by the option price for one share of the Company. The subscription ratio may be rounded up or down to a whole number; moreover, an additional cash payment may be provided for. Furthermore, it may be provided that fractional amounts may be combined and/or settled in cash. The Terms and Conditions may also provide for a variable subscription ratio. The proportionate amount of the share capital represented by the shares to be subscribed to per partial bond must not exceed the nominal value of the individual partial bond.

dd) Conversion and option obligations

The Terms and Conditions of the bonds may also establish a conversion or option obligation at the end of the term or at another point in time (also referred to in each case as “**maturity**”) or may provide for the right of the Company to grant the bond holders Company shares in lieu of part or all of the cash amount due at maturity. In such cases, the conversion or option price for one share may conform to the volume-weighted average of the closing rates of the Company's share in Xetra trading (or an equivalent successor system) on the Frankfurt Stock Exchange during the ten (10) successive days of trading before or after the maturity date, even if this is lower than the minimum price referred to in a) ee) below.

The proportionate amount of the share capital represented by the shares to be subscribed to per bond at maturity must not exceed the nominal value of the individual partial bond. Section 9 para. 1, in conjunction with Section 199 para. 2 AktG shall be complied with.

ee) Conversion or option price

The conversion or option price to be set for a share must – with the exception of cases where there is provision for an option or conversion obligation – amount to either at least 80% of the volume-weighted average closing price of the Company's share in Xetra trading (or an equivalent successor system) during the ten (10) trading days in Frankfurt am Main prior to the date the Management Board makes its final decision on the placement of bonds or on the assumption or allocation by the Company of bonds as part of a placement, or – in the case of a subscription right being granted – at least 80% of the volume-weighted average closing price of the Company's share in Xetra trading (or an equivalent successor system) during (i) the days on which the subscription rights are traded on the Frankfurt Stock Exchange, excluding the last two trading days of subscription rights, or (ii) the days

between the start of the subscription period and the date and time at which the final subscription price is set. Section 9 para. 1 and Section 199 AktG shall remain unaffected.

In the case of bonds carrying conversion or option rights or conversion or option obligations, the conversion or option price, Section 9 para. 1 AktG notwithstanding, may, based on a dilution clause, be reduced in accordance with the Terms and Conditions if the Company increases its share capital during the conversion or option term, granting subscription rights to its shareholders in the process, or if the Company issues additional bonds or grants or guarantees other option rights, and the bearers of bonds carrying conversion or option rights or conversion or option obligations are not granted subscription rights to the extent that would be due to them after exercising their conversion or option rights or after fulfillment of conversion or option obligations. Pursuant to the specific provisions of the Terms and Conditions of the bonds, the reduction in the option or conversion price may also be fulfilled by a cash payment upon exercise of the option or conversion right or upon fulfillment of conversion or option obligations. The Terms and Conditions may also provide for a value-preserving adjustment of the conversion or option price if other measures are implemented that may lead to a dilution in the value of the conversion or option rights (e.g. payment of a dividend). In any case, the proportionate amount of the share capital of the shares to be subscribed to per partial bond must not exceed the nominal value of the respective partial bond.

ff) Other possible structures

The Terms and Conditions may stipulate that treasury shares, shares from the Company's authorized capital or other forms of compensation may also be granted where conversion or option rights are exercised or option and conversion obligations are fulfilled. Furthermore, it may be stipulated that the Company shall not grant the holders of bonds any Company shares in the event of the exercise of conversion or option rights or the fulfillment of option and conversion obligations, but shall instead pay the equivalent value in cash or grant listed shares in another company.

Conversely, the Terms and Conditions may also give the Company the right, upon maturity of the bonds, to grant the holders of the bonds shares in the Company or listed shares in another company in lieu of part or all of the cash payment due.

The Terms and Conditions of the bonds may also provide for the number of shares to be subscribed to upon exercise of the conversion or option rights or upon fulfillment of the conversion or option obligations to be variable and/or for the conversion or option price to be subject to change within a range to be determined by the Management Board, depending on the development of the share price or as a result of anti-dilution clauses during the term to maturity.

gg) Authorization to stipulate the further terms and conditions of the bonds

The Management Board shall be authorized to stipulate the further details concerning the issue and structure of the bonds, specifically the interest rate, issue price, term and denomination, conversion or option price and the conversion or option period, and/or to determine these in agreement with the executive bodies of the company issuing the bonds, the dependent company or the directly or indirectly majority-owned company.

b) Conditional Capital 2015

The share capital is conditionally increased by up to EUR 50,000,000.00 through the issue of up to 50,000,000 new no-par value bearer shares with participation rights (Conditional Capital 2015). The conditional capital increase serves to grant shares – upon exercise of conversion or option rights or upon fulfillment of conversion or option obligations – to the holders or creditors of convertible bonds, bonds with warrants, participation rights and/or participating bonds (or combinations of these instruments) (hereinafter referred to collectively as “**bonds**”), issued on the basis of the aforementioned authorization.

The new shares shall be issued at the conversion or option price to be fixed in accordance with the aforementioned authorization. The conditional capital increase shall only be executed to the extent to which the holders or creditors of bonds issued or guaranteed by the Company, a company dependent on the Company or a company directly or indirectly majority-owned by the Company make use of its conversion or option rights or fulfill conversion or option obligations arising from such bonds, based on the aforementioned authorization resolution by the Annual General Meeting, or to the extent to which the Company grants shares in the Company in lieu of payment of the cash payment due and insofar as the conversion or option rights or conversion or option obligations are not serviced with treasury shares, shares from authorized capital or other forms of compensation.

The new shares shall participate in profits from the start of the financial year in which they are created and for all subsequent financial years. The Management Board shall be authorized to stipulate the further details of the execution of the conditional capital increase.

c) Cancellation of the non-exercised authorization of June 11, 2014 and partial cancellation of the Conditional Capital 2014/I

The authorization of the Management Board, dated June 11, 2014, to issue bonds with warrants and/or convertible bonds, participation rights or participating bonds, or a combination of these instruments shall be partly canceled, insofar as it has not been exercised through the issue of convertible bonds on September 8, 2014 with the registration of the proposed amendment to the Articles of Association under Agenda Item 9 d). The Conditional Capital 2014/I created by way of a resolution of the Annual General Meeting on June 11, 2014 in the amount of EUR 50,000,000.00, pursuant to Article 4b of the Articles of Association, shall be canceled upon registration of the proposed amendment to the Articles of Association under Agenda Item 9 d), insofar as the Conditional Capital 2014/I only remains in a partial amount of EUR 25,000,000.00.

d) Amendment to Article 4b of the Articles of Association

Paragraph 2 of Article 4b of the Articles of Association shall be revised as follows, and Article 4b of the Articles of Association shall be expanded to include paragraph 3:

“Article 4b

- (2) The share capital shall be increased on a conditional basis by up to EUR 25,000,000.00 by means of the issue of up to 25,000,000 new no-par value bearer shares carrying participation rights (Conditional Capital 2014/I). The conditional capital increase shall only be carried out to the extent that the bearers of the convertible bonds issued by the Company against cash contributions in September 2014 exercise their conversion right in accordance with the bond terms and conditions, or the Company, in accordance with the bond terms and conditions, exercises its option to repay each bond in full or in part in shares at its respective maturity date, and insofar as no other forms of compensation are used to service the bonds. In the event of conversion, the new shares shall be issued at the applicable conversion price in accordance with the bond terms and conditions. The new shares shall participate in profits from the start of the financial year in which they are created. The Management Board is authorized,

with the consent of the Supervisory Board, to specify the further details of the execution of the conditional capital increase.

- (3) The share capital shall be increased on a contingent basis by up to EUR 50,000,000.00 by means of the issue of up to 50,000,000 new no-par value bearer shares with participation rights (Conditional Capital 2015). The conditional capital increase serves to grant shares – upon exercise of conversion or option rights or upon fulfillment of conversion or option obligations – to the holders or creditors of convertible bonds, bonds with warrants, participation rights and/or participating bonds (or combinations of these instruments) (hereinafter referred to collectively as “**bonds**”), issued on the basis of the authorization resolution by the Annual General Meeting on June 12, 2015.

The new shares shall be issued at the conversion or option price to be fixed in accordance with the aforementioned authorization. The conditional capital increase shall only be executed to the extent to which the holders or creditors of bonds issued or guaranteed by the Company, a company dependent on the Company or a company directly or indirectly majority-owned by the Company make use of its conversion or option rights or fulfills conversion or option obligations arising from such bonds, based on the aforementioned authorization resolution by the Annual General Meeting, or to the extent to which the Company grants shares in the Company in lieu of payment of the cash amount due, and insofar as the conversion or option rights or conversion or option obligations are not serviced with treasury shares, shares from authorized capital or other forms of compensation.

The new shares shall participate in profits from the start of the financial year in which they are created and for all subsequent financial years. The Management Board shall be authorized to specify the further details of the execution of the conditional capital increase.”

e) Registration for entry in the commercial register, authorization to amend the Articles of Association

The Management Board shall be instructed to register for entry in the commercial register the partial cancellation and revised version of the Conditional Capital 2014/I contained in Article 4b para. 2 of the Articles of Association, resolved under c) and d) above in this Agenda Item 9, and the new Conditional Capital 2015 pursuant to b) and d) above of this

Agenda Item 9, on the proviso that the partial cancellation of the Conditional Capital 2014/I is entered first, but only if the Conditional Capital 2015 is entered in immediate succession.

The Management Board shall be authorized, subject to the above paragraph, to apply for entry in the commercial register of the Conditional Capital 2015 regardless of any other resolutions passed by the Annual General Meeting.

10. Resolution on the approval to enter into a domination and profit and loss transfer agreement between Deutsche Wohnen AG and Larry I Targetco (Berlin) GmbH

Deutsche Wohnen AG and Larry I Targetco (Berlin) GmbH concluded a domination and profit and loss transfer agreement on April 28, 2015.

The Management Board and Supervisory Board propose that approval be granted for the conclusion of the domination and profit and loss transfer agreement.

The agreement is worded as follows:

„Domination and Profit and Loss Transfer Agreement

between

Deutsche Wohnen AG,
Pfaffenwiese 300, 65929 Frankfurt/Main,

a stock corporation (Aktiengesellschaft) entered in the commercial register of Frankfurt/Main Local Court under HRB 42388 B (hereinafter referred to as the *Controlling Company*),

and

Larry I Targetco (Berlin) GmbH,
Mecklenburgische Str. 57, 14197 Berlin,

a limited liability company (Gesellschaft mit beschränkter Haftung) entered in the commercial register of Charlottenburg Local Court under HRB 145420 B (hereinafter referred to as the *Controlled Company*, together with the Controlling Company as the *Parties* and each individually as the *Party*).

Preamble

The Controlling Company is sole shareholder of the Controlled Company, which shall transfer its profits to the Controlling Company from January 1, 2015. The Controlled Company would also like to assign management responsibility for its operations to the Controlling Company. In light of this, the Parties agree to the following:

Section 1

Management of the Controlled Company

- (1) The Controlled Company shall assign management responsibility for its operations to the Controlling Company.
- (2) The Controlling Company shall be authorized to issue the management of the Controlled Company with directives on how to manage the Controlled Company. The Controlled Company shall undertake to comply with these directives.

Section 2

Transfer of Profit

- (1) The Controlled Company undertakes to transfer its entire profits to the Controlling Company. The provisions of the prevailing version of Section 301 AktG shall 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) The Controlled Company may (with the consent of the Controlling Company) allocate amounts from net profit for the year to revenue reserves pursuant to Section 272 para. 3 German Commercial Code (*Handelsgesetzbuch*, HGB), but only to the extent that this is permitted under commercial law and justified based on prudent commercial judgment. Any other revenue reserves set up during the term of this Agreement pursuant to Section 272 para. 3 HGB shall be released at the request of the Controlling Company
- (3) The transfer of amounts from the release of other revenue reserves under (2), which were set up prior to the commencement of this Agreement, shall be excluded.
- (4) The transfer of amounts from the release of capital reserves shall be excluded.

Section 3
Assumption of Loss

The provisions of the prevailing version of Section 302 AktG shall apply accordingly.

Section 4
Term of the Agreement, Termination

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

(2) The Agreement shall enter into effect upon its entry in the commercial register at the registered office of the Controlled Company. 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, but no earlier than for the financial year starting on January 1, 2015.

(3) The Agreement may be terminated by giving proper notice of six months 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 be renewed for one year at a time, remaining subject to the same notice period.

(4) The right of early termination for cause remains unaffected. In particular, the Controlling Company shall be authorized to terminate the Agreement for cause if it ceases to hold the majority of the voting rights in the Controlled Company, or if one of the events covered in Section 60 para. 6, sentence 2 German Corporation Tax Directive 2004 (Körperschaftsteuerrichtlinie, KStR 2004), or any other management directive, occurs.

(5) Notice of termination must be given in writing.

Section 5
Final Provisions

(1) Any amendments or addenda 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 invalid or unenforceable in whole or in part, this shall not affect the validity, enforceability or

execution of the remaining provisions of this Agreement. The Parties shall replace any provision that proves invalid or unenforceable with one that is valid and enforceable and corresponds as closely 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.”

11. Resolution on the approval to enter into a domination and profit and loss transfer agreement between Deutsche Wohnen AG and Larry II Targetco (Berlin) GmbH

Deutsche Wohnen AG and Larry II Targetco (Berlin) GmbH concluded a domination and profit and loss transfer agreement on April 28, 2015.

The Management Board and Supervisory Board propose that approval be granted for the conclusion of the domination and profit and loss transfer agreement.

The agreement is worded as follows:

„Domination and Profit and Loss Transfer Agreement

between

Deutsche Wohnen AG,
Pfaffenwiese 300, 65929 Frankfurt/Main,

a stock corporation (Aktiengesellschaft) entered in the commercial register of Frankfurt/Main Local Court under HRB 42388 B (hereinafter referred to as the *Controlling Company*),

and

Larry II Targetco (Berlin) GmbH,
Mecklenburgische Str. 57, 14197 Berlin,

a limited liability company (Gesellschaft mit beschränkter Haftung) entered in the commercial register of Charlottenburg Local Court under HRB 145424 B (hereinafter referred to as the *Controlled Company*, together with the Controlling Company as the *Parties* and each individually as the *Party*).

Preamble

The Controlling Company is sole shareholder of the Controlled Company, which shall transfer its profits to the Controlling Company from January 1, 2015. The Controlled Company would also like to assign management responsibility for its operations to the Controlling Company. In light of this, the Parties agree to the following:

Section 1

Management of the Controlled Company

- (1) The Controlled Company shall assign management responsibility for its operations to the Controlling Company.
- (2) The Controlling Company shall be authorized to issue the management of the Controlled Company with directives on how to manage the Controlled Company. The Controlled Company shall undertake to comply with these directives.

Section 2

Transfer of Profit

- (1) The Controlled Company undertakes to transfer its entire profits to the Controlling Company. The provisions of the prevailing version of Section 301 AktG shall 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) The Controlled Company may (with the consent of the Controlling Company) allocate amounts from net profit for the year to revenue reserves pursuant to Section 272 para. 3 German Commercial Code (*Handelsgesetzbuch*, HGB), but only to the extent that this is permitted under commercial law and justified based on prudent commercial judgment. Any other revenue reserves set up during the term of this Agreement pursuant to Section 272 para. 3 HGB shall be released at the request of the Controlling Company
- (3) The transfer of amounts from the release of other revenue reserves under (2), which were set up prior to the commencement of this Agreement, shall be excluded.
- (4) The transfer of amounts from the release of capital reserves shall be excluded.

Section 3
Assumption of Loss

The provisions of the prevailing version of Section 302 AktG shall apply accordingly.

Section 4
Term of the Agreement, Termination

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

(2) The Agreement shall enter into effect upon its entry in the commercial register at the registered office of the Controlled Company. 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, but no earlier than for the financial year starting on January 1, 2015.

(3) The Agreement may be terminated by giving proper notice of six months 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 be renewed for one year at a time, remaining subject to the same notice period.

(4) The right of early termination for cause remains unaffected. In particular, the Controlling Company shall be authorized to terminate the Agreement for cause if it ceases to hold the majority of the voting rights in the Controlled Company, or if one of the events covered in Section 60 para. 6, sentence 2 German Corporation Tax Directive 2004 (Körperschaftsteuerrichtlinie, KStR 2004), or any other management directive, occurs.

(5) Notice of termination must be given in writing.

Section 5
Final Provisions

(1) Any amendments or addenda 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 invalid or unenforceable in whole or in part, this shall not affect the validity, enforceability or execution

of the remaining provisions of this Agreement. The Parties shall replace any provision that proves invalid or unenforceable with one that is valid and enforceable and corresponds as closely 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.”

II. Management Board reports

1. Management Board report on Agenda Item 8 (Resolution on the creation of Authorized Capital 2015 with the possibility to exclude subscription rights and cancel the existing authorized capital, as well as the associated amendment to the Articles of Association)

With regard to Agenda Item 8 of the Annual General Meeting on June 12, 2015, the Management Board and the Supervisory Board propose to cancel the partially unutilized Authorized Capital 2014 and replace this with a new authorized capital (Authorized Capital 2015). Pursuant to Section 203 para. 2 sentence 2, in conjunction with Section 186 para. 4 sentence 2 AktG, the Management Board shall provide this report on Agenda Item 8 concerning the reasons for authorizing the exclusion of shareholders' subscription rights when issuing new shares:

By means of a resolution of the Annual General Meeting on June 11, 2014, the Management Board was authorized, with the consent of the Supervisory Board, to increase the share capital of the Company, on one or several occasions during the period until June 10, 2017, by up to EUR 85,000,000.00, by issuing up to 85,000,000 new, no-par value bearer shares against contributions in cash and/or in kind (Authorized Capital 2014).

In order for the Company to remain flexible in future to extensively increase its equity capital (including due to the exclusion of subscription rights of new shares against cash contributions), where necessary, the existing Authorized Capital 2014 is to be canceled, a new authorized capital is to be resolved and the Articles of Association are to be amended accordingly.

The new authorized capital under item 8 a) of the agenda to the Annual General Meeting on June 12, 2015, shall authorize the Management Board, with the consent of the Supervisory Board, to increase the Company's share capital, on one or several occasions during the period until June 11, 2018, by up to EUR 100,000,000.00, by issuing up to 100.000.000 new no-par value bearer shares in return for contributions in cash and/or in kind (Authorized Capital 2015).

The Authorized Capital 2015 will enable the Company to continue to raise the capital it needs for its further development on the capital markets in the short term by issuing new shares, and

to be flexible enough to benefit from a favorable market environment in order to fulfill any future financing requirements quickly. As decisions regarding the fulfillment of any future capital requirements generally have to be taken at short notice, it is important that the Company is not restricted by the frequency of the Annual General Meetings or by the long notice period required for convening an Extraordinary General Meeting. Legislators have made accommodations for this situation in the form of the “Authorized Capital”.

Upon utilization of the Authorized Capital 2015 for the issuance of shares against contributions in cash, shareholders shall have subscription rights in principle (Section 203 para. 1 sentence 1, in conjunction with Section 186 para. 1 AktG), although indirect subscription rights within the meaning of Section 186 para. 5 AktG shall also suffice. According to the law, the issuance of shares with the granting of such an indirect subscription right is not deemed to be an exclusion of subscription rights. Shareholders are ultimately granted the same subscription rights as with a direct subscription. For settlement-related reasons, only one or several banks are involved in the transaction.

The Management Board shall, however, be authorized, with the consent of the Supervisory Board, to exclude subscription rights in certain cases.

- (i) The Management Board shall, with the consent of the Supervisory Board, be able to exclude subscription rights for fractional amounts. The aim of this exclusion of subscription rights is to simplify the process of issuing new shares with basic subscription rights to shareholders, as this makes a technically feasible subscription ratio possible. The value of the fractional amounts is usually low per shareholder; therefore, the potential dilutive effect is likewise considered to be low. On the other hand, the cost of issuing shares without such an exclusion is significantly higher. The exclusion therefore serves to ensure that an issuance is practical and easier to carry out. The fractions of new shares excluded from the shareholders' subscription rights shall be realized either by sale on the stock exchange or in any other manner so as to best further the Company's interests. The Management Board and Supervisory Board deem the potential exclusion of subscription rights as factually justified for these reasons and reasonable in consideration of shareholder interests.
- (ii) The Management Board shall also be able to exclude subscription rights, with the consent of the Supervisory Board, insofar as this is necessary to grant the holders or creditors of convertible bonds, bonds with warrants, participation rights and/or participating bonds (or combinations of these instruments) (hereinafter referred to collectively as “**bonds**” with a subscription right to new shares). The terms and

conditions of issuance for bonds with conversion or option rights or conversion or option obligations often contain a dilution protection provision, which grants the holders or creditors a subscription right to new shares in the event of subsequent share issues and certain other measures. They will thus be treated as though they were already shareholders. In order to be able to provide the bonds with such dilution protection, shareholders' subscription rights must be excluded from these shares. This facilitates the placement of the bonds and thus fulfills the shareholders' interests in the Company having an optimum financial structure. Furthermore, the exclusion of subscription rights also has the advantage for the holders or creditors of bonds that, in the case of the authorization being exercised, the option or conversion price for the holders or creditors of already existing bonds does not have to be discounted in accordance with the respective terms and conditions of the bonds.

- (iii) Subscription rights can also be excluded in the event of cash capital increases, if the shares are issued at a price that is not significantly lower than the market price and such an increase in capital does not exceed 10% of the share capital (simplified exclusion of subscription rights in accordance with Section 186 para. 3 sentence 4 AktG).

The authorization enables the Company to respond flexibly to any favorable capital market situations that arise and to flexibly place new shares at very short notice, i.e., without having to offer subscriptions for at least two weeks. The exclusion of subscription rights allows for an extremely quick response and placement close to the market price, i.e., without the usual discount for issuing subscriptions. This lays the foundations for achieving the highest possible disposal amount and for increasing equity as much as possible. The authorization for the simplified exclusion of subscription rights is objectively justified not least by the fact that an increased cash inflow can often be generated.

Such a capital increase must not exceed 10% of the share capital that exists on the date on which the authorization becomes effective or on the date on which it is exercised. The resolution proposal also provides for a deduction clause. The restriction to a maximum of 10% of the share capital, to which this exclusion of subscription rights relates, shall include shares that were issued to service bonds with conversion or option rights or conversion or option obligations pursuant to Section 221 para. 4 sentence 2, in conjunction with Section 186 para. 3 sentence 4 AktG, during the term of this authorization, with the exclusion of subscription rights, or which are to be issued based on the conversion price prevailing at the time of the resolution of the Management Board concerning the utilization of the Authorized Capital 2015, insofar as these bonds

were issued, as specified by Section 186 para. 3 sentence 4 AktG, during the period of this authorization, with the exclusion of subscription rights. The sale of treasury shares shall also be included, insofar as they are sold within the term of this authorization based on an authorization pursuant to Section 71 para. 1 No. 8 sentence 5 clause 2, in conjunction with Section 186 para. 3 sentence 4 AktG, with the exclusion of subscription rights.

The simplified exclusion of subscription rights strictly specifies that the issue price of the new shares may not be significantly lower than the market price. Any discount on the prevailing market price or a volume-weighted market price during an appropriate number of trading days prior to the final fixing of the issue amount shall, with the exception of special circumstances in individual cases, presumably be no more than approx. 5% of the relevant market price. This also takes into account the shareholders' protection requirement in terms of a dilution of the value of their shareholding. Fixing the issue price close to the market price ensures that the value of a subscription right to the new shares is very low, to all intents and purposes. Shareholders have the option to maintain their relative shareholding by acquiring the requisite number of shares on the stock exchange.

- (iv) Shareholders' subscription rights are also to be excluded for shares designated to be issued to employees of the Company and/or its affiliates, and in particular as part of the stock option program described under Agenda Item 16 of the Company's Annual General Meeting on June 11, 2014, whereby the pro rata amount of the new shares issued from the share capital must not exceed a total of 5% of the share capital of the Company, either on the date the resolution for this authorization is passed by the Annual General Meeting, or on the date on which this authorization is exercised. The issue of employee shares shall give employees a stake in the Company and allow them to participate in its success, thus helping to increase employee loyalty to the Company. The shares issued in accordance with this authorization, together with treasury shares of the Company and Company shares from conditional capital issued to employees or executive bodies of the Company or its affiliates, must not exceed a pro rata amount of 5% of the share capital, either at the date on which the resolution for this authorization is passed by the Annual General Meeting, or the date on which this authorization is exercised.
- (v) Subscription rights can also be excluded for capital increases against contributions in kind. The Company should also be able to continue to make acquisitions, in particular of companies, parts of companies, participations or other assets (in particular real estate

portfolios and shares in real estate companies), and respond to acquisition and merger offers, to strengthen its competitiveness, and increase the profitability and value of the Company. Furthermore, the exclusion of subscription rights shall also be used to service conversion or option rights, or conversion or option obligations, arising from bonds issued against contributions in kind.

Experience shows that shareholders of attractive acquisition targets will sometimes have a strong interest – e.g. in order to maintain a certain influence over the contribution in kind – in acquiring no-par value shares in the Company as compensation. The option to use other means of payment, rather than just cash, but also shares, or exclusively shares, also has the advantage – from the perspective of achieving an optimum financing structure – where new shares can be used as acquisition currency, of protecting the Company's liquidity, avoiding borrowing, and allowing the seller to participate in future share performance. This results in an improvement in the Company's competitive position in terms of acquisitions.

The option to use Company shares as acquisition currency thus gives the Company the necessary scope to seize such acquisition opportunities quickly and flexibly, and allows the Company to acquire even larger entities in return for shares. It should also be possible, in some circumstances, to acquire assets and commodities (in particular, real estate portfolios and shares in real estate companies) in return for shares. In both cases, it must be possible to exclude shareholders' subscription rights. Given that such acquisitions often have to be made at short notice, it is important that these decisions are not generally resolved at Annual General Meetings, which are held just once a year. This requires an authorized capital, which the Management Board is able to access quickly with the consent of the Supervisory Board.

The same applies to the servicing of conversion or option rights, or conversion or option obligations, arising from bonds, which are likewise issued for the purpose of acquiring companies, parts of companies, participations in companies, or other assets, based on the authorization under Agenda Item 9 of the Annual General Meeting on June 12, 2015, with the exclusion of shareholders' subscription rights. New shares are issued against contributions in kind, either in the form of the bond to be provided or the contribution in kind made on the bond. This increases the Company's flexibility with respect to servicing the conversion or option rights, or conversion or option obligations. Offering bonds instead of or in addition to granting shares or cash contributions can be an attractive alternative, which increases the Company's competitive position in terms of acquisitions, due to the additional flexibility of bonds. The shareholders are protected

by the subscription right allocated to them upon issue of the bonds with conversion or option rights, or conversion or option obligations.

Instances in which subscription rights can be excluded for bonds carrying conversion or option rights or conversion or option obligations are detailed in the report on Agenda Item 9. When opportunities arise to merge with other companies or to acquire companies, parts of companies, participations in companies, or other assets, the Management Board shall carefully check in each case whether it should make use of the authorization to increase capital by granting new shares. This also includes, in particular, reviewing the valuation ratio between the company and the investment made in the company or other assets, as well as the setting of the issue price for new shares and the other terms of share issuance. The Management Board shall use the authorized capital only if it is confident that the merger with or acquisition of the company or part of the company or the acquisition of a shareholding in return for the granting of new shares is in the best interests of the Company and its shareholders. The Supervisory Board shall only grant its required consent if it is of the same opinion.

The aforementioned authorizations for excluding subscription rights may not, in sum, exceed 20% of the share capital, either at the date on which the authorization becomes effective or the date on which such authorization is exercised. This 20% limit shall also include treasury shares sold during the term of this authorization, with the exclusion of subscription rights, as well as those shares issued to service bonds (including participation rights) carrying conversion or option rights or a conversion obligation (or a combination of these instruments), provided the bonds or participation rights were issued during the term of this authorization, with the exclusion of shareholders' subscription rights. Furthermore, the above-mentioned 20% restriction shall also include those shares issued from conditional capital to service stock option rights, provided that the stock option rights are granted during the term of this authorization. This restriction also limits any potential dilution of voting rights of shareholders excluded from subscription rights. In consideration of all of these circumstances, the authorization to exclude subscription rights within the outlined limits is necessary, commensurate, appropriate and in the interest of the Company.

If, during the course of a financial year, the Management Board exercises one of the aforementioned authorizations to exclude subscription rights as part of a capital increase from the Authorized Capital 2015, the Management Board shall report on this matter at the next Annual General Meeting.

2. Report of the Management Board on Agenda Item 9 (Resolution on the granting of a new authorization to issue convertible bonds and/or bonds with warrants, as well as participation rights with conversion or option rights, in a volume of up to EUR 1.5 billion, with the possibility to exclude subscription rights; creation of a new Conditional Capital 2015 in the amount of EUR 50 million, cancellation of the existing (residual) authorization to issue convertible bonds and bonds with warrants; partial cancellation of the existing Conditional Capital 2014/I and corresponding amendment to the Articles of Association)

Under Agenda Item 9 of the Annual General Meeting on June 12, 2015, the Management Board and Supervisory Board propose the partial cancellation of the existing authorizations to issue convertible bonds, bonds with warrants, participation rights and/or participating bonds (and/or a combination of these instruments) (hereinafter referred to collectively as “**bonds**”), as well as the corresponding Conditional Capital 2014/I, and the creation of a new authorization and new Conditional Capital 2015. Pursuant to Section 221 para. 4 sentence 2, in conjunction with Section 186 para. 4 sentence 2 AktG, the Management Board is providing this report on Agenda Item 9 of the Annual General Meeting concerning the reasons for authorizing the exclusion of shareholders’ subscription rights when issuing new bonds:

By way of a resolution of the Annual General Meeting on June 11, 2014, the Management Board was authorized, with the consent of the Supervisory Board, to issue bearer or registered convertible bonds and/or bonds with warrants and/or participation rights with option or conversion rights (or a combination of these instruments) in the period until June 10, 2019, in the nominal amount of up to EUR 950,000,000.00, with or without a limitation on maturity (“**Authorization 2014**”). A Conditional Capital 2014/I in the amount of EUR 50,000,000.00 was created to service the bonds (Article 4b para. 2 of the Articles of Association).

By way of partially exercising this authorization, the Company issued a convertible bond with a total nominal value of EUR 400,000,000.00 in a private placement on September 8, 2014, with simplified exclusion of shareholder rights; this bond can be converted, among other things, into up to 25,000,000 new no-par value shares to be created on the basis of the Conditional Capital 2014/I, each representing a pro rata amount of EUR 1.00 of the Company’s share capital. As a result, the authorization granted by the Annual General Meeting on June 11, 2014 can no longer be used flexibly. In particular, the possibility for a simplified exclusion of subscription rights is almost exhausted. In light of this, the Management Board and Supervisory Board consider it appropriate to cancel the existing Authorization 2014 and the existing Conditional Capital 2014/I to the extent that they had not yet been utilized, and to replace these, respectively, with a new authorization and a new conditional capital.

Given that the Authorization 2014 is to be canceled by means of the following resolution, to the extent that it has not been exercised, and that no further bonds may therefore be issued under this authorization from this point in time, the existing Conditional Capital 2014/I for securing the conversion rights of the convertible bond issued on September 8, 2014 must only be reserved in an amount of EUR 25,000,000.00. An amount of EUR 25,000,000.00 of the Conditional Capital 2014/I can therefore be canceled and the Articles of Association can be amended accordingly.

In order to be able to make proper use of the spectrum of capital market instruments available to securitize conversion or option rights, it seems appropriate to set the permissible issue volume in the authorization at EUR 1,500,000,000.00. The conditional capital that serves to fulfill the conversion or option rights or conversion or option obligations shall amount to EUR 50,000,000.00. This shall ensure that the full scope of this authorization can be utilized. The number of shares necessary to service conversion or option rights, conversion or option obligations, or to grant shares in lieu of the cash amount due from a bond with a certain issue volume, generally depends on the market price of the Company's share at the date of issue of the bond. When sufficient conditional capital is available, this ensures that full use can be made of the authorization scope for the issue of bonds.

Adequate capital resources are a basic requirement for the development of the Company. By issuing convertible bonds and bonds with warrants, the Company can exploit attractive financing opportunities, depending on the market situation, to acquire capital at low interest rates. By issuing participation rights carrying conversion or option rights, for example, the interest can also be based on the Company's current dividend. The generated conversion and option premiums accrue to the Company upon issue. Practice shows that some financing instruments can only be placed by way of granting option or conversion rights.

In principle, shareholders shall be granted a subscription right to the bonds upon issue of bonds with warrants and convertible bonds, as well as participation rights and/or participating bonds with conversion or option rights (Section 221 para. 4, in conjunction with Section 186 para. 1 AktG). The Management Board may make use of the option to issue bonds to one or several banks subject to the proviso that these banks offer the bonds to the shareholders in line with their subscription right (indirect subscription right pursuant to Section 186 para. 5 AktG). This is not a limitation of the subscription rights of shareholders. Shareholders are ultimately granted the same subscription rights as with a direct subscription. For settlement-related reasons, only one or several banks are involved in the transaction.

- (i) The Management Board shall, however, be able to exclude subscription rights for fractional amounts, with the consent of the Supervisory Board. The aim of this exclusion of subscription rights is to simplify the process of issuing new shares with basic shareholders' subscription rights, as this makes a technically feasible subscription ratio possible. The fractional amount per shareholder is usually low; therefore, the potential dilutive effect is likewise to be considered low. On the other hand, the cost of issuing shares without such an exclusion is significantly higher. The exclusion therefore serves to ensure that an issuance is practical and easier to carry out. The Management Board and Supervisory Board deem the potential exclusion of subscription rights as factually justified for these reasons and reasonable in consideration of shareholder interests.
- (ii) The Management Board shall also be authorized, with the consent of the Supervisory Board, to exclude shareholders' subscription rights, in order to grant bearers or creditors of bonds a subscription right to the extent to which they would have been entitled after exercising their conversion or option rights or upon fulfillment of their conversion or option obligations. This offers the possibility to offer the holders or creditors of bonds already issued at this point, or bonds that have still to be issued, a subscription right as a means of protection against dilution, instead of a discount on the option or conversion price. This is in line with the market standard to provide bonds with such dilution protection.
- (iii) Pursuant to Section 186 para. 3 sentence 4 AktG, the Management Board shall also be authorized, with the consent of the Supervisory Board, to exclude this subscription right for an issue of bonds against cash if the issue price of the bonds is not significantly lower than their market value. This may be appropriate in order to be able to quickly exploit favorable stock market situations and place a bond quickly and flexibly on the market at attractive conditions. As the stock markets can be volatile, achieving the most advantageous issue result possible increasingly depends on the ability to react quickly to market developments. Favorable conditions that are as close to the market as possible can generally only be established if the Company is not tied to these for an excessively long offer period. In the case of subscription rights issues, a significant haircut is usually necessary to ensure the issue's chances of success for the entire offer period. Section 186 para. 2 AktG permits publication of the subscription price (and therefore the terms and conditions of this bond for convertible bonds and bonds with warrants) up until the third-to-last day of the subscription period; however, in view of the volatility of the stock markets, there is also a market risk for several days, which leads to

deductions of safety margins in setting bond terms and conditions. In addition, when a subscription right is granted, an alternative placement with third parties is more difficult and/or incurs additional expense due to the uncertainty that the rights will be exercised (subscription behavior). Finally, when granting a subscription right the Company cannot react quickly to a change in market conditions due to the length of the subscription period, and this can lead to the Company raising capital at less favorable conditions.

The interests of the shareholders are protected because the bonds are not issued significantly below the market value. The market value must be calculated in accordance with recognized actuarial principles. When pricing the bond, the Management Board shall keep the discount on the market value as low as possible, taking the prevailing capital market situation into account. This means that the calculated value of a subscription right will be so low that the shareholders will not suffer any material economic disadvantage due to the exclusion of the subscription right.

Setting the conditions in line with the market and therefore avoiding a significant dilution of value can also be achieved if the Management Board carries out a book-building process. In this process, investors are asked to submit purchase applications based on provisional bond terms and conditions, and to specify, for example, the interest rate deemed to be in line with the market and/or other economic components. At the end of the book-building period, the conditions that were previously still pending, such as the interest rate, will be stipulated in accordance with supply and demand on the market on the basis of the purchase applications submitted by investors. This means that the total value of the bonds will be determined in line with the market. Using this kind of book-building process will enable the Management Board to ensure that there will be no significant dilution of the share value as a result of the exclusion of subscription rights.

The shareholders shall also have the opportunity to maintain their share of the Company's share capital at virtually the same conditions through acquisition on the stock exchange. As a result, their financial interests will be adequately protected. The authorization to exclude subscription rights pursuant to Section 221 para. 4 sentence 2, in conjunction with Section 186 para. 3 sentence 4 AktG, applies only to bonds with rights to shares representing no more than 10% of the share capital, either at the date on which the authorization becomes effective or the date on which such authorization is exercised.

This restriction shall also include the sale of treasury shares, insofar as they are sold within the term of this authorization with the exclusion of subscription rights pursuant to Section 71 para. 1 No. 8 sentence 5 clause 2, in conjunction with Section 186 para. 3 sentence 4 AktG. This restriction shall also include shares that are issued from authorized capital during the term of this authorization, with the exclusion of subscription rights pursuant to Section 203 para. 2 sentence 1, in conjunction with Section 186 para. 3 sentence 4 AktG. Including these shares is in the interests of shareholders, to ensure the smallest possible dilution of their shareholding.

- (iv) Bonds may also be issued in return for contributions in kind, provided that this is in the Company's interests. In such cases, the Management Board shall be authorized, with the consent of the Supervisory Board, to exclude shareholders' subscription rights, provided that the value of the contribution in kind is commensurate with the theoretical market value of the bonds calculated in accordance with recognized actuarial principles. This opens up the possibility to also use bonds as acquisition currency in appropriate individual cases, for example in connection with the acquisition of companies, shares in companies or other assets. It has been shown in practice that it is frequently necessary to provide the consideration not in cash but also, or exclusively, in another form. The possibility to offer bonds as a consideration therefore creates an advantage in the competition for attractive acquisition targets and provides the necessary scope to exploit opportunities that arise to purchase – even larger – companies, shares in companies or other assets, while preserving liquidity. This can also be sensible from the perspective of achieving an optimum financing structure. The Management Board shall carefully assess in each individual case whether it will exercise its authorization to issue bonds with conversion or option rights, or conversion or option obligations, in return for contributions in kind, with the exclusion of subscription rights. It shall only do this if it is in the interests of the Company and therefore its shareholders.

The aforementioned authorizations for excluding subscription rights may not, in sum, exceed 20% of the share capital, either at the date on which this authorization becomes effective or the date on which this authorization is exercised. The above-mentioned 20% limit shall also include treasury shares that are sold during the term of this authorization, with exclusion of subscription rights, as well as those shares that have been issued during the term of this authorization from other authorized capitals, with the exclusion of shareholders' subscription rights. In addition, the aforementioned 20% limit shall include those shares that were or are to be issued from conditional capital to service stock option rights, provided that the stock option rights were granted during the term of this authorization. This restriction also limits any potential dilution

of voting rights of shareholders excluded from subscription rights. In consideration of all of these circumstances, the authorization to exclude subscription rights within the outlined limits is necessary, commensurate, appropriate and in the interest of the Company.

Insofar as participation rights or participating bonds bearing no conversion or option rights or conversion or option obligations are to be issued, the Management Board shall be authorized, with the consent of the Supervisory Board, to completely exclude shareholders' subscription rights if these participation rights or participating bonds carry similar rights to other bonds, i.e., they do not convey membership rights in the Company, nor do they grant a share in the proceeds of a liquidation, and the rate of interest is not calculated on the basis of net income for the year, net retained profits or the dividend. In addition, the interest rate and the issuing amount of the participation rights or participating bonds must be in line with prevailing market conditions for similar borrowing at the time of issue. If the above requirements are fulfilled, the exclusion of subscription rights will not have any adverse effects for the shareholders, since the participation rights or participating bonds do not convey any entitlement to membership rights, a share in the proceeds of any liquidation, or the Company's profits. Although it is possible to stipulate that the interest yield be dependent on the achievement of a net income for the year, a net retained profit or a dividend, it would not be permissible to create a regulation whereby a higher net income for the year, a higher net retained profit or a higher dividend would result in a higher interest yield. Therefore, the issue of participation rights or participating bonds shall not change or dilute either the voting rights or the stake of the shareholders in the Company or its profits. In addition, the market-driven issuing conditions, which are mandatory for this case of subscription rights exclusion, do not give rise to any notable subscription right value.

The planned conditional capital serves to fulfill conversion or option rights to shares of the Company from bonds issued, or to grant the creditors or holders of bonds shares in the Company in lieu of payment of the cash amount due. It is also stipulated that conversion or option rights or conversion or option obligations may also be serviced instead by the provision of treasury shares or shares from authorized capital, or by other means of compensation.

If, during the course of a financial year, the Management Board exercises one of the aforementioned authorizations to exclude subscription rights as part of a bonds issue, the Management Board shall report on this matter at the next Annual General Meeting.

3. Report of the Management Board on the issuance of convertible bonds based on the authorization of June 11, 2014, with the exclusion of subscription rights in September 2014

On September 8, 2014, the Company issued an unsecured, unsubordinated convertible bond with a term until September 8, 2021 and a total nominal value of EUR 400,000,000.00 (hereinafter referred to as the “**Convertible Bonds 2014**”). The Convertible Bonds 2014 can be converted into up to 25,000,000 new no-par value bearer shares of Deutsche Wohnen AG.

The Convertible Bonds 2014 were issued at 100% of their nominal value. The bond creditors have the right to request early repayment of the Convertible Bonds 2014 five years from the issue date, at 100% of the nominal value, plus accrued interest. The Company is authorized to call the Convertible Bonds 2014 for repayment from four years from the issue date, in accordance with the bond terms and conditions, if the market price of the bearer shares of Deutsche Wohnen AG amounts to at least 130% of the conversion price over a certain period of time. As part of an accelerated bookbuilding process the annual coupon was set at 0.875% and the initial conversion premium was set at 27.5% above the reference price of EUR 17.3346. The initial conversion price thus amounts to EUR 22.1016. The reference price corresponded to the volume-weighted average price of the shares of Deutsche Wohnen AG in XETRA trading prior to the beginning of the placement up until the final price fixing of the Convertible Bonds 2014 on September 3, 2014. The issue of the Convertible Bonds 2014 thus conformed to the prevailing market conditions at the time of issue.

The right of the shareholders of Deutsche Wohnen AG to subscribe to the Convertible Bonds 2014 was excluded with the consent of the Supervisory Board. The Management Board and Supervisory Board believe that the exclusion of subscription rights was justified, as the Convertible Bonds 2014 were issued at conditions that were not significantly lower than the market price of the Deutsche Wohnen share. Financial instruments such as the Convertible Bonds 2014 are typically purchased by institutional investors. The private placement solely for institutional investors outside the United States, Canada, Australia and Japan was able to guarantee the required transaction security and quick settlement. The issue of the Convertible Bonds 2014 enabled the Company to use the favorable market conditions in particular to pay one-time costs in the amount of EUR 100 million as part of a refinancing measure (including prepayment penalties and costs for the unwinding of interest-rate swaps, entered into in connection with bank loans). In addition, proceeds amounting to around EUR 150 million were used to repay part of debts and bank loans. The remaining proceeds of EUR 150 million were used for general business purposes. The issue of the Convertible Bonds 2014 with the exclusion of subscription rights was therefore also in the interest of shareholders.

III. Additional information on convening the Annual General Meeting

1. Total number of shares and voting rights at the time of convening of the Annual General Meeting

At the time of convening of the Annual General Meeting the Company's share capital amounts to EUR 295,020,995.00 and is divided in 295,020,995 no-par value shares. Each no-par value share carries one vote at the Annual General Meeting. The total number of shares bearing participation and voting rights at the time of convening is 295,020,995. As of the convening the Company does not hold any treasury shares.

2. Requirements for attending the Annual General Meeting and exercising voting rights

Only those holders of bearer shares who have registered to attend on time shall be entitled to attend the Annual General Meeting and exercise their voting rights. Registration forms must therefore have been received by the Company by no later than on **Friday, June 5, 2015 at midnight (24:00) CEST** at the following address

Deutsche Wohnen AG
c/o HCE Haubrok AG
Landshuter Allee 10
80637 München
Fax: +49 (0) 89 210 27 289
E-mail: meldedaten@hce.de

and the holders of bearer shares must verify to the Company by **Friday, May 22, 2015 at midnight (00:00) CEST (record date)** that they are shareholders of the Company. A special shareholding certificate issued by the custodian bank shall suffice as proof of share ownership.

As with the registration form, the shareholding certificate must also have been received by the Company at the above address by no later than on **Friday, June 5, 2015 at midnight (24:00) CEST**. Registration and proof of share ownership must be provided in writing (pursuant to Section 126 b German Civil Code (*Bundesgesetzbuch*, BGB)) and must be in either German or English.

Additional information on the registration procedure can be found on the Company's website at <http://ir.deutsche-wohnen.com> (under "Annual General Meetings" > "Annual General Meeting 2015").

Importance of the record date:

Only those who have provided the special shareholding certificate as proof of their shareholdings shall be considered shareholders of the Company and be allowed to attend the Annual General Meeting and exercise their voting rights. The authorization to attend and the scope of the voting rights shall be based only on the shareholding as of the record date. The record date for furnishing proof of shareholdings does not restrict the disposability of shareholdings. Even in the case of a complete or partial disposal of the shareholding after the record date, participation in the Annual General Meeting and the scope of voting rights shall be determined only by the shareholder's shareholdings as of the record date. This means that disposals of shares after the record date shall have no influence on the shareholder's right to attend or the scope of the shareholder's voting rights. The same applies for purchases of shares and increases in share ownership after the record date. Individuals who do not hold any shares at the record date and only become shareholders thereafter shall not be eligible to attend the meeting or exercise voting rights, unless they obtain power of attorney or are authorized to exercise such rights.

3. Procedure for voting by proxy

Shareholders can also exercise their voting right at the Annual General Meeting via a proxy, e.g. a bank, a shareholders' association or another third party. Even if a shareholder is being represented by a proxy, the shareholder must register on time, and holders of bearer shares must also provide proof of their shareholdings on time. In addition, registered shareholders must show proof of registration in the share register, as described above.

The granting of proxy, revocation of proxy and proof of proxy authorization vis-à-vis the Company shall be submitted in writing, unless either a bank, a shareholders' association or persons, institutes, companies or associations equivalent to these pursuant to Section 135 para. 8 or Section 135 para. 10, in conjunction with Section 125 para. 5 AktG are granted proxy voting rights.

Where proxy voting powers are granted to banks, shareholders' associations or persons, institutes, companies or associations equivalent to these pursuant to Section 135 para. 8 or Section 135 para. 10, in conjunction with Section 125 para. 5 AktG, there is no written form requirement; however, the proxy must retain the letter of authority as verification. In addition, it must be complete and may only contain declarations relating to the exercise of the voting rights. We therefore ask shareholders who wish to grant proxy voting powers to a bank, a shareholders' association or persons, institutes, companies or associations equivalent to these pursuant to Section 135 para. 8 and Section 135 para. 10, in conjunction with Section 125 para. 5 AktG, to agree the form of proxy with the intended proxy.

If the shareholder grants power of proxy to more than one person, the Company may reject one or more of these proxies.

Shareholders who wish to authorize a proxy are requested to issue the authorization using the form provided for this by the Company. The Company shall provide the proxy form after registration, along with the ticket to the Annual General Meeting. A proxy form can also be downloaded from the Company's website at

<http://ir.deutsche-wohnen.com> (under “Annual General Meetings” > “Annual General Meeting 2015”).

Proof of the appointment of a proxy can also be sent to the Company electronically to the following e-mail address:

vollmacht@hce.de

Further information on the procedure for granting proxy can be found on the Company's website at

<http://ir.deutsche-wohnen.com> (under “Annual General Meetings” > “Annual General Meeting 2015”).

4. Procedure for voting through proxies appointed by the Company:

In addition, the Company shall once again offer its shareholders the possibility to grant power of proxy to employees appointed by the Company, who shall vote according to the respective shareholder's instructions. The proxies must vote according to the instructions they are given; they cannot exercise the voting rights at their own discretion. Please note that the Company-appointed proxies can only exercise voting rights on agenda items for which shareholders have given them clear instructions, and that proxies cannot accept instructions pertaining to procedural motions either prior to or during the Annual General Meeting. Similarly, proxies appointed by the Company cannot accept requests to address the Annual General Meeting, raise objections to resolutions passed at the Annual General Meeting or to ask questions or propose motions. Such proxy, accompanied by instructions for the Company-appointed proxies, can be granted prior to the Annual General Meeting only by way of the proxy and instruction form, which shareholders shall receive together with their ticket to the Annual General Meeting. The relevant form can also be downloaded from the Company's website at

<http://ir.deutsche-wohnen.com> (under “Annual General Meetings” > “Annual General Meeting 2015”).

Authorization of proxies appointed by the Company and detailed instructions for such proxies should be received by **midnight 24:00 CEST on Thursday, June 11, 2015**;; the written form requirement applies. Proxy authorization and instructions to the Company-appointed proxies by post, fax or e-mail should be sent to the following address:

Deutsche Wohnen AG
c/o HCE Haubrok AG
Landshuter Allee 10
80637 München Fax: +49 (0) 89 219 27 289
E-mail: vollmacht@hce.de

5. Other shareholder rights

a) Motions by shareholders to add items to the agenda pursuant to Section 122 para. 2 AktG

Shareholders whose collective holdings equate to one twentieth of the share capital or the proportionate amount of EUR 500,000.00 (equal to 500,000 shares) may request that items be placed on the agenda and announced. Each new agenda item must be accompanied by a statement of reasons or a draft resolution.

Such a request to add an item to the agenda shall be addressed to the Management Board in writing and must be received by the Company at least 30 days prior to the Annual General Meeting, not including the date of receipt and the date of the Annual General Meeting. The last possible date for submissions is therefore **midnight (24:00) CEST on Tuesday, May 12, 2015**. Requests that do not arrive by this deadline shall not be considered.

The affected shareholders shall verify that they have been holders of the shares for at least three months prior to the date of the Annual General Meeting and that they shall continue to hold the shares until a decision has been made about the request for the addition to the agenda (Section 122 para. 2 AktG, in conjunction with Section 122 para. 1 sentence 3 and Section 142 para. 2 sentence 2 AktG).

Please send any requests to add agenda items to the following address:

Deutsche Wohnen AG
Management Board
Mr. Dirk Sonnberg

Mecklenburgische Straße 57
14197 Berlin

b) Countermotions by shareholders pursuant to Section 126 AktG

Every shareholder has the right to file a countermotion against the proposals of the Management Board and/or the Supervisory Board at the Annual General Meeting, on certain items of the agenda. Such countermotions must be accompanied by a statement of reasons.

Countermotions received by the Company at the address below at least 14 days prior to the Annual General Meeting, not including the date of receipt and the date of the Annual General Meeting, i.e., by **midnight (24:00) CEST on Thursday, May 28, 2015**, shall be published, including the shareholder's name, the statement of reasons for the countermotion and the position of management, on the Company's website at

<http://ir.deutsche-wohnen.com> (under “Annual General Meetings” > “Annual General Meeting 2015”)

(see Section 126 para. 1 sentence 3 AktG).

Section 126 para. 2 AktG cites circumstances in which a countermotion and the reasons for it do not have to be published on the website. These are described on the Company's website at

<http://ir.deutsche-wohnen.com> (under “Annual General Meetings” > “Annual General Meeting 2015”). In particular, the statement of reasons for a countermotion do not need to be published if the length exceeds 5,000 characters.

Countermotions and the statement of reasons for them should be sent only to the following address:

Deutsche Wohnen AG
Investor Relations
Mecklenburgische Straße 57
14197 Berlin
Fax: + 49 (0) 30 89 786-5409

E-mail: ir@deutsche-wohnen.com

Countermotions sent to a different address shall not be published.

Countermotions shall be deemed to have been submitted only if they are proposed during the Annual General Meeting. This does not affect the right of any shareholder to propose countermotions to the various agenda items during the Annual General Meeting, even without prior and timely submission of such countermotions to the Company.

c) Candidate nominations by shareholders pursuant to Section 127 AktG

Every shareholder has the right at the Annual General Meeting to nominate candidates for election as auditor (Agenda Item 5) and members of the Supervisory Board (Agenda Item 6).

Candidate nominations by shareholders that are received by the Company at the address below at least 14 days prior to the Annual General Meeting, not including the date of receipt and the date of the Annual General Meeting, i.e., by **midnight (24:00) CEST on Thursday, May 28, 2015**, shall be published immediately on the Company's website at

<http://ir.deutsche-wohnen.com> (under “Annual General Meetings” > “Annual General Meeting 2015”). Candidate nominations by shareholders do not need to be published if they do not include the name, profession and place of residence of the proposed candidate. Candidate nominations do not require justification.

Section 127 para. 1 AktG, in conjunction with Section 126 para. 2 and Section 127 para. 3, in conjunction with Section 124 para. 3 sentence 4, Section 125 para. 1 sentence 5 AktG, state additional reasons why candidate nominations by shareholders do not need to be published on the website. These are described on the Company's website at

<http://ir.deutsche-wohnen.com> (under “Annual General Meetings” > “Annual General Meeting 2015”).

Candidate nominations should be sent to the following address:

Deutsche Wohnen AG
Investor Relations
Mecklenburgische Straße 57
14197 Berlin
Fax: + 49 (0) 30 89 786-5409
E-mail: ir@deutsche-wohnen.com

Candidate nominations sent to a different address shall not be published.

d) Information rights of shareholders

Pursuant to Section 131 para. 1 AktG, the Management Board shall, upon request during the Annual General Meeting, provide each shareholder with information concerning the Company's affairs, insofar as such information is necessary to make a proper assessment of the agenda item in question. This disclosure obligation of the Management Board also extends to the Company's legal and business relations with affiliates and to the position of the Group and companies included in its consolidated financial statements.

The Management Board may refuse to provide information in certain circumstances described in more detail in Section 131 para. 3 AktG. Detailed information on the circumstances in which the Management Board refuse to provide information can be found on the Company's website at

<http://ir.deutsche-wohnen.com> (under “Annual General Meetings” > “Annual General Meeting 2015”).

In addition: pursuant to Section 293g para. 3 AktG, each shareholder shall, upon request during the Annual General Meeting, be provided with information on Agenda Items 10 and 11 concerning all important matters of concern of the other contracting party, which are of relevance for the conclusion of the contract.

6. Publications on the website / Display of documents at the Company's premises / Additional information pursuant to Section 124a AktG

From the date of convening of the Annual General Meeting, in particular the following documents, in addition to this Invitation to the Annual General Meeting shall be available on the Company's website at

<http://ir.deutsche-wohnen.com> (under “Annual General Meetings” > “Annual General Meeting 2015”)

and shall be available for inspection by the shareholders at the business premises of Deutsche Wohnen AG in Frankfurt am Main (Pfaffenwiese 300, 65929 Frankfurt am Main) and in Berlin (Mecklenburgische Straße 57, 14197 Berlin):

Re. Agenda Items 1 and 2:

- The approved annual financial statements and the consolidated financial statements as of December 31, 2014 adopted by the Supervisory Board, the management

reports for the Company and the Group, including the Supervisory Board Report for financial year 2014, as well as the Explanatory Management Board Report to the Notes pursuant to Section 289 para. 4 and 5, and Section 315 para. 4 HGB as of December 31, 2014.

Re. Agenda Item 8:

- Report of the Management Board pursuant to Section 203 para. 2 sentence 2, in conjunction with Section 186 para. 4 sentence 2 AktG

Re. Agenda Item 9:

- Report of the Management Board pursuant to Section 221 para. 4 sentence 2, in conjunction with Section 186 para. 4 sentence 2 AktG

Re. Agenda Item 10:

- Domination and profit and loss transfer agreement between Deutsche Wohnen AG and Larry I Targetco (Berlin) GmbH dated April 28, 2015,
- the annual financial statements and consolidated financial statements of Deutsche Wohnen AG for financial years 2012, 2013 and 2014, as well as the management reports of Deutsche Wohnen AG and the consolidated management reports for financial years 2012, 2013 and 2014,
- the annual financial statements of Larry I Targetco (Berlin) GmbH for financial years 2012, 2013 and 2014, as well as
- the joint report, pursuant to Section 293a AktG, of the Management Board of Deutsche Wohnen AG and the management of Larry I Targetco (Berlin) GmbH.

Re. Agenda Item 11:

- Domination and profit and loss transfer agreement between Deutsche Wohnen AG and Larry II Targetco (Berlin) GmbH dated April 28, 2015,
- the annual financial statements and consolidated financial statements of Deutsche Wohnen AG for financial years 2012, 2013 and 2014, as well as the management reports of Deutsche Wohnen AG and the consolidated management reports for financial years 2012, 2013 and 2014,

- the annual financial statements of Larry II Targetco (Berlin) GmbH for financial years 2012, 2013 and 2014, as well as
- the joint report, pursuant to Section 293a AktG, of the Management Board of Deutsche Wohnen AG and the management of Larry II Targetco (Berlin) GmbH.

In addition:

- Report of the Management Board on the issue of convertible bonds based on the authorization of June 11, 2014, with the exclusion of subscription rights in September 2014.

The above documents shall also be available for inspection during the Annual General Meeting on Friday, June 12, 2015. The legal requirement shall be satisfied with publication on the Company's website. In addition, the documents shall be sent once, promptly and free of charge by post to each shareholder, at the shareholder's request.

Any countermotions, candidate nominations and requests for additions to the agenda made by shareholders shall also be published via the aforementioned Company website, provided they reach the Company by the specified deadlines and are subject to disclosure.

This Invitation has been forwarded to such media that can be expected to disseminate this information throughout the European Union.

Frankfurt am Main, May 2015

Deutsche Wohnen AG

The Management Board