



Deutsche Wohnen AG

Frankfurt/Main

ISIN DE000A0HN5C6

WKN A0HN5C

Invitation to the Annual General Meeting 2017

The shareholders of our Company are hereby invited to attend the

Annual General Meeting 2017

taking place

at

Kap Europa
Osloer Strasse, 60327 Frankfurt/Main

at 10:00 a.m. (CEST)

on Friday, June 2, 2017.

THIS IS A CONVENIENCE TRANSLATION OF THE GERMAN INVITATION TO THE GENERAL MEETING OF DEUTSCHE WOHNEN AG, WHICH IS PROVIDED TO SHAREHOLDERS FOR INFORMATIONAL PURPOSES ONLY. ONLY THE GERMAN VERSION OF THIS DOCUMENT IS LEGALLY BINDING ON DEUTSCHE WOHNEN AG. NO WARRANTY IS MADE AS TO THE ACCURACY OF THIS TRANSLATION AND DEUTSCHE WOHNEN AG ASSUMES NO LIABILITY WITH RESPECT THERETO.

I. Agenda

1. **Presentation of the approved annual financial statements of Deutsche Wohnen AG and the consolidated financial statements as of December 31, 2016 as adopted by the Supervisory Board, the combined management reports of Deutsche Wohnen AG and the Group, including the Supervisory Board Report for financial year 2016, as well as the Explanatory Management Board Report to the Notes pursuant to Section 289 para. 4 and Section 315 para. 4 of the German Commercial Code (*Handelsgesetzbuch*, HGB) as of December 31, 2016.**

The Supervisory Board has adopted the annual financial statements and consolidated financial statements of Deutsche Wohnen AG prepared by the Management Board; the annual financial statements of Deutsche Wohnen AG 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 2016 by Deutsche Wohnen AG**

The Management Board and the Supervisory Board propose to utilize the net profits of EUR 270,825,883.03 in the approved annual financial statements as of December 31, 2016 as follows:

Distribution to shareholders:

Distribution of a dividend of EUR 0.74 per bearer share with the securities identification number ISIN DE000A0HN5C6, bearing dividend rights for financial year 2016; for

354,660,404 bearer shares, this amounts to	EUR	262,448,698.96
Profit carry-forwards	EUR	8,377,184.07
Net profits	EUR	<u>270,825,883.03</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 publication of this invitation. Should the number of no-par value shares with ISIN DE000A0HN5C6 bearing

dividend rights for financial year 2016 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 of Deutsche Wohnen AG), the Annual General Meeting will be presented 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 0.74.

Insofar as the number of no-par value shares bearing dividend rights, and thus the total amount of dividend distributed, increases by EUR 0.74 per new share issued, the profit carry-forwards shall be reduced accordingly.

The dividend is due in accordance with Section 58 para. 4, sentence 2 of the German Stock Corporation Act (*Aktiengesetz*, AktG) in the version effective January 1, 2017 on the third business day following the resolution on the appropriation of distributable profits and is expected to be paid on Thursday, June 8, 2017.

3. Resolution on the discharge of the members of the Management Board for financial year 2016

The Management Board and the Supervisory Board propose that the officiating members of the Management Board in financial year 2016 be granted discharge for that financial year.

4. Resolution on the discharge of the members of the Supervisory Board for financial year 2016

The Management Board and the Supervisory Board propose that the officiating members of the Supervisory Board for financial year 2016 be granted discharge for that financial year.

5. Resolution on the appointment of the auditor of the annual financial statements and the auditor of the consolidated financial statements, as well as any possible audit review of the condensed interim financial statements and the interim management reports as well as any possible audit review of additional interim financial information

On the recommendation of the Audit Committee, the Supervisory Board proposes to appoint KPMG AG Wirtschaftsprüfungsgesellschaft, Berlin, Germany:

- (a) as auditor of the annual financial statements and the consolidated financial statements for financial year 2017;
- (b) in the event of an audited review of the condensed interim financial statements and the interim management reports (Sections 37w para. 5 and 37y no. 2 of the German Securities Trading Act (*Wertpapierhandelsgesetz*, WpHG)) for the half-year of financial year 2017 as auditor for such an audited review; and
- (c) in the event of an audited review of additional interim financial statements (Section 37w para. 7 WpHG) for the first and/or third quarter of financial year 2017 and/or for the first quarter of financial year 2018 as auditor for such an audited review.

6. Election to the Supervisory Board

Pursuant to Sections 95, 96 para. 1, Section 101 para. 1 AktG and Article 6 para. 1 of the Articles of Association of Deutsche Wohnen AG, the Supervisory Board is composed of six members, all of whom are to be elected by the shareholders.

The term of office of Mr. Wolfgang Clement as member of the Supervisory Board of Deutsche Wohnen AG shall end effective with the closing of the Annual General Meeting on June 2, 2017, due to the passage of time pursuant to Article 6 para. 1 sentence 2 of the Articles of Association of Deutsche Wohnen AG. As a result, one member of the Supervisory Board shall be newly elected.

By taking into consideration the objectives resolved by the Supervisory Board for its composition and by consulting a specialized agent, the Nomination Committee has applied a customary selection process for the determination of suitable candidates and provided the Supervisory Board with the most suitable candidate based on its assessment.

Based on the recommendation of the Nomination Committee, the Supervisory Board proposes to resolve the following:

Mr. Jürgen Fenk, residing in Frankfurt am Main, Germany, member of the management board of Landesbank Hessen-Thüringen Girozentrale, shall be appointed as a member of the Supervisory Board of Deutsche Wohnen AG as of October 1, 2017, 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 his term of office, not including the financial year in which the term of office commences.

Due to Mr. Jürgen Fenk's mandate as member of the management board of Landesbank Hesse-Thüringen Girozentrale, a creditor to Deutsche Wohnen AG, until September 30, 2017 and the additional functions of Mr. Jürgen Fenk within the Landesbank Hesse-Thüringen Girozentrale Group until September 30, 2017, his term as member of the Supervisory Board of Deutsche Wohnen AG shall only start on October 1, 2017.

Mr. Jürgen Fenk received his degree in business administration at the Ludwig-Maximilians University in Munich, Germany. He began his career at Bayerische Vereinsbank (later HypoVereinsbank (HVB)) in Germany and France in the area International Real Estate Financing and was essential in the spin-off of the Hypo Real Estate Group. From 2003 to 2009, as CEO of Hypo Real Estate Bank International, he was responsible for the Commercial Real Estate Financing Business in Europe, the United States and Asia and, in this function, was active in Ireland, Germany and the United States. Since 2009, Jürgen Fenk has been with Landesbank Hessen-Thüringen (Helaba), initially as Division Manager Real Estate Lending until 2010 and, after working at BAWAG P.S.K. as Head of Commercial Real Estate Finance from 2010 to 2012, since 2012 as member of the management board for the Divisions Real Estate Lending, Real Estate Management, Financial Institutions & Public Finance and Management. He is leaving the management board of Helaba effective September 30, 2017 at his own request.

Mr. Jürgen Fenk is currently a member of the following statutory supervisory boards within the meaning of Section 125 para. 1 sentence 5 clause 1 AktG:

- GWH Immobilien Holding GmbH, Frankfurt am Main, Germany, Chairman of the Supervisory Board (until September 30, 2017)
- OFB Projektentwicklung GmbH, Frankfurt am Main, Germany, Chairman of the Supervisory Board (until September 30, 2017)

Mr. Jürgen Fenk is currently a member of comparable domestic supervisory bodies at commercial enterprises within the meaning of Section 125 para. 1 sentence 5 clause 2 AktG:

- Frankfurter Sparkasse, Frankfurt am Main, First Vice Chairman of the Administrative Board (until September 30, 2017)

The Supervisory Board has confirmed with Mr. Jürgen Fenk that he is able to devote the expected amount of time required. The aforementioned professional activity and memberships pursuant to Section 125 para. 1 sentence 5 AktG end prior to the start of the term of office of Mr. Jürgen Fenk as member of the Supervisory Board of Deutsche Wohnen AG on October 1,

2017. Currently, the following key duties of Mr. Jürgen Fenk exist at the time of the resolution of the proposed term of office of Mr. Jürgen Fenk as member of the Company's Supervisory Board on October 1, 2017 and will continue to exist:

- ULI Germany (Urban Land Institut), Frankfurt am Main, Germany (Chairman of the Executive Committee)

In Supervisory Board's opinion, there are no personal or business relationships relevant to the voting of the Annual General Meeting between Mr. Jürgen Fenk and the companies of Deutsche Wohnen Group, its bodies or a shareholder holding, directly or indirectly, more than 10% of the voting shares in Deutsche Wohnen.

7. Resolution on the adjustment of the remuneration of the Supervisory Board and corresponding amendment to the Articles of Association

The remuneration of the members of the Supervisory Board of Deutsche Wohnen AG was last adjusted in 2015. A reasonable and appropriate salary plays an important role in the competition for outstanding candidates to join the Supervisory Board. In light of the steadily increasing requirements regarding the monitoring activities of the Supervisory Board and with regard to the remuneration of the supervisory boards of similar companies, the remuneration of the Supervisory Board is to be adjusted – taking the recommendations of an external salary expert into consideration – retroactively from January 1, 2017 in order to preserve its competitiveness.

A proposal is therefore made to increase the fixed annual basic remuneration of the members of the Supervisory Board from EUR 60,000 to EUR 75,000. In addition it is proposed to increase the fixed annual basic remuneration of the chairperson of the Supervisory Board from twice to three times the fixed annual basic remuneration of the members of the Supervisory Board. The proposal also aims to increase the remuneration for the Audit Committee from an additional fixed annual remuneration of EUR 10,000 to EUR 15,000. The chairperson of the Audit Committee is to receive double this amount. Membership in other committees of the Supervisory Board with additional fixed annual remuneration of EUR 5,000 has been proposed, whereby the chairperson of each these committees is to receive double this amount. Regardless of the number of committee memberships and the held functions, as well as memberships in supervisory boards and comparable supervisory committees of group companies, the upper limit for the total remuneration per member of the Supervisory Board is to be EUR 300,000 per calendar year (excluding VAT).

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

Article 6 para. 6 of the Articles of Association shall be revised as follows:

“(6) Each ordinary member of the Supervisory Board of Deutsche Wohnen AG shall receive an annual fee of EUR 75,000. The Chairman of the Supervisory Board shall receive thrice 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 15,000 per financial year; the Chairman of the Audit Committee shall receive double this amount. Membership in other committees of the Supervisory Board shall be compensated in the amount of EUR 5,000 per financial year, per member and committee; the respective committee chairpersons shall receive double this amount. 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. Regardless of the number of committee memberships and the held functions the upper limit for the total remuneration paid in accordance with this paragraph in addition to remuneration from memberships in supervisory boards and comparable supervisory committees of group companies shall not exceed EUR 300,000 per calendar year (excluding VAT). The remuneration shall be paid after the Annual General Meeting for the past financial year.”

With effect of the amendment of Article 6 para. 6 of the Articles of Association the new regulation of the Supervisory Board's remuneration shall apply for the first time for the financial year beginning on January 1, 2017.

8. Resolution on the creation of an Authorized Capital 2017 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 12, 2015, 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 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).

With partial use of this authorization, the Company in February 2017 increased its share capital against cash contributions and excluding shareholders' subscription rights pursuant to Section 186 para. 3 sentence 4 AktG by EUR 17,174,110.00 from EUR 337,480,450.00 to EUR 354,654,560.00. This corresponds to a pro rata amount of the Company's share capital of approximately 5.1% of the share capital, based both on the effective date and on the date on which the Authorized Capital 2015 was utilized.

The Management Board was also authorized by resolution of the Annual General Meeting on June 12, 2015, with the consent of the Supervisory Board until June 11, 2020, to issue one or multiple convertible bearer bonds, bonds with warrants, participation rights and/or participating bonds (or a combination of these instruments) with a nominal value of up to EUR 1,500,000,000.00 with or without restrictions on maturity. With partial utilization the Company, by means of a private placement, issued a convertible bond with a total nominal value of EUR 800,000,000.00 against cash contributions and with the exclusion of shareholders' subscription rights pursuant to Section 186 para. 3 sentence 4 AktG on February 27, 2017. These were initially convertible into approximately 16.5 million new or existing bearer shares of Deutsche Wohnen AG. This corresponds to a pro rata amount of the Company's share capital of just under 4.9% of the share capital, based both on the date on which the authorization became effective and on the date on which the authorization was exercised.

Pursuant to Article 4a para. 2 (iii) of the Articles of Association of the Company, when accounting for the restrictions set out by Section 186 para. 3 sentence 4 AktG, inter alia, shares shall be included 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. Accordingly, the authorization to exercise the Authorized Capital 2015 against cash contributions and exclusion of subscription rights pursuant to Article 4a para. 2 (iii) of the Articles of Association was almost fully utilized.

In order for the Company to remain flexible in the future to increase its equity capital as necessary (including by the issuance of new shares against cash contributions and with the exclusion of subscription rights), the existing Authorized Capital 2015 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 2017 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 1, 2020, by up to EUR 110,000,000.00 by the issuance of up to 110,000,000 new no-par value bearer shares against contributions in cash and/or in kind (Authorized Capital 2017).

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 warrant, 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 2017, 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 will be 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 2017, 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 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 2017:

“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 1, 2020, by up to EUR 110,000,000.00 by issuing up to 110,000,000 new no-par value bearer shares in return for contributions in cash and/or in kind (Authorized Capital 2017).
- (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 2017, 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 2017, 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 12, 2015 to increase the share capital in accordance with Article 4a of the Articles of Association for the period until June 11, 2018 shall be canceled once the new Authorized Capital 2017 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 2017 resolved under a) and b), with the proviso that the cancellation is entered first but only if the new Authorized Capital 2017 is entered immediately afterwards.

Subject to the preceding paragraph, the Management Board is authorized to apply for the Authorized Capital 2017 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, bonds with warrants, participation rights, and/or participating bonds (or a combination of these instruments), in a volume of up to EUR 3.0 billion with the possibility to exclude subscription rights; creation of a new Conditional Capital 2017 in the amount of EUR 70 million, cancellation of the existing (residual) authorization to issue convertible bonds and bonds with warrants and corresponding amendments to the Articles of Association

By means of a resolution of the Annual General Meeting on June 12, 2015, the Management Board was authorized, subject to the approval of the Supervisory Board, to issue, on one or several occasions, convertible bearer bonds, bonds with warrants, participation rights and/or participating bonds (or a combination of these instruments) (hereinafter referred to as “**Bonds 2015**”) with a total nominal value of up to EUR 1.500,000,000.00, with or without a limitation on maturities until June 11, 2020 and to grant the creditors or holders of the Bonds 2015 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 “**Authorization 2015**”). A Conditional Capital 2015 in the amount of EUR 50,000,000.00 was created to service the Bonds 2015 (Article 4b para. 3 of the Articles of Association).

With partial utilization of the Authorization 2015, the Company, on February 27, 2017, issued a convertible bond with a total nominal value of EUR 800,000,000.00 with simplified exclusion of shareholders’ subscription rights by means of a private placement. Initially, these were convertible into approximately 16.5 million new or existing bearer shares of Deutsche Wohnen AG. This corresponds to a pro rata amount of the Company's share capital of just under 4.9% of the share capital, based both on the date on which the Authorized Capital 2015 becomes effective and on the date on which it was utilized.

In addition, with partial utilization of the Authorized Capital 2015, the Company increased its share capital against cash contributions and excluding subscription rights pursuant to Section 186 para. 3 sentence 4 AktG by EUR 17,174,110.00 from EUR 337,480,450.00 to EUR 354,654,560.00 in February 2017. This corresponds to a pro rata amount of the Company's share capital of approximately 5.1% of the share capital, based both on the effective date on which the authorization became effective and on the date on which the authorization was exercised.

According to the Authorization 2015, shares issued against cash contributions excluding shareholders subscription rights from authorized capital pursuant to Section 186 para. 3 sentence 4 AktG, inter alia, have to be counted towards the limitations set out by Section 186 para. 3 sentence 4 AktG when excluding shareholders' subscription rights in a new issuance during the term of the Authorization 2015. As a result, the Authorization 2015 granted by the Annual General Meeting on June 12, 2015 can no longer be used flexibly, as the possibility for simplified exclusion of subscription rights has been mostly utilized due to the additionally issued shares from Authorized Capital 2015 against cash contributions excluding shareholders subscription rights pursuant to Section 186 para. 3 sentence 4 AktG.

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 2015 – 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 2017).

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, on one or several occasions in the period until June 1, 2022, convertible bearer or registered bonds, bonds with warrants, participation rights and/or participating bonds (or combinations of these instruments) (“**bonds**”) in a nominal amount of up to EUR 3,000,000,000.00, with or without a limitation on maturities 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 70,000,000.00 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 EUR, the bonds may also be issued in the official currency of any OECD country – provided the corresponding EUR 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 lit. (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 8.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 prices 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 prices 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 2017**

The share capital is conditionally increased by up to EUR 70,000,000.00 through the issue of up to 70,000,000 new no-par value bearer shares with participation rights (Conditional Capital 2017). 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) (“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 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 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 12, 2015**

The authorization of the Management Board, dated June 12, 2015, to issue convertible bonds, bonds with warrants, participation rights and/or participating bonds (or combinations of these instruments) shall be canceled, insofar as it has not been exercised through the issue of convertible bonds on February 27, 2017 with the registration of the proposed amendment to the Articles of Association under Agenda Item 9.d).

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

Article 4b of the Articles of Association shall be amended to include new paragraph 4:

“(4) The share capital is conditionally increased by up to EUR 70,000,000.00 by the issue of up to 70,000,000 new no-par value bearer shares with participation rights (Conditional Capital 2017). 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) (bonds), issued on the basis of the authorization resolution by the Annual General Meeting on June 2, 2017.

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**

The Management Board shall be authorized to apply for entry in the commercial register of the Conditional Capital 2017 regardless of any other resolutions passed by the Annual General Meeting.

10. Resolution on the Conversion of Deutsche Wohnen AG into a European Company (Societas Europaea – SE)

It is intended to convert Deutsche Wohnen AG pursuant to Article 2 para. 4 in conjunction with Article 37 of the Regulation (EC) No. 2157/2001 of the Council on the Statute of the European Company (SE) of October 8, 2001 (“SE-VO”) to the legal form of a European Company (Societas Europaea, SE).

The Management Board and Supervisory Board propose that the following resolution be adopted, although according to Section 124 para. 3 sentence 1 and 2 AktG, only the Supervisory Board submits (i) the proposal – upon recommendation of its Audit Committee – for the appointment of the auditor for the annual financial statements and the auditor for the

consolidated financial statements for the first financial year, the auditor in the event of an audited review of the condensed interim financial statements and the interim management report for the half-year of the first financial year and in the event of an audited review of additional interim financial statements for the first and/or third quarter of the first financial year and/or for the first quarter of second financial year (Section 10 of the Conversion Plan) and (ii) the proposal – based on the recommendation of the Nomination Committee – for the appointment of the members of the first Supervisory Board (Section 6 of the Conversion Plan) of future Deutsche Wohnen SE:

Consent is granted to the Conversion Plan dated April 19, 2017 (Roll of Deeds No. 203/2017 R of notary public Christian Rahns, Berlin, Germany) concerning the conversion of Deutsche Wohnen AG into a European Company (Societas Europaea, SE); the Articles of Association of Deutsche Wohnen SE which are attached to the Conversion Plan as Annex are approved.

The Conversion Plan and the Articles of Association of Deutsche Wohnen SE which are attached to the Conversion Plan as Annex are reprinted in Section II. following this Agenda.

11. Resolution on the relocation of the registered office to Berlin and corresponding amendment of the Articles of Association

Management Board and Supervisory Board propose that the following resolution be adopted:

The registered office of the company will be relocated from Frankfurt am Main to Berlin.

Section 1 para. 2 of the Articles of Association shall be amended as follows:

“(2) The Company has its registered seat in Berlin, Germany.”

The Management Board of the Company (or the Management Board of the Company in its new legal form following the registration of the resolution of the Annual General Meeting concerning the proposed resolution under Agenda Item 10 regarding the change of legal form to a European Company (Societas Europaea, SE)) is authorized to apply for the relocation of the registered seat to be entered into the commercial register regardless of any other resolutions passed by the Annual General Meeting. In the event of the approval of the Annual General Meeting concerning the proposed resolution under Agenda Item 10, the Management Board of the Company (or the Management Board of the Company in its new legal form following the registration of the resolution of the Annual General Meeting concerning the proposed resolution under Agenda Item 10 regarding the change of legal form to a European Company (Societas

Europaea, SE)) is instructed to only enter the resolution of the Annual General Meeting on the relocation immediately after the registration of the Annual General Meeting's resolution in the commercial register of the Company regarding the resolution proposed by the Management Board and Supervisory Board under Agenda Item 10 regarding the conversion of the Company to a European Company (Societas Europaea, SE).

Convenience Translation

II. Conversion Plan

CONVERSION PLAN

concerning the change of the legal form of

Deutsche Wohnen AG, Frankfurt am Main, Germany

– hereinafter „**Deutsche Wohnen AG**” –

to the

legal form of a *Societas Europaea* (SE)

– hereinafter „**Deutsche Wohnen SE**” –

(Deutsche Wohnen AG and Deutsche Wohnen SE
hereinafter each also referred to as the „**Company**”)

Recitals

Deutsche Wohnen AG is a stock corporation under German law with its registered seat in Frankfurt am Main, Germany, and its headquarters in Berlin, Germany. It is registered in the commercial register of the Local Court (*Amtsgericht*) of Frankfurt am Main under HRB 42388. Its business address is Pfaffenwiese 300, 65929 Frankfurt am Main, Germany. Deutsche Wohnen AG holds interests in several companies in Germany, Luxemburg and in the Netherlands (all together the “**Deutsche Wohnen Group**”). The Deutsche Wohnen Group is operating in the field of acquisition, administration, letting, operation and sale of residential property, nursing homes and other properties.

As of today, the Company’s registered share capital amounts to EUR 354,654,560.00 and is divided into the same amount of no-par value bearer shares (*Stückaktien*) each representing a notional value of EUR 1.00 of the share capital. According to Section 4 para. 2 of the Articles of Association of Deutsche Wohnen AG, the shares are bearer shares.

It is intended to change the legal form of Deutsche Wohnen AG to the legal form of a European stock corporation (*Societas Europaea*, SE) pursuant to Article 2 para. 4 in conjunction with Article 37 of Council Regulation (EC) No. 2157/2001 of October 8, 2001, on the Statute for a European Company (the “**SE Regulation**”).

The Company is to maintain its registered seat and headquarters in Germany.

The change of legal form from a stock corporation to a *Societas Europaea* is to manifest the open and international self-image of the Company, in particular against the background of the international shareholder base of Deutsche Wohnen AG. The change of legal form to this modern, supranational legal form *Societas Europaea* furthermore allows going forward and taking into account the aspired continued growth of Deutsche Wohnen AG to continue the successfully established corporate governance structure of the Company.

This said, the Management Board of Deutsche Wohnen AG sets up the following conversion plan according to Article 37 para. 4 of the SE Regulation:

§ 1

Conversion of Deutsche Wohnen AG to Deutsche Wohnen SE

- 1.1 Deutsche Wohnen AG is being converted into a European Company (*Societas Europaea*, SE) pursuant to Article 2 para. 4 in conjunction with Article 37 of the SE Regulation.
- 1.2 For more than two years Deutsche Wohnen AG has had a subsidiary which is governed by the laws of another member state, the Algarobo Holding B.V., Baarn, Netherlands, incorporated under the law of the Netherlands and registered in the commercial register of the Netherlands (*Kamer van Koophandel*) under KVK register number 18022173. The requirements for the conversion of Deutsche Wohnen AG into Deutsche Wohnen SE pursuant to Article 2 para. 4 of the SE Regulation are therefore fulfilled.
- 1.3 The conversion of Deutsche Wohnen AG into an SE neither leads to the liquidation of Deutsche Wohnen AG nor to the formation of a new legal entity. The Company continues to exist in the legal form of Deutsche Wohnen SE. The holding of the shareholders in the Company remains unchanged since the identity of the legal entity itself will be preserved.
- 1.4 Deutsche Wohnen SE will have a two-tier management structure – like Deutsche Wohnen AG – comprising a management board (management organ within the meaning of Article 38 of the SE Regulation) and a supervisory board (supervisory organ within the meaning of Article 38 of the SE Regulation).
- 1.5 Shareholders who object to the conversion are not being offered any compensation in cash, because this is not provided for by law.

§ 2

Effective date of the conversion

The conversion will be effective upon registration with the commercial register of the Company (“**Conversion Date**”).

§ 3

Name, registered seat, Articles of Association and share capital of Deutsche Wohnen SE

- 3.1 The name of the SE is „Deutsche Wohnen SE”.
- 3.2 The registered seat of Deutsche Wohnen SE is in Frankfurt am Main, Germany with headquarters in Berlin, Germany.
- 3.3 Deutsche Wohnen SE shall have the Articles of Association attached hereto as an **Annex**, which form an integral part of this Conversion Plan.
- 3.4 The registered share capital of Deutsche Wohnen AG in the amount as existing on the Conversion Date (current amount EUR 354,654,560.00) and as divided into no-par value

bearer shares on the Conversion Date (current number of shares 354,654,560) will become the registered share capital of Deutsche Wohnen SE.

- 3.5 The number of shares issued by Deutsche Wohnen AG (amount to 354,659,356 as of March 31, 2017) marginally exceeds the registered share capital of Deutsche Wohnen AG, as the number of shares issued by Deutsche Wohnen AG increases steadily due to compensation claims of external shareholders of GSW Immobilien AG under the domination agreement entered into between Deutsche Wohnen AG and GSW Immobilien AG and the according issuance of new shares of Deutsche Wohnen AG from Conditional Capital 2014/II (Section 4c of the Articles of Association of Deutsche Wohnen AG); however, these issuances of new shares shall only be submitted collectively for entry in the commercial register after the end of every fiscal year pursuant to Section 201 para. 1 of the German Stock Corporation Act (“AktG”).
- 3.6 The persons and companies who are shareholders of Deutsche Wohnen AG at the Conversion Date will become shareholders of Deutsche Wohnen SE holding the same amount and the same number of no-par value bearer shares of Deutsche Wohnen SE as they did with respect to Deutsche Wohnen AG immediately prior to the Conversion Date. The notional value represented by each no-par value share (currently EUR 1.00) remains the same as immediately prior to the Conversion Date.
- 3.7 On the Conversion Date
- (i) the amount of share capital divided into no-par value bearer shares pursuant to Section 4 para. 1 of the Articles of Association of Deutsche Wohnen SE corresponds to the amount of share capital divided into no-par value bearer shares pursuant to Section 4 para. 1 of the Articles of Association of Deutsche Wohnen AG,
 - (ii) the authorized capital of Deutsche Wohnen SE pursuant to Section 5 of the Articles of Association of Deutsche Wohnen SE corresponds to the authorized capital pursuant to Section 4a of the Articles of Association of Deutsche Wohnen AG,
 - (iii) the conditional capital of Deutsche Wohnen SE pursuant to Sections 6 to 6e of the Articles of Association of Deutsche Wohnen SE corresponds to the conditional capital pursuant to Sections 4b to 4d of the Articles of Association of Deutsche Wohnen AG, and
 - (iv) the Supervisory Board compensation pursuant to Section 10 para. 7 of the Articles of Association of Deutsche Wohnen SE corresponds to the Supervisory Board compensation of Deutsche Wohnen AG pursuant to Section 6 para. 6 of the Articles of Association of Deutsche Wohnen AG.

Possible changes with respect to the amount of share capital, the included amounts of authorized capital and conditional capital of Deutsche Wohnen AG as well as the Supervisory Board compensation, in particular capital changes and changes with respect to Supervisory Board compensation adopted by the annual general meeting of Deutsche Wohnen AG on June 2, 2017 just prior to the decision on the conversion, shall also apply to Deutsche Wohnen SE.

In the event and as far as the Annual General Meeting of Deutsche Wohnen AG on June 2, 2017 does not approve the capital changes and/or the changes of Supervisory Board compensation, the changes and/or amendments not approved shall not apply to Deutsche Wohnen SE. As a result, in this particular case, the existing capital structure as well as the provisions on Supervisory Board compensation of Deutsche Wohnen AG would continue at Deutsche Wohnen SE on the Conversion Date.

The Supervisory Board of Deutsche Wohnen AG (alternatively, the Supervisory Board of the Deutsche Wohnen SE) is both authorized and instructed to make, prior to the registration of the change of the legal form in the commercial register, the appropriate amendments of the Articles of Association of Deutsche Wohnen SE. The Articles of Association of Deutsche Wohnen SE enclosed as an **Annex** are based on the assumption that the annual general meeting of Deutsche Wohnen AG on June 2, 2017 approves all of the changes proposed by the boards.

§ 4

Continuity of resolutions of the Annual General Meeting of Deutsche Wohnen AG

- 4.1 Resolutions of the Annual General Meeting of Deutsche Wohnen AG remain effective and unchanged for Deutsche Wohnen SE to the extent they are still pending.
- 4.2 This shall apply in particular to resolutions of the annual general meeting authorizing the acquisition and utilization of own shares pursuant to Section 71 para. 1 no. 8 AktG and authorizing to issue convertible bonds, bonds with warrants, participations rights and/or participating bonds (or combinations of these instruments). As of the Conversion Date, the authorizations shall apply to the shares of Deutsche Wohnen SE and no longer the shares of Deutsche Wohnen AG; apart from that, the authorizations shall apply to Deutsche Wohnen SE in their current version and to their current scope on the Conversion Date.
- 4.3 This shall also apply to the authorization and instruction of the Management Board of the Company to register with the competent commercial register, after registration of the change of the legal form, the transfer of the Company's registered seat from Frankfurt am Main to Berlin, as set out in agenda item no. 11 of the annual general meeting on June 2, 2017.

§ 5

Management Board

Notwithstanding the statutory competence of the future Supervisory Board of Deutsche Wohnen SE pursuant to Article 39 para. 2 sentence 1 of the SE Regulation, it is expected that the current members of the Management Board of Deutsche Wohnen AG will be appointed as members of the first Management Board of Deutsche Wohnen SE. These are Michael Zahn (chairperson of the Management Board), Lars Wittan (deputy chairperson of the Management Board) and Philip Grosse.

§ 6

Supervisory Board

- 6.1 Pursuant to Section 10 (1) of the Articles of Association of Deutsche Wohnen SE (see **Annex**) a Supervisory Board is to be set up at Deutsche Wohnen SE consisting of six members – as it is currently at Deutsche Wohnen AG. All members of the Supervisory Board are appointed by the General Meeting. However, the members of the first Supervisory Board

are appointed by the Articles of Association of Deutsche Wohnen SE pursuant to Article 40 para. 2 sentence 2 of the SE Regulation.

- 6.2 The terms of office of the current Supervisory Board members of Deutsche Wohnen AG will end once the conversion is effective.
- 6.3 The following persons are to be appointed as members of the Supervisory Board of Deutsche Wohnen SE pursuant to Section 10 para. 2 of the Articles of Association of Deutsche Wohnen SE:
- (i) Mr. Uwe E. Flach, resident in Frankfurt am Main, business consultant, Frankfurt am Main;
 - (ii) Dr. rer. pol. Andreas Kretschmer, resident in Düsseldorf, advisor of Ärzteversorgung Westfalen-Lippe, Einrichtung der Ärztekammer Westfalen-Lippe KöR, Münster;
 - (iii) Mr. Matthias Hünlein, resident in Oberursel, managing director of Tishman Speyer Properties Deutschland GmbH, Frankfurt am Main;
 - (iv) Dr. Florian Stetter, resident in Erding, CEO of Rockhedge Asset Management AG, Krefeld;
 - (v) Mr. Claus Wisser, resident in Frankfurt am Main, managing director of Claus Wisser Vermögensverwaltungs GmbH, Frankfurt am Main;
 - (vi) Mr. Jürgen Fenk, resident in Frankfurt am Main, member of the management board of Landesbank Hessen-Thüringen Girozentrale, (whereas the appointment is effected as of October 1, 2017).
- 6.4 The members of the Supervisory Board of Deutsche Wohnen SE shall be appointed for a term of office corresponding to the remainder of their respective terms of office as a member of the Supervisory Board of Deutsche Wohnen AG pursuant to Section 10 para. 2 of the Articles of Association of Deutsche Wohnen SE.

§ 7

Special advantages

- 7.1 In the course of the conversion, no special advantages are granted to persons in terms of Article 20 para. 1 **lit. g)** of the SE Regulation.
- 7.2 For reasons of utmost precaution and notwithstanding the competence of the Supervisory Board it is pointed out, that the members of the Management Board of Deutsche Wohnen AG are likely to be appointed as members of the Management Board of Deutsche Wohnen SE (see Section 5 of this Conversion Plan).
- 7.3 In addition, the members of the Supervisory Board of Deutsche Wohnen SE are to be appointed as members of the Supervisory Board of Deutsche Wohnen SE by the Articles of Association of Deutsche Wohnen SE and the current chairperson of the Supervisory Board, Mr. Uwe E. Flach, and the current deputy chairperson of the Supervisory Board of Deutsche

Wohnen AG, Dr. Andreas Kretschmer, will be proposed for election as the chairperson and deputy chairperson, respectively, of the Supervisory Board, of Deutsche Wohnen SE, notwithstanding the competence of the Supervisory Board (see Section 6 of this Conversion Plan). Finally, it should be noted that members of the Supervisory Board are also likely to exercise at Deutsche Wohnen SE their already held committee memberships in Deutsche Wohnen AG.

§ 8

Information on the procedure by which arrangements for employee involvement are determined at Deutsche Wohnen SE

- 8.1 In connection with the conversion into a SE, a procedure concerning the involvement of the employees of Deutsche Wohnen SE has to be concluded (compare Section 12 para. 2 of the SE Regulation).

The procedure is a negotiation procedure, generally targeted at reaching an agreement on the involvement of employees in the SE, a so-called involvement agreement (*Beteiligungsvereinbarung*) (Section 13 para. 1 sentence 1 SEBG).

The procedure for the involvement of employees is characterized by the principle of protecting the already established rights of the employees of Deutsche Wohnen AG (Section 1 para. 1 SEBG). The extent of the involvement of the employees in the SE is determined by Section 2 (8) of the German Act on the Involvement of Employees in a European Company (SE Involvement Act – “SEBG”) which, essentially, follows Art. 2 lit. h) of Council Directive 2001/86/EC of October 8, 2001, supplementing the Statute for a European company with regard to the involvement of employees. Involvement of employees is the collective term for any mechanism – including the information, consultation and participation – through which employees’ representatives may exercise an influence on decisions to be taken within the company (Section 2 para. 8 SEBG).

- 8.2 The initiation of the procedure for the involvement of the employees is conducted in accordance with the provisions of the SEBG. It requires that the management body of the participating company, *i.e.* the Management Board of Deutsche Wohnen AG, notifies the employee representative bodies and the representative committees of the affiliated companies, subsidiaries and companies involved in the conversion procedure and request them to establish a special negotiating body (*Besonderes Verhandlungsgremium*, “BVG”) (Section 4 para. 1 sentence 1, para. 2 SEBG). If no employee representative body exists, the employees will be informed (Section 4 para. 2 sentence 2 SEBG).
- 8.3 The procedure is to be initiated immediately and without request after the Management Board of Deutsche Wohnen AG has disclosed the proposed conversion plan. The conversion plan shall be disclosed by submitting the notarized conversion plan to the competent commercial register in Frankfurt am Main. The information of the employees and employee representations comprise particularly (i) the identity and structure of Deutsche Wohnen AG, the subsidiaries affected by the conversion and the companies concerned as well as their distribution among other member states, (ii) the employees representatives present in these companies and operations, (iii) the number of employees employed in each of these companies and operations, and the total number of employees employed in one member state,

(iv) the number of employees, who are entitled to participation rights in the corporate bodies of these companies.

Deutsche Wohnen AG, as a group subsidiary of the Deutsche Wohnen Group, is not subject to any employee participation and there is no group Works Council. FACILITA Berlin GmbH, a subsidiary of Deutsche Wohnen AG, has a Works Council. Therefore, the Works Council of FACILITA Berlin GmbH and the employees of the other participating companies and affected subsidiaries must be informed.

Information of employees and their representatives outside of Germany is not required since Deutsche Wohnen Group does not employ employees in other EU Member States nor within the European Economic Area.

- 8.4 It is provided by statutory law that employees or their representatives respectively should appoint or elect members of the BVG within ten weeks after the employees or their representatives have been informed. The task of the BVG is to negotiate with the management of the Company the structure of the involvement process and the determination of the involvement rights of the employees within the SE.

Establishment and composition of the BVG are, in principle, based on German law (Section 4 to Section 7 SEBG), since Deutsche Wohnen Group does not employ any employees in other member states of the European Union or within the European Economic Area.

In the case of an SE formation by conversion, the BVG is composed of representatives of the employees directly involved in the conversion, in this case Deutsche Wohnen AG, as well as its subsidiaries and operations concerned, insofar as their employees are employed in a member state of the European Union or within the European Economic Area. The number of seats in the BVG due to the individual Member States is determined by the number of employees employed in each Member State in accordance with the provisions of Section 5 SEBG. Since the Deutsche Wohnen Group only employs employees in Germany, the ten members of the BVG are elected by Deutsche Wohnen AG employees, the subsidiaries and companies concerned in Germany.

- 8.5 If only one company group is involved in the formation of the SE from within the country, the election committee for the election of members of the BVG pursuant to Section 8 para. 2 SEBG comprises the members of the Group's Works Council or, insofar as they are not, members of the general Works Council, or, insofar as such persons do not exist in a company, from the members of the Works Council. Companies and companies of a company group without a Works Council are represented by the Group's Works Council, the general Works Council or the Works Council. For Deutsche Wohnen Group, this means that the Works Council of FACILITA Berlin GmbH – the only Works Council in the Deutsche Wohnen Group – forms the election body and represents the companies without Works Councils and companies of the Group in the election of the BVG members.

The members of the BVG are to be elected by the election body, secretly and directly, pursuant to Section 8 para. 1 SEBG. Two-thirds of the election body representing at least two-thirds of the employees must be present at the election.

The employees of the German companies and operations of Deutsche Wohnen Group, as well as labor union representatives and executives, are to be elected to the BVG, with women and men being chosen according to the ratio of their representation in the overall workforce. A substitute member must be elected for each member. If more than two members are members of the BVG, a third member shall be elected on the basis of a proposal from a labor union represented in a company forming part of the SE (Sections 6 para. 3 and Section 8 para. 1 SEBG). If the BVG has more than six members, each seventh member must be an executive (Sections 6 para. 4 and Section 8 para. 1 sentence 5 SEBG). For the BVG to be elected with regard to the Deutsche Wohnen Group, this means that of the ten members to be elected, three members shall be elected by proposal from a labor union and one member by proposal from an executive (Section 8 SEBG).

Proposals for the representatives of the labor unions are drawn up by the labor unions, which are represented in the participating companies and subsidiaries and must be signed by a representative of the respective labor union. The nominations for the executive staff (*leitende Angestellte*), since there are no representative committees, must be made by the executive staff in the participating companies and subsidiaries. A nomination by the executive staff must be signed by 1/20 or 50 of the entitled members of the executive staff, i.e. the executive staff in the participating companies and subsidiaries. The nominations for the rest of the members of the BVG (employees of the participating companies and subsidiaries) must be issued by the members of the election body.

- 8.6 At the earliest after all members have been named, but no later than ten weeks according to the information within Section 4 para. 2 and para. 3 SEBG (see Sections 12 para. 1 and Section 11 para. 1 SEBG), the Management Board of Deutsche Wohnen AG must immediately invite the BVG to be established. On the day of the establishment, the procedure for the formation of the BVG ends and the negotiations begin, for which a statutory period of up to six months is provided. This period may be extended to a maximum of one year by mutual consent from the negotiating parties.

The negotiating process will take place even if the period for the election or nomination of individual or all members of the BVG is exceeded for reasons for which the employees are responsible (Section 11 para. 2 sentence 1 SEBG).

- 8.7 Pursuant to the requirements in Article 40 para. 3 SE Regulation, Section 17 para. 1 SEBG, the articles of association must determine the number of members of the Supervisory Board or the rules for their determination. Section 10 para. 1 of the Articles of Association of Deutsche Wohnen SE stipulates that the Supervisory Board of Deutsche Wohnen SE will also consist of six members; participation will not take place in accordance with legal requirements (see also Section 21 para. 6 SEBG).

- 8.8 The agreement between the Management Board and the BVG also requires a process for the information and consultation of the SE employees. This may be done by establishing a SE Works Council or by another process provided by the negotiating parties, which ensures the information and consultation of the employees of Deutsche Wohnen SE. If an SE Works Council is formed, the formation-agreement has to include provisions on the scope of applicability, number of its members and allocation of seats, functions and the procedure for its information and consultation, frequency of meetings, the financial and material sources to

be made available, the date of entry into force, and the duration of the agreement as well as the circumstances in which the agreement is to be renegotiated and the procedure to be used in this regard. Instead of establishing a SE Works Council, another process can be agreed upon, which ensures the information and consultation of employees.

The agreement shall also stipulate that further negotiations regarding the participation of employees in the SE are to be taken prior to structural changes are made to the SE.

- 8.9 An agreement between the management of the Company and the BVG regarding the participation of the employees requires a decision of the BVG. The decision is to be adopted by a majority of the appointed members, provided that this majority also represents a majority of the represented employees.

The special negotiation body may decide by a majority of two-thirds of BVG members not to enter into negotiations or terminate any thereof already initiated (see Section 16 para. 1 SEBG). In the case of an SE formation by conversion, it is not permissible to refrain from entering into or to abandon negotiations if the employees of the Company being converted are entitled to participation rights within the meaning of Section 2 para. 12 SEBG, i.e. the election or nomination of a part of the Supervisory Board members (Section 16 para. 3 SEBG). At the earliest two years after a resolution of the BVG pursuant to Section 16 para. 1 SEBG, upon a written claim of at least 10% of the employees of the SE there is a right to the re-formation of the BVG as well as to the resumption of the negotiations (Section 18 para. 1 sentence 1 SEBG).

- 8.10 Article 12 para. 4 SE-Regulation stipulates that the articles of association of the SE may not at any time contradict the negotiated agreement. Accordingly, the articles of association are to be amended by resolution of the Annual General Shareholders' Meetings of Deutsche Wohnen AG, if a regulation deviates from employee involvement in the future Deutsche Wohnen SE. The conversion of Deutsche Wohnen AG into an SE would only take effect after the amendment of the articles of association is entered into the commercial register of the Company.

- 8.11 If an agreement regarding the involvement of employees within the negotiation period is not reached and no resolution is adopted pursuant to Section 16 SEBG, a statutory default provision applies (see Section 22 SEBG) which can also be agreed upon as a contractual solution from the very beginning. Even with the application of the statutory regulation solution, participation remains unchanged in accordance with the statutory requirements and no participation takes place, i.e. the Supervisory Board consists solely of representatives of the shareholders.

In order to safeguard the right to information and consultation of the employees of Deutsche Wohnen SE, the statutory default provision would have the consequence that a SE Works Council would have to be established, the function of which would be to safeguard the right to information and consultation of the employees in the SE. The Works Council would be responsible for matters which affect the SE itself, one of its subsidiaries or one of its establishments in another member state or which go beyond the powers of the competent bodies at the level of the individual member states. The SE Works Council would have to be notified and consulted annually with regard to the development of the business situation and the future prospects of the SE. It would have to be notified and consulted with regard to

extraordinary circumstances. The composition of the SE Works Council as well as the election of its members would be determined, in principle, in accordance with the provisions applicable to the composition and appointment of the members of the BVG.

In case the statutory default provision applies, it is to be reviewed every two years during the existence of the SE by the management of the SE whether changes within the SE, its subsidiaries or its establishments require an alteration of the composition of the SE Works Council (Section 25 SEBG). Besides, in case the statutory default provision applies, four years after its establishment the SE Works Council has to resolve with the majority of its members whether negotiations shall be re-opened with regard to an agreement for the involvement of employees within the SE or whether the existing regulations are to remain in place (Section 26 para. 1 SEBG). If a resolution is adopted to enter into negotiations for an agreement regarding the involvement of employees, for the purpose of these negotiations the SE Works Council replaces the BVG (Section 26 para. 2 SEBG).

- 8.12 The necessary costs arising from the establishment and operation of the BVG will be borne by Deutsche Wohnen SE and, after the conversion, by Deutsche Wohnen SE. The obligation to bear the costs includes the material and personal expenses incurred in connection with the activities of the BVG, including the negotiations. In particular, premises, material resources (e.g. telephone, telefax, and required literature), interpreters and clerical staff required for meetings are to be provided and the travel and subsistence expenses of the members of the BVG are to be met.

Section 9

Other effects of the conversion on the employees and their representatives

The conversion has the following effects on the employees and their representatives:

- 9.1 The rights and duties of the employees under the existing employment contracts remain unaffected. In particular, Section 613a of the German Civil Code (*Bürgerliches Gesetzbuch*, BGB) is not applicable to the conversion because the legal identity of the employer changing its legal form remains unaffected pursuant to Article 37 para. 2 of the SE Regulation. Therefore, the acquired social rights including the actual or acknowledged length of service for the Company or the Group continue to remain valid at Deutsche Wohnen SE.
- 9.2 Equally, the collective bargaining agreements, group works agreements, works agreements and other collective employment arrangements applicable to the employees of Deutsche Wohnen Group will remain applicable unchanged to employees subject to the provisions of the relevant agreements.
- 9.3 The change of the legal form will not cause any changes for the existing employees' representatives in the companies and operations of the Deutsche Wohnen Group.
- 9.4 No other measures are intended or planned due to the conversion which could affect the situation of the employees.

§ 10

Auditors

- 10.1 KPMG AG, Wirtschaftsprüfungsgesellschaft, Berlin, is appointed as auditor and group auditor for the first fiscal year of Deutsche Wohnen SE. The first fiscal year of Deutsche

Wohnen SE is the calendar year in which the conversion of Deutsche Wohnen AG to Deutsche Wohnen SE is registered with the commercial register.

- 10.2 In the event of an audit review of the condensed financial statements and the interim management report (Sections 37w para. 5 and 37y no. 2 German Securities Trading Act (“WpHG”)) for the first half-year period of the first fiscal year of Deutsche Wohnen SE, KPMG AG, Wirtschaftsprüfungsgesellschaft, Berlin, shall be appointed as auditor for such audit review.
- 10.3 In the event of an audit review of supplementary intrayear financial information (Section 37w para. 7 WpHG) for the first and/or third quarter of the first fiscal year and/or for the first quarter of the second fiscal year of Deutsche Wohnen SE, KPMG AG, Wirtschaftsprüfungsgesellschaft, Berlin, shall be appointed as auditor for such audit review.

§ 11

Special rights and holders of other securities

There are no special rights and no shares other than ordinary shares are issued by the Company. Therefore, no rules are provided for concerning special rights and holders of other securities.

§ 12

Conversion costs

The costs of the notarization of this Conversion Plan, its preparation and its execution up to the amount of EUR 1.5 million set forth in Section 17 para. 2 of the Articles of Association of Deutsche Wohnen SE shall be borne by the Company.

Frankfurt am Main/Berlin, April 19, 2017

Deutsche Wohnen AG
The Management Board

Michael Zahn

Lars Wittan

Philip Grosse

Annex: Articles of Association of Deutsche Wohnen SE

**Articles of Association
of
Deutsche Wohnen SE, Frankfurt am Main**

**I.
General Provisions**

**Article 1
Legal Form, Company Name, Seat, Fiscal Year**

- (1) The Company is a European Company (*Societas Europaea*, SE) with the name
- Deutsche Wohnen SE**
- (2) The Company's registered seat is in Frankfurt am Main, Germany, and its headquarter is in Berlin, Germany.
- (3) The fiscal year starts January 1 of each year and ends December 31.

**Article 2
Purpose of the Company**

- (1) The corporate purpose of the Company is the acquisition, administration, letting, operation and sale of residential property, nursing homes and other properties. Properties may be developed, modernized and maintained, services may be provided and co-operations of any kind may be entered into.
- (2) The corporate purpose of the Company may be realized by the Company itself or by its subsidiaries or affiliated companies, the corporate purpose of which may partially or fully be aligned with the corporate purpose of the Company. The Company may found or acquire such companies; it is entitled to centralize such subsidiaries under its direction or to limit its activities to the management of such holdings and it may dispose of any of its holdings. The Company is entitled to conduct all business and take all measures connected to the corporate purpose or are suitable to directly or indirectly serve the corporate purpose.
- (3) The Company does not engage in activities which would qualify it as an investment fund within the meaning of the German Capital Investment Code (*Kapitalanlagegesetzbuch*). In particular, the Company was not established with the main purpose of generating returns for its shareholders by divestment of its subsidiaries or affiliated companies.

**Article 3
Announcements**

- (1) Publications of the Company shall be made in the Federal Gazette (*Bundesanzeiger*). To the extent legally permitted, publications may be effected by registered letter (*eingeschriebener Brief*).

- (2) Notices to the shareholders pursuant to Section 125 para. 1 in connection with Section 128 para. 1 of the German Stock Corporation Act (“AktG”) as well as pursuant to Section 125 para. 2 AktG shall, under the requirements of Section 30b para. 3 no. 1 lit b) to d) German Securities Trading Act (“WpHG”) and notwithstanding Section 30b para. 1 WpHG be exclusively given via electronic means (*elektronische Kommunikation*), if the Management Board does not elect another legally permitted form. The same shall apply for the transmission of such notices of the Company to the shareholders through third parties.

II. Share Capital and Shares

Article 4 Share Capital and Shares

- (1) The Company’s share capital amounts to EUR 354,654,560.00 (in words: Euro three hundred fifty-four million six hundred fifty-four thousand five hundred sixty) and is divided into 354,654,560 (in words: three hundred fifty-four million six hundred fifty-four thousand five hundred sixty) no-par value bearer shares (*Stückaktien*) each representing a notional value of EUR 1.00 of the share capital.
- (2) The shares are bearer shares.
- (3) In case of an increase in the share capital the participation of the new shares in the profits can be determined in divergence from Section 60 para. 2 sentence 3 AktG.
- (4) The form of share certificates, dividend and renewal coupons as well as bonds and interest and renewal coupons is determined by the Management Board. The right of shareholders to receive share certificates is excluded. The shareholders shall have no claim to the issuance of dividend or renewal coupons. The Company is entitled to issue share certificates representing individual shares or several shares (global share certificates).

Article 5 Authorized Capital 2017

- (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 1, 2020, by up to EUR 110,000,000.00 by issuing up to 110.000.000 new no-par value bearer shares in return for contributions in cash and/or in kind (Authorized Capital 2017).
- (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 (so-called 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 2017, 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 2017, provided that the bonds or participation rights were issued with the exclusion of shareholders' subscription rights during the term of this authorization. Furthermore, the abovementioned 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.

Article 6 Conditional Capital 2013

- (1) The share capital is conditionally increased by up to EUR 16,075,714.00 divided in up to 16,075,714 bearer shares with no-par value (Conditional Capital 2013). The conditional capital increase is only carried out insofar as the holders of the convertible bonds issued by the Company in November 2013 against contributions in cash exercise their conversion right in accordance with the bond terms and conditions, or the Company exercises its option in accordance with the bond terms and conditions to repay every bond on the relevant maturity date in full or in part in shares, and insofar as other forms of servicing are not used.
- (2) In the event of conversion, the issue of the new shares takes place at the applicable conversion price in accordance with the bond terms and conditions.
- (3) The new shares participate in profit from the start of the financial year in which they are created. The Management Board is authorized to set the further details of the implementation of the conditional capital increase.

Article 6a Conditional Capital 2014/I

- (1) 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.
- (2) In the event of conversion, the new shares shall be issued at the applicable conversion price in accordance with the bond terms and conditions.
- (3) 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.

Article 6b
Conditional Capital 2014/II

- (1) The share capital of the Company is conditionally increased by up to EUR 5,902,813.00 by issuing up to 5,902,813 new bearer shares with no-par value (Conditional Capital 2014/II).
- (2) The conditional capital increase is for the purpose of granting compensation in shares of the Company to the outside shareholders of GSW Immobilien AG in accordance with the provisions of the Domination Agreement between the Company and GSW Immobilien AG of April 30, 2014 (the “Domination Agreement”) in the exchange ratio set in Section 5 para. 1 of the Domination Agreement or adjusted in accordance with Section 5 para. 4 or Section 5 para. 5 of the Domination Agreement. To the extent necessary under Section 5 para. 2 of the Domination Agreement, the Company will compensate for fractional share rights in cash.
- (3) In the event that minority shareholders of GSW Immobilien AG exchange their GSW shares for shares of the Company before receiving a dividend and/or consideration based on the guaranteed dividend on their GSW shares for the financial year 2014 or subsequent financial years they shall – as far as practically and legally possible – be granted shares in the Company that participate in profit from the start of the last financial year that ended before they were created. In the event that minority shareholders of GSW Immobilien AG exchange their GSW shares for shares in the Company after receiving a dividend and/or consideration based on the guaranteed dividend on their GSW shares for the financial year 2014 or subsequent financial years or to the extent it is not practically or legally possible to grant shares featuring a right to participate in profit as described in the previous sentence they shall be granted shares in the Company that participate in profit from the start of the financial year in which they are created.
- (4) New shares will be issued against the transfer of shares in GSW Immobilien AG by its minority shareholders. The conditional capital increase shall only be executed to the extent that outside shareholders of GSW Immobilien AG make use of their right to compensation. The Management Board is authorized to set the further details of the capital increase and its implementation, subject to the approval of the Supervisory Board.

Article 6c
Conditional Capital 2014/III

- (1) The share capital is conditionally increased by up to EUR 12,879,752.00 by the issue of up to 12,879,752 new no-par value bearer shares each representing a pro rata amount of the share capital of EUR 1.00 (Conditional Capital 2014/III). The conditional capital increase solely serves the purpose to grant stock options to Members of the Management Board of the Company and selected executives of the Company and affiliated enterprises, subject to the details of the authorization resolution of the General Shareholders Meeting of June 11, 2014. The conditional capital increase will only be exercised to the extent that the holders of stock options exercise their subscription rights to shares in the Company and the Company does not satisfy the subscription rights by delivering treasury shares. As far as practically and legally possible, the new shares that were issued as a result of the exercise of stock options are first entitled to a dividend for the fiscal year for which the General Shareholders Meeting has not yet adopted a resolution on the appropriation of the balance sheet profits at the time the new

shares are issued. Otherwise the new shares are entitled to dividends from the financial year in which they are created.

- (2) The proportion of new shares in the share capital attributable to the issued shares may not exceed 5 % of the share capital of the Company, neither at the time of the General Shareholders Meeting's resolution regarding this authorization nor on the date this authorization is exercised. This 5 % limit shall also include the Company's treasury shares and shares from the Company's authorized capital that are granted to employees or executive bodies of the Company or its affiliates within the term of this authorization.

Article 6d **Conditional Capital 2015**

The share capital is conditionally increased by up to EUR 50,000,000.00 by the issue of up to 50,000,000 new no-par value bearer shares with participation rights (Conditional Capital 2015). The conditional capital increase shall only be implemented to the extent shareholders of the new convertible bonds, issued by the Company in February 2017 against contribution in cash, exercise their conversion rights pursuant to the bond terms or the Company exercises its option to repay in shares in full or in part each convertible bond at its due date pursuant to the bond terms and to the extent that no other methods of servicing these rights are used. In case of conversion, the new shares will be issued to the respective conversion price pursuant to the bond terms. The new shares are eligible for dividends from the beginning of the fiscal year, in which they are issued. The Management Board is authorized, with the approval of the Supervisory Board, to stipulate further details of the implementation of the conditional capital increase.

Article 6e **Conditional Capital 2017**

- (1) The share capital is conditionally increased by up to EUR 70,000,000.00 by the issue of up to 70,000,000 new no-par value bearer shares with participation rights (Conditional Capital 2017). 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) (bonds), issued on the basis of the authorization resolution by the Annual General Meeting on June 2, 2017.
- (2) 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.

- (3) 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.

III. Constitution of Company

Article 7 Two-tier System, Corporate Bodies

- (1) The Company has a two-tier management and supervisory system consisting of a management organ (Management Board) and a supervisory organ (Supervisory Board).
- (2) The Company's corporate bodies are
 - (i) the Management Board;
 - (ii) the Supervisory Board; and
 - (iii) the General Meeting of shareholders.

IV. Management Board

Article 8 Composition and Representation

- (1) The Management Board is responsible for managing the Company. It consists of at least two members.
- (2) The Supervisory Board appoints the members of the Management Board and determines the number of members of the Management Board. The members of the Management Board are appointed for a maximum term of five years. Reappointments are permissible. The Supervisory Board may appoint alternate members of the Management Board. The Supervisory Board may appoint a member of the Management Board as chairperson (*Vorstandsvorsitzender*) or as the speaker of the Management Board.
- (3) The Company is jointly represented by two members of the Management Board or by one member of the Management Board together with a holder of a statutory power of attorney (*Prokurist*). The Supervisory Board may determine that one or all members of the Management Board are authorized to represent the Company alone. The Supervisory Board may also exempt in general or regarding a specific situation all or single members of the Management Board and holders of a statutory powers of attorney allowed to represent the Company together with a member of the Management Board from the restrictions of Section 181 2nd alternative of the German Civil Code (*Bürgerliches Gesetzbuch*); Section 112 AktG shall remain unaffected.
- (4) In the event of a tied vote, the vote of the chairperson or the speaker of the Management Board is decisive. If the Management Board consists of two members, decisions shall be taken unanimously.

Article 9
Transactions requiring authorization

- (1) The following transactions of the Management Board require the prior authorization by the Supervisory Board:
 - (i) Acquisition and sale of residential real estate portfolios, companies, holdings in companies and parts of companies, if the value exceeds thresholds specified by the Supervisory Board.
 - (ii) Conclusion, amendments or termination of affiliation agreements (*Unternehmensverträge*) in the meaning of Sections 291, 292 AktG.
- (2) In addition to the transactions stipulated in para. 1, the Supervisory Board may subject other types of transactions and measures to a requirement of prior authorization, in particular transactions which could fundamentally change the assets, financial positions or results of operations of the Company or the group. Regarding these categories of transactions and taking into consideration the risk-profile of the Company the Supervisory Board shall list appropriate value limits or other appropriate limits, the exceedance of which requires prior authorization by the Supervisory Board. The Supervisory Board may include such requirements of prior authorization in the rules of procedure of the Supervisory Board and/or the rules of procedure of the Management Board.

V.
The Supervisory Board

Article 10
Composition, Appointment Period and Compensation

- (1) The Supervisory Board supervises the work of the Management Board. It may not itself exercise the power to manage the Company. The Supervisory Board comprises six members. They shall be elected – subject to the provisions of para. 2 – for a term until the conclusion of the General Meeting of the Company granting discharge for the fourth financial year after the commencement of their term of office. The financial year in which the term commences shall not be counted for the purposes of calculation of the term. The General Meeting may prescribe a shorter term. Reappointments are permissible. Not more than two former members of the Management Board shall be members of the Supervisory Board.
- (2) The following persons are appointed as members of the first Supervisory Board with a term of office corresponding to the remainder of their respective terms of office as a member of the Supervisory Board of Deutsche Wohnen AG:
 - (i) Mr. Uwe E. Flach, resident in Frankfurt am Main, business consultant, Frankfurt am Main;

term of office until the conclusion of the Annual General Meeting resolving on a formal discharge for the fiscal year 2017;
 - (ii) Dr. rer. Pol. Andreas Kretschmer, resident in Düsseldorf, advisor of Ärzteversorgung Westfalen-Lippe, Einrichtung der Ärztekammer Westfalen-Lippe KöR, Münster;

term of office until the conclusion of the Annual General Meeting resolving on a formal discharge for the fiscal year 2019;

- (iii) Mr. Matthias Hünlein, resident in Oberursel, managing director of the Tishman Speyer Properties Deutschland GmbH;

term of office until the conclusion of the Annual General Meeting resolving on a formal discharge for the fiscal year 2019;

- (iv) Dr. Florian Stetter, resident in Erding, CEO of Rockhedge Asset Management AG, Krefeld;

term of office until the conclusion of the Annual General Meeting resolving on a formal discharge for the fiscal year 2020;

- (v) Mr. Claus Wisser, resident in Frankfurt am Main, managing director of Claus Wisser Vermögensverwaltungs GmbH, Frankfurt am Main;

term of office until the conclusion of the Annual General Meeting resolving on a formal discharge for the fiscal year 2018;

- (vi) Mr. Jürgen Fenk, resident in Frankfurt am Main, member of the management board of Landesbank Hessen-Thüringen Girozentrale;

term of office to commence on October 1, 2017 and until the conclusion of the Annual General Meeting resolving on a formal discharge for the fiscal year 2021.

- (3) Substitute members may be elected for the members of the Supervisory Board. The substitute members shall replace the Supervisory Board members leaving office prior to the expiry of their term in order to be determined at the time at which such substitute members are appointed. It may be stipulated that a certain substitute member may only replace one or several specific Supervisory Board members leaving office prior to the expiry of their term. If a substitute member becomes a Supervisory Board member, his/her term shall end upon the conclusion of the next General Meeting at which a new Supervisory Board member is appointed, in any case at the latest at the end of the term of office of the replaced member.
- (4) Each Supervisory Board member and each substitute member may resign from office by written notice to the Management Board without good cause with one month notice.
- (5) The Supervisory Board, chaired by the oldest Supervisory Board member in terms of age, elects from among its members a chairperson and a deputy chairperson for the term of office stipulated in Article 10 para. 1. The election takes place at the meeting which, without having to be separately convened, takes place immediately after the General Meeting during which the Supervisory Board members were elected. Unless a shorter term of office is determined at the time of their election, the chairperson and the deputy chairperson shall be elected as chairperson and deputy chairperson, respectively, for the duration of their Supervisory Board membership. If, during a term of office, the chairperson or his/her deputy leaves his/her office before the end of his/her term, the Supervisory Board shall conduct a new election for the remainder of the term of office of the person leaving.

- (6) The Supervisory Board may set up committees among its members in accordance with the law. The duties, competencies and procedure of the committees shall be determined by the Supervisory Board's rules of procedure or by a special resolution of the Supervisory Board. To the extent permitted by law, the Supervisory Board may delegate any of its decision-making powers to the committees. Unless mandatory legislation states otherwise, the committees' resolutions shall be subject to Article 11 para. 2 to para. 7 *mutatis mutandis* providing that the decision of the committee's chairperson replaces the decision of the Supervisory Board's chairperson and that it shall have a quorum if at least three members take part in the voting personally or by submitting their votes in writing according to Article 11 para. 5. The Supervisory Board shall receive regular reports concerning the committees' work.
- (7) Each regular member of the Supervisory Board of Deutsche Wohnen SE shall receive an annual compensation in the amount of EUR 75,000. The chairperson shall receive three-times the amount, a deputy chairperson shall receive 1.5 times this amount. In addition, each member of the audit committee shall receive a fixed compensation in the amount of EUR 15,000 per financial year, the audit committee's chairperson shall receive twice this amount. The membership in other Supervisory Board committees is compensated in the amount of EUR 5,000 per financial year for each member and committee, the respective committee's chairperson receives double this amount. In case the financial year is less than 12 months, the compensation will be paid pro rata. Supervisory Board members or members of a committee who are members, chairperson or deputy chairperson of the Supervisory Board or a committee only for part of a financial year shall receive a corresponding pro rata compensation for each month of their term that has started. The total of all compensation payments according to this para. 7 plus compensation payments received for the membership in supervisory boards and comparable supervisory bodies of group companies shall per member of the Supervisory Board – regardless of the number of committee memberships and functions – not exceed the amount of EUR 300,000 (in each case excluding value added tax (*Umsatzsteuer*), if any) per calendar year. The compensation and the attendance fees shall be paid after the Annual General Meeting for the prior fiscal year.
- (8) The Company shall reimburse the Supervisory Board members for cash expenses. VAT will be reimbursed by the Company to the extent that the Supervisory Board members are eligible to separately invoice VAT and have exercised such right.
- (9) The Company may, in its own interest, conclude a D&O liability insurance for its corporate bodies and senior management (*Leitungsverantwortliche*), if feasible for economically reasonable conditions, which may include Supervisory Board members being insured at the expense of the Company.

Article 11 **Meetings of the Supervisory Board**

- (1) The Supervisory Board should meet once each quarter of a calendar year and shall meet at least two times every half of a calendar year. It shall also meet whenever necessary for business reasons.
- (2) Meetings of the Supervisory Board shall be convened by the chairperson or, if the chairperson is not available, by the deputy chairperson.

- (3) Resolutions of the Supervisory Board shall generally be passed in meetings. At the order of the Supervisory Board's chairperson, resolutions may also be passed without convening or holding a meeting of the Supervisory Board in written, by telefax, by telephone or by any other modern means of communication (i.e. by e-mail) on a case-by-case basis, provided that no objections are raised to this procedure by any member within a reasonable period of time set by the chairperson. Such resolutions shall be confirmed by the chairperson and shall be sent to all Supervisory Board members in writing.
- (4) The Supervisory Board has a quorum if at least half of the members of which it has to consist of in total take part in the voting personally or by submitting their votes in writing according to para. 5. Meetings of the Supervisory Board are chaired by the chairperson or the deputy chairperson. The form of voting is determined by the chairperson of the meeting. Members who abstain from voting are also considered to take part in the voting.
- (5) Supervisory Board members who cannot attend a meeting of the Supervisory Board may submit their votes in writing through another Supervisory Board member authorized in writing.
- (6) Unless otherwise provided by law, resolutions of the Supervisory Board are passed with a simple majority of the votes cast. Abstentions in a vote shall not be counted when establishing the result of the vote. Should a vote be tied – also in the event of elections – the vote of the chairperson or, in case of his/her absence, the vote of the deputy chairperson is decisive.
- (7) Minutes shall be taken of the discussions and resolutions of the Supervisory Board and committees, as applicable, to provide evidence, but not as a precondition of effectiveness. The minutes shall be signed by the chairperson of the meeting or, if votes take place outside of meetings, by the person chairing the vote or the committee's chairperson and shall be made available to all members.
- (8) Declarations of the Supervisory Board and its committees are made in the name of the Supervisory Board by the chairperson or, in case of his/her absence, by the deputy chairperson. Only the chairperson of the Supervisory Board and, in case of his/her absence, the deputy chairperson is authorized to accept declarations on behalf of the Supervisory Board.

Article 12

Rules of Procedure and Confidentiality

- (1) The Supervisory Board shall adopt rules of procedure for the Supervisory Board in accordance with the mandatory law and the provisions of these Articles of Association.
- (2) The members of the Supervisory Board shall maintain secrecy in respect of any confidential reports and confidential consultations as well as secrets of the Company, notably business and trade secrets, that become known to them because of their membership of the Supervisory Board – even after the termination of their office term as a member of the Supervisory Board. The members of the Supervisory Board are bound to confidentiality especially in respect of obtained confidential reports and confidential consultations. Upon retirement from office, all confidential documents shall be returned to the chairperson of the Supervisory Board. In the event that a member of the Supervisory Board intends to pass information on to a third party,

in particular concerning the content and course of the Supervisory Board's meetings as well as the content of proposals and resolutions of the Supervisory Board, he or she must first obtain the approval of the Supervisory Board's chairperson. The members of the Supervisory Board shall ensure that employees engaged by them observe the confidentiality obligations in the same manner.

VI. General Meeting

Article 13 Place, Convocation and Attending

- (1) The Company's General Meetings shall take place at the registered seat of the Company or at the seat of a German stock exchange.
- (2) The General Meeting that resolves on the discharge of the acts of the members of the Management Board and the Supervisory Board, on the appropriation of the distributable profit, the election of the auditor and, if applicable, of the approval of the financial statements (ordinary General Meeting) shall be held within the first six months of each fiscal year.
- (3) The Management Board is authorized to permit the audio-visual transmission of the Company's General Meeting via electronical media in a manner to be determined by the Management Board in the convocation of the General Meeting.
- (4) The convocation of the General Meeting shall be published in the Federal Gazette. The convocation shall be subject to the statutory period.
- (5) All holders of bearer shares who have duly submitted notification of attendance according to para. 6 shall be entitled to attend the General Meeting and to exercise their voting rights. To exercise the rights of a holder of bearer shares, the holders of bearer shares must provide the Company with evidence of their right to attend the General Meeting and to exercise the voting rights. Therefore, a special proof of shareholding prepared by a depository institution has to be submitted. The proof must refer to the reference date specified by law.
- (6) The notification of attendance according to para. 5 sentence 1 and the proof according to para. 5 sentence 2 have to be received by the Management Board at the registered seat of the Company or by another body referred to in the convocation in text form (Section 126b BGB) and in German or English language at least six days prior to the General Meeting. This period does not include the day of the General Meeting and the day of receipt of the notification of attendance and the proof.
- (7) An admission card will be issued for the shareholders who are allowed to attend the General Meeting.
- (8) The chairperson of the Supervisory Board and, in case of his/her absence, another member of the Supervisory Board which is appointed by the present members, is appointed to chair the General Meeting. In case that neither the chairperson of the Supervisory Board nor any other member of the Supervisory Board is appointed to chair the General Meeting, the Supervisory Board appoints a chairperson for the General Meeting.

- (9) The chairperson chairs the meeting and determines the order of the agenda as well as the manner and form of voting. The chairperson is authorized to impose a reasonable time limit on the right to ask questions and to speak. In particular, he or she may determine at the beginning or during the General Meeting an appropriate time frame for the course of the entire General Meeting, for discussion of individual agenda items as well as for individual questions and speeches. In doing so, the chairperson shall be guided by the need to ensure that the General Meeting is concluded within a reasonable and appropriate period of time.
- (10) The Management Board is authorized to provide in the convocation of the General Meeting that shareholders may participate in the General Meeting without being present in person at the place of the General Meeting or being represented and may exercise all or specific shareholders' rights in total or in part by electronic communication (online participation). The Management Board is also authorized to determine the detailed scope and procedure of the online participation.
- (11) The Management Board is authorized to provide in the convocation of the General Meeting that shareholders may cast their votes in writing or by electronic communication without attending the General Meeting (*Briefwahl*). The Management Board is also authorized to determine the detailed procedure of the postal voting.

Article 14
Voting right and Resolutions of the General Meeting

- (1) Each no-par value share carries one vote.
- (2) The vote may be cast through a proxy. The statutory provisions shall apply concerning the granting of the proxy, its revocation and the evidence of authority. The convocation of the General Meeting may provide less strict requirements. To the extent permitted by law, different requirements may be provided by the convocation of the General Meeting concerning the granting of proxy authorization to possible proxies designated by the Company.
- (3) Resolutions of the General Meeting shall be passed with a simple majority of the votes cast and, as far as a capital majority is required, with a simple majority of the share capital, unless another majority is required by mandatory law or the Articles of Association. Amendments to the Articles of Association require a majority of two-thirds of the votes cast or, if at least one-half of the share capital is represented, the simple majority of the votes cast, unless mandatory legal provisions require another majority.
- (4) If, during an election – also as far as the election is exercised by successive voting on several resolution proposals – none of the candidates for individual mandates or the total of mandates to be allocated achieves the required majority (first ballot), a new resolution shall be passed in this respect (second ballot). In the second ballot, only candidates nominated in the first ballot are eligible. The maximum number of candidates running for office is two times the number of the remaining mandates to be allocated after the first ballot; if a larger number of candidates runs for office, only those who cast the highest absolute number of votes during the first ballot shall be subject to the resolution. The candidates receiving the most votes absolutely in this ballot shall be deemed elected.

- (5) The Supervisory Board is authorized to resolve amendments of these Articles of Association that only relate to its wording.

VII.

Annual Financial Statements and Appropriation of Profit

Article 15

Annual Financial Statements

- (1) Within the first three months of each fiscal year, the Management Board shall prepare for the preceding fiscal year the annual financial statements and the group annual financial statements (each with balance sheet, profit and loss statement and notes) as well as the respective management reports or the group management report for the Company and the group and submit these documents after their preparation without undue delay to the Supervisory Board and the auditors for auditing. At the same time, the Management Board shall submit to the Supervisory Board a proposal for the appropriation of the profit (*Bilanzgewinn*) that shall be recommended to the General Meeting.
- (2) The Supervisory Board shall review the annual financial statements, the group annual financial statements, the management report(s) for the Company and the group for the preceding fiscal year as well as the proposal for the appropriation of the distributable profit and to report to the General Meeting in writing on the result of the review. The Supervisory Board has to transmit its report to the Management Board within one month after receipt of the documents which have to be provided according to para. 1. At the end of the report, the Supervisory Board shall declare whether it approves the annual financial statements and the group annual financial statements prepared by the Management Board. If the Supervisory Board approves the annual financial statements after review, the annual financial statement is adopted if neither the Management Board nor the Supervisory Board resolve to leave the approval of the annual financial statement to the General Meeting.
- (3) After receipt of the Supervisory Board's report on the result of its review, the Management Board shall convene the ordinary General Meeting without undue delay.

Article 16

Use of Distributable Profits

- (1) The ordinary General Meeting resolves on the appropriation of the distributable profit shown in the adopted annual financial statements. The General Meeting may allocate further amounts to retained earnings or carry such amounts forward as profit or resolve a different use. The distributable profits will be distributed to the shareholders unless the General Meeting resolves otherwise. Instead of or in addition to distributing a cash dividend, the General Meeting may also resolve a distribution in kind.
- (2) Insofar as the shareholders are entitled to a distribution of the distributable profits, the entitlement will in general be due on the third working day following the General Meeting's resolution. Within the limits of the statutory requirements, the General Meeting may also resolve a later due date in each case for the distributable profits in total or only certain parts of it.

- (3) With the consent of the Supervisory Board, the Management Board may distribute to the shareholders an advance payment on the expected net profit after the end of the fiscal year under the conditions of Section 59 AktG.

**VIII.
Final Provisions**

**Article 17
Raising of Capital, Costs of Transformation**

- (1) The Company's share capital is raised by conversion of Deutsche Wohnen AG with its registered office in Frankfurt am Main, previously registered in the commercial register of the local court of Frankfurt am Main under the entry number HRB 42388.
- (2) The costs related to the change of legal form from Deutsche Wohnen AG into Deutsche Wohnen SE, in particular the costs for the court and the notary, the costs of the employee involvement procedure and the special negotiating body, the conversion audit costs, the costs for publication as well as costs for legal and other advice, shall be borne by the Company up to a maximum amount of EUR 1,500,000.00.

Convenience Transition

III. Information on the Members of the Supervisory Board proposed in the Articles of Association of Deutsche Wohnen SE (Annex to the Conversion Plan, see II of this Agenda) on the Proposed Members of the Supervisory Board

The information according to Article 125 para. 1 sentence 5 AktG and according to recommendations of the German Corporate Governance Code for the proposed candidates for the election to the Supervisory Board as listed in Agenda Item 10 is set out below:

- Mr. Uwe E. Flach, residing in Frankfurt am Main, Germany, Management Consultant, Frankfurt am Main, Germany:

Mr. Uwe E. Flach studied business administration and is a qualified banker. Mr. Flach began his professional career with Dresdner Bank AG and he joined Dillon Read & Company where he worked in New York, London and Paris for six years. In 1976, he moved to DG BANK AG, where he became senior manager with responsibility for capital markets, securities and corporate finance in 1977. In 1989, he first became a deputy member of the Management Board of DG Bank AG, and in 1991 he became a member of the Management Board, taking responsibility for the investment banking division. From 2001 until his retirement in 2003, he was appointed as deputy chairman to the Management Board of DG BANK's successor bank, DZ BANK AG. Besides his affiliation with DG BANK AG and DZ BANK AG, Mr. Flach has held various Supervisory Board positions in various companies (see list below). From 2004 to 2016, he was a senior advisor and consultant for Oaktree GmbH. Mr. Flach has been a member of the Supervisory Board of Deutsche Wohnen AG since January 2008 and serves as chairman of the Supervisory Board since July 2011.

Mr. Uwe E. Flach is currently not a member of other statutory supervisory boards or comparable domestic or foreign controlling bodies at commercial enterprises within the meaning of Section 125 para. 1 sentence 5 AktG.

The Supervisory Board has confirmed with Dr. Florian Stetter that he is able to devote the expected amount of time required. In addition to the aforementioned professional activity, Mr. Uwe E. Flach holds the following key duty besides his mandate in the Company's Supervisory Board:

- Hans Magiera-Stiftung, Bad Homburg, Germany (vice chairman)

In Supervisory Board's opinion, there are no personal or business relationships relevant to the voting decision of the Annual General Meeting between Mr. Uwe E.

Flach and the Deutsche Wohnen Group, its bodies or a shareholder holding, directly or indirectly, more than 10% of the voting shares in Deutsche Wohnen.

- Herr Dr. rer. pol. Andreas Kretschmer, residing in Düsseldorf, Germany, advisor to Ärzteversorgung Westfalen-Lippe, Institution of Ärztekammer Westfalen-Lippe KöR, Münster, Germany:

Dr. Andreas Kretschmer studied economics with a focus on auditing/accounting and further started a second course of studies in law at the Johann-Wolfgang-Goethe University in Frankfurt am Main, Germany. In 1977, he received a Ph.D. in economics from the Johannes Gutenberg University in Mainz, Germany. From 1973 to 1992, Dr. Kretschmer worked at Dresdner Bank, where he held leading positions, including executive assistant and director of corporate customer service. Dr. Kretschmer was active both nationally and internationally during his work at Dresdner Bank. During 1991 and 1992, he also worked as Head of Finances to the governmental agency privatizing eastern German property (*Treuhandanstalt*). In 1992, Dr. Kretschmer joined Ärzteversorgung Westfalen-Lippe (the pension scheme for physicians in Westphalia-Lippe) as managing director of capital investment and served as CEO from January 1, 2009 to March 31, 2017. Since April 1, 2017, he is advisor to Ärzteversorgung Westfalen-Lippe. Dr. Kretschmer has been a member of the Supervisory Board of Deutsche Wohnen AG since June 2000 and serves as vice chairman to the Supervisory Board since August 2006.

Dr. Andreas Kretschmer is currently a member in the following other statutory supervisory boards within the meaning of Section 125 para. 1 sentence 5 clause 1 AktG:

- BIOCEUTICALS Arzneimittel AG, Bad Vilbel, Germany (chairman of the supervisory board)
- Amprion GmbH, Dortmund, Germany (vice chairman of the supervisory board)

Dr. Andreas Kretschmer is currently not a member of comparable domestic or foreign controlling bodies at commercial enterprises within the meaning of Section 125 para. 1 sentence 5 clause 2 AktG.

The Supervisory Board has confirmed with Dr. Andreas Kretschmer that he is able to devote the expected amount of time required. In addition to the aforementioned professional activity and memberships pursuant to Article 125 para. 1 sentence 5

clause 1 AktG, Dr. Andreas Kretschmer holds the following key duty besides his mandate in the Company's Supervisory Board:

- LVM Landwirtschaftlicher Versicherungsverein Münster a.G., Münster (trustee)

In Supervisory Board's opinion, there are no personal or business relationships relevant to the voting of the Annual General Meeting between Dr. Andreas Kretschmer and the Deutsche Wohnen Group, its bodies or a shareholder holding, directly or indirectly, more than 10% of the voting shares in Deutsche Wohnen.

- Herr Matthias Hünlein, residing in Oberursel, Germany, Managing Director of Tishman Speyer Properties Deutschland GmbH, Frankfurt am Main:

Matthias Hünlein received a law degree from the University of Passau, Germany. He began his professional career with Deutsche Bank Group. Among other positions he worked for DB Real Estate Management GmbH (now RREEF Management GmbH) and as managing director of DB Real Estate Spezial Invest GmbH (now RREEF Spezial Invest GmbH), where he was responsible for product development and client relationships. In November 2005, Mr. Matthias Hünlein joined Tishman Speyer Properties Deutschland GmbH where he is responsible, as managing director, for client relationships and capital raising activities in Europe. Matthias Hünlein has been a member of the Supervisory Board of Deutsche Wohnen AG since June 2000.

Mr. Matthias Hünlein is currently not a member of other statutory supervisory boards or comparable domestic or foreign controlling bodies at commercial enterprises within the meaning of Section 125 para. 1 sentence 5 AktG.

The Supervisory Board has confirmed with Mr. Matthias Hünlein that he is able to devote the expected amount of time required. In addition to the aforementioned professional activity, Mr. Matthias Hünlein does not perform any other key duties besides his mandate in the Company's Supervisory Board.

In Supervisory Board's opinion, there are no personal or business relationships relevant to the voting of the Annual General Meeting between Mr. Matthias Hünlein and the Deutsche Wohnen Group, its bodies or a shareholder holding, directly or indirectly, more than 10% of the voting shares in Deutsche Wohnen.

- Herr Dr. Florian Stetter, residing in Erding, Germany, chairman of the management board of Rockhedge Asset Management AG, Krefeld, Germany:

Dr. Florian Stetter studied business administration at the Vienna University of Economics and Business and received a Ph.D. from the University of Vienna, Austria. He began his professional career in 1988 with McKinsey & Company as a business analyst. From 2000 to 2010, he was managing director of Strabag Property and Facility Services GmbH. He currently serves as chairman of the management board of Rockhedge Asset Management AG in Krefeld, Germany. Dr. Stetter has been a member of the Supervisory Board of Deutsche Wohnen AG since March 2006.

Dr. Florian Stetter is currently a member in the following other statutory supervisory board within the meaning of Section 125 para. 1 sentence 5 clause 1 AktG:

- CalCon Deutschland AG, München, Germany (member of the supervisory board)

Dr. Florian Stetter is currently not a member of comparable domestic or foreign controlling bodies at commercial enterprises within the meaning of Section 125 para. 1 sentence 5 clause 2 AktG.

The Supervisory Board has confirmed with Dr. Florian Stetter that he is able to devote the expected amount of time required. In addition to the aforementioned professional activity and memberships pursuant to Section 125 para. 1 sentence 5 clause 1 AktG, Dr. Florian Stetter holds the following key duty besides his mandate in the Company's Supervisory Board:

- ENOVO s.r.o., Bratislava, Slovak Republik (Managing Partner)

In Supervisory Board's opinion, there are no personal or business relationships relevant to the voting of the Annual General Meeting between Dr. Florian Stetter and the Deutsche Wohnen Group, its bodies or a shareholder holding, directly or indirectly, more than 10% of the voting shares in Deutsche Wohnen.

- Mr. Claus Wisser, residing in Frankfurt am Main, Germany, CEO of Claus Wisser Vermögensverwaltungs GmbH, Frankfurt am Main, Germany:

Claus Wisser studied business administration in Frankfurt am Main. Following his studies, he founded WISAG Service Holding GmbH & Co. KG in 1965. Under Mr. Wisser's stewardship, WISAG developed into one of the leading facility and building service companies in Germany. Since 1975, Mr. Wisser has served as a founder, director and shareholder of numerous real estate companies, where he has developed and managed his own and others' property with an emphasis on the Rhine-

Main region. Mr. Claus Wisser serves as chairman of the supervisory board of AVECO Holding AG (the parent company of WISAG group). At the same time, he is actively involved with a number of charitable, cultural and social organizations. Since June 2014, Mr. Wisser has been a member of the Supervisory Board of Deutsche Wohnen AG.

Mr. Claus Wisser is currently a member in the following other statutory supervisory board within the meaning of Section 125 para. 1 sentence 5 clause 1 AktG:

- AVECO Holding AG, Frankfurt am Main, Germany (chairman of the supervisory board)

Mr. Claus Wisser is currently not a member of other statutory supervisory boards or comparable domestic or foreign controlling bodies within the meaning of Section 125 para. 1 sentence 5 clause 2 AktG.

The Supervisory Board has confirmed with Mr. Claus Wisser that he is able to devote the expected amount of time required. In addition to the aforementioned professional activity, Mr. Claus Wisser does not perform any other key duties besides his mandate in the Company's Supervisory Board.

In Supervisory Board's opinion, there are no personal or business relationships relevant to the voting of the Annual General Meeting between Mr. Claus Wisser and the Deutsche Wohnen Group, its bodies or a shareholder holding, directly or indirectly, more than 10% of the voting shares in Deutsche Wohnen.

- Mr. Jürgen Fenk, residing in Frankfurt am Main, Germany, member of the management board of Landesbank Hessen-Thüringen Girozentrale:

For information on Mr. Jürgen Fenk, please refer to the corresponding information in Agenda Item 6.

IV. Management Board reports

1. Management Board report on Agenda Item 8 (Resolution on the creation of Authorized Capital 2017 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 2, 2017, the Management Board and the Supervisory Board propose to cancel the partially unutilized Authorized Capital 2015 and replace this with a new authorized capital (Authorized Capital 2017). 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 12, 2015, 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 11, 2018, by up to EUR 100,000,000.00, by issuing up to 100,000,000 new, no-par value bearer shares against contributions in cash and/or in kind (Authorized Capital 2015).

With partial use of this authorization, the Company in February 2017 increased its share capital against cash contributions and excluding shareholders' subscription rights pursuant to Section 186 para. 3 sentence 4 AktG by EUR 17,174,110.00 from EUR 337,480,450.00 to EUR 354,654,560.00. This corresponds to a pro rata amount of the Company's share capital of approximately 5.1% of the share capital, based both on the effective date and on the date on which the Authorized Capital 2015 was utilized.

The Management Board was also authorized by resolution of the Annual General Meeting on June 12, 2015, with the consent of the Supervisory Board until June 11, 2020, to issue one or multiple convertible bearer bonds, bonds with warrants, participation rights and/or participating bonds (or a combination of these instruments) with a nominal value of up to EUR 1,500,000,000.00 with or without restrictions on maturity. On February 27, 2017, the Company, by means of a private placement, issued a convertible bond with a total nominal value of EUR 800,000,000.00 against cash contributions and with the exclusion of shareholders' subscription rights pursuant to Section 186 para. 3 sentence 4 AktG. These were initially convertible into approximately 16.5 million new or existing bearer shares of Deutsche Wohnen AG. This corresponds to a pro rata amount of the Company's share capital of just under 4.9% of the share capital, based both on the date on which the authorization became effective and on the date on which the authorization was exercised.

Pursuant to Article 4a para. 2 (iii) of the Articles of Association of the Company, when accounting for the restrictions set out by Section 186 para. 3 sentence 4 AktG, inter alia, shares shall be included 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. Accordingly, the authorization to exercise the Authorized Capital 2015 against cash contributions and exclusion of subscription rights pursuant to Article 4a para. 2 (iii) of the Articles of Association was almost fully utilized.

In order for the Company to remain flexible in the future to increase its equity capital as necessary (including issuing new shares against cash contributions and with the exclusion of subscription rights), the existing Authorized Capital 2015 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 2, 2017, 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 1, 2020, by up to EUR 110,000,000.00, by issuing up to 110,000,000 new no-par value bearer shares in return for contributions in cash and/or in kind (Authorized Capital 2017).

The Authorized Capital 2017 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 2017 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) (bonds). 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 2017, 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 the volume-weighted market price during an appropriate period 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 2, 2017, 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 2017, 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 (or combinations of these instruments), in a volume of up to EUR 3.0 billion, with the possibility to exclude subscription rights; creation of a new Conditional Capital 2017 in the amount of EUR 70 million, cancellation of the existing (residual) authorization to issue convertible bonds, bonds with warrants and corresponding amendment to the Articles of Association)

Under Agenda Item 9 of the Annual General Meeting on June 2, 2017, 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) (“bonds”) and the creation of a new authorization and new Conditional Capital 2017. 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 12, 2015, 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) (hereinafter referred to as "**Bonds 2015**") in the period until June 11, 2020, once or more than once in the nominal amount of up to EUR 1,500,000,000.00, with or without a limitation on maturity, as well as to grant creditors or owners of Bonds 2015 convertible or option rights to Company shares with a pro-rata amount of share capital up to EUR 50,000,000.00 according to the respective option or convertible bond conditions or profit participation conditions (hereinafter the "**Authorization 2015**"). A Conditional Capital 2015 in the amount of EUR 50,000,000.00 was created to service the bonds 2015 (Article 4b para. 3 of the Articles of Association).

By way of partially exercising the 2015 authorization, the Company issued a convertible bond with a total nominal value of EUR 800,000,000.00 in a private placement on February 27, 2017, with simplified exclusion of shareholder rights. These were initially around 16.5 million new or existing, no-par value convertible shares of Deutsche Wohnen AG. This corresponds to a pro rata amount of approximately 4.9% of the Company's share capital, with reference both to the date of authorization as well as the date of the utilizing the authorization.

The Company, with partial utilization of the Authorized Capital 2015, has raised the share capital in February 2017 by EUR 17,174,110.00 from EUR 337,480,450.00 to EUR 354,654,560.00 in return for contributions in cash and under exclusion of the subscription right of the shareholders, pursuant to Section 186 para. 3 sentence 4 AktG. This corresponds with the Company's prorated amount of around 5.1% of the share capital, with reference both to the date of authorization as well as the date of utilizing the Authorized Capital 2015.

According to the Authorization 2015, shares issued against cash contributions excluding shareholders subscription rights from authorized capital pursuant to Section 186 para. 3 sentence 4 AktG, inter alia, have to be counted towards the limitations set out by Section 186 para. 3 sentence 4 AktG when excluding shareholders' subscription rights in a new issuance during the term of the Authorization 2015. As a result, the Authorization 2015 granted by the Annual General Meeting on June 12, 2015 can no longer be used flexibly, as the possibility for simplified exclusion of subscription rights has been mostly utilized due to the additionally issued shares from Authorized Capital 2015 against cash contributions excluding shareholders subscription rights pursuant to Section 186 para. 3 sentence 4 AktG.

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 2015 – 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 2017).

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 3,000,000,000.00. The conditional capital that serves to fulfill the conversion or option rights or conversion or option obligations shall amount to EUR 70,000,000.00. 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, inter alia, 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. The Management Board can therefore, inter alia, use this kind of book-building process 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 partial utilization of Authorized Capital 2015 against cash contributions excluding shareholders' subscription rights in February 2017

On the basis of a resolution of the Management Board of February 21, 2017, and a resolution of principle of the Executive Committee of the Supervisory Board of February 21, 2017, that was authorized by the decision of principle of the Supervisory Board on February 16, 2017, the Authorized Capital 2015 was used partially by a volume of EUR 17,174,110.00 in February 2017. In the process of the share capital increase against contributions in kind – entered in the commercial register on February 23, 2017 –, the subscription rights of the existing shareholder were excluded. In the course of the capital increase, the Company's share capital was increased from EUR 337,480,450.00 by EUR 17,174,110.00 to EUR 354,654,560.00. The volume of the capital increase using authorized capital under exclusion of subscription rights corresponds to a pro rata amount of 5.1% of the Company's share capital with regards both to the share capital on the effective date of the Authorized Capital 2015 on July 14, 2015, and the share capital on the date of the utilization of the Authorized Capital 2015. The volume restriction on share capital increases against contributions in kind under exclusion of subscription rights as provided in the Authorized Capital 2015 was adhered to, even against the backdrop of the simultaneous issue of convertible bonds in February 2017. The convertible bonds were initially convertible into 16.5 million new or existing no-par value bearer shares of Deutsche Wohnen AG. This corresponds to a pro rata amount of 4.9% of the share capital with regards to both the effective date and the time of the utilization of the authorization to issue convertible bonds granted on June 12, 2015.

The new shares were subscribed by Deutsche Bank Aktiengesellschaft, Goldman Sachs International, UBS Limited, and BNP Paribas. Deutsche Bank Aktiengesellschaft, Goldman Sachs International, UBS Limited, BNP Paribas were obliged to offer and transfer shares to institutional investors including existing investors within a private placement using the method of accelerated bookbuilding. The new shares were issued pursuant to a Management Board resolution of February 21, 2017, at a price of EUR 31.75. The Executive Committee of the Supervisory Board has agreed to this resolution regarding the placement price being fixed with the resolution from February 21, 2017. The difference between the minimum issue price of EUR 1.00 and the placement price of the new shares (issue price pursuant to Section 186 para. 3 sentence 4 AktG) minus fees and costs was treated as an additional voluntary contribution to the Company's equity capital.

The new shares were admitted to trading on February 24, 2017, and included in the existing quotation of the Company's shares in the Prime Standard Segment with additional post-admission duties of the regulated market of the Frankfurt Stock Exchange (*Frankfurter*

Wertpapierbörse) on February 27, 2017. The gross placement proceeds from the capital increase amounted to EUR 545 million. The proceeds shall be used for the most part to finance a repurchase offer regarding the convertible bonds issued on November 22, 2013, that are due in 2020. The remaining proceeds shall be used together with the proceeds of the issue of the Convertible Bonds 2017 primarily to finance future acquisitions, the acquisition of the *Pegasus Pflegeheim* portfolio already announced in the third quarter of 2016, as well as to acquire additional smaller portfolios.

In the determination of the price, the requirements of Section 203 para. 1 and Section 186 para. 3 sentence 4 of the AktG were adhered to as required by the Authorized Capital 2015 for the exclusion of subscription rights in a capital increase against cash contributions of up to 10% of the share capital. According to these requirements, the price for new shares must not be set significantly below the stock exchange price of the Company's shares.

The set offer price per share of EUR 31.75 corresponds to a discount of 2.1% on the XETRA closing price of the Company's shares on February 21, 2017. Therefore, the discount falls in the accepted range for insignificant discounts to the stock exchange price.

The exclusion of subscription rights uses the opportunity provided by Section 203 para. 1 and Section 186 para. 3 sentence 4 of the AktG to exclude subscription rights for companies traded on stock exchanges in cash capital increases. The exclusion of subscription rights was necessary at the time of the partial utilization of the Authorized Capital 2015 to make short-term use of the favorable market situation and to maximize proceeds, in the view of the Management Board and the committee on capital-related measures of the Supervisory Board, by setting a price close to market prices. As a subscription period of two weeks is otherwise required by law (Section 186 para. 1 sentence 2 AktG), granting subscription rights would have prohibited a short-term reaction to the then-current market situation.

In addition, when granting subscription rights, the final subscription price has to be disclosed three days before the conclusion of the subscription period at the latest (Section 186 para. 2 sentence 2 AktG). Because of the longer period of time between price determination and the execution of the capital increase, stock market volatility leads to a higher risk of price changes compared to an issue without subscription right. A successful placement in a capital increase transaction with subscription rights would have necessitated an adequate discount to the then-current stock exchange price thereby leading to offer conditions prospectively not close to market. For the aforementioned reasons, the exclusion of subscription rights was in the best interest of the Company. The interests of the existing shareholders were adequately accounted for by fixing the offer price close to the then-current stock exchange price, and by limiting the

volume of the capital increase to 5.1% of the share capital on the effective date of the Authorized Capital 2015. In consideration of the liquidity of the Company's share capital, the existing shareholders can maintain their relative shareholdings in the Company by purchasing additional shares over the stock exchange at comparable prices. By issuing new shares at a price close to the then-current stock exchange price, it was ensured that the capital increase would not lead to a significant economic dilution of the existing shareholders.

Pursuant to the authorization in Section 4a of the Articles of Association of the Company, the issue of new shares with profit participation started at January 1, 2016. Therefore, the new shares had the same profit participation rights attached as old shares. Accordingly, it is unnecessary to assign a new securities number for the new shares until the date of the Annual General Meeting. Thus, a prospective low stock liquidity when trading under a special securities number leading to an aggravated marketability and possibly discount was avoided. For this reason, tying the profit participation rights of the new shares to the beginning of the fiscal year 2016 was in the best interest of the Company.

In light of the abovementioned considerations, subscription rights – taking the requirements of the Authorized Capital 2015 into account – were excluded and objectively justified.

4. Report of the Management Board on the issuance of convertible bonds based on the authorization of June 12, 2015, with the exclusion of subscription rights on February 27, 2017

The Management Board was authorized by resolution of the Annual General Meeting on June 12, 2015, with the consent of the Supervisory Board, to issue one or multiple convertible bearer or registered bonds, bonds with warrants, participation rights and/or participating bonds (or a combination of these instruments) with a nominal value of up to EUR 1,500,000,000 with or without a maturity date and to grant the bond/participation rights holders conversion and option rights to shares of the Company up to a proportionate amount of the share capital of up to EUR 50,000,000 in accordance with the underlying documentation of the convertible bonds, bonds with warrants and participation rights (hereafter “**Authorization 2015**”) until June 11, 2020. For issuing these bonds conditional capital 2015 of EUR 50,000,000.00 was created (Section 4b para. 3 Articles of Association).

According to Authorization 2015, on February 27, 2017, the Company issued an unsecured, unsubordinated convertible bond with a maturity date of July 26, 2024 and a total nominal value of EUR 800,000,000.00, which is divided into 8,000 partial debentures with a nominal value of EUR 100,000 each (hereinafter referred to as the “**Convertible Bonds 2017**”).

The Convertible Bonds 2017 were issued at 100% of their nominal value. The Company may terminate the Convertible Bonds 2017 as of August 17, 2022 in accordance with the underlying bond documentation 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. A return option will not be granted to the bondholders. The Convertible Bonds 2017 will bear a coupon of 0.325 %. The initial conversion price amounts to EUR 48,5775 and therefore surmounts by 53.0% the reference price of EUR 31.75 for a Deutsche Wohnen AG share. 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 2017 February 21, 2017.

The right of the shareholders of Deutsche Wohnen AG to subscribe to the Convertible Bonds 2017 was excluded with the consent of the Supervisory Board. The Company exercised its right to the exclusion of subscription rights as provided in Sections 221 para. 4 sentence 2, 186 para. 3 sentence 4 AktG and as authorized by the Annual Meeting on June 12, 2015. The Management Board and Supervisory Board believe that the exclusion of subscription rights was justified.

The issued Convertible Bonds 2017 initially were convertible into 16.5 million new or existing bearer shares of Deutsche Wohnen AG. This corresponds to 4.9% of the share capital at the effective as well as the execution date of the authorization. The restriction of volume of not more than 10% of the share capital for shares granting a conversion rights to the shareholders of Convertible Bonds 2017 which was provided for in the authorization of the annual meeting on June 12, 2015 was thus, also under consideration of the parallel exploitation of the Authorized Capital 2015 in February 2017, fulfilled.

Also the authorization requirements of the annual meeting of June 12, 2015 concerning the determination of the face value of the Convertible Bonds 2015 were fulfilled. The face value of the Convertible Bonds 2017 with a maturity date of 7 years and 5 months corresponded to a initial conversion premium of 53% above reference price of EUR 31.75 per share of Deutsche Wohnen AG with a coupon of 0.325 % and was therefore within the accepted frame; the face value did not fall below the theoretical value of the partial debentures according to Sections 221 para. 4 sentence 2, 186 para. 3 sentence 4 AktG. Bookbuilding ensured an appropriate market price determination and with that the prevention of a watering down. Because addressing the investors as part of the bookbuilding representatively displayed market supply and demand and by this defined the theoretical value of the bonds.

The exclusion of subscription rights to the convertible bonds was necessary in order to benefit from the positive market environment situation at the time of the issue of the convertible bonds and to achieve the highest issue price through market appropriate price determination. Therefore the issue of convertible bonds under exclusion of subscription rights was also in the interest of the shareholders. Granting subscription rights (Sections 221 para. 4 sentence 2, 186 para. 1 sentence 2 AktG) however would not have allowed for short-term reactions to current changes in the markets. Financial instruments such as the Convertible Bonds 2017 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.

Additionally, the initial value must be published three days before the subscription deadline if subscription rights are granted (Sections 221 para. 4 sentence 2, 186 para. 2 sentence 2 AktG). Because of the time period between determination of the initial value and the end of the subscription deadline as well as the volatility of stock markets there is a higher risk of changes to the market- and share price as compared to an issue with exclusion of subscription rights. A successful issue with subscription rights would have made it necessary to provide for a safety discount regarding the determination of the initial value and the underlying conditions in order to compensate market risk. Ultimately this would have not lead market appropriate conditions. The returns of the issue of Convertible Bonds 2017 is primarily used to finance future acquisitions of Pegasus Pflegeheim-Portfolio announced in third quarter of 2016 as well as other smaller portfolios. As a result, the exclusion of a subscription right was in the best interest of the Company.

The interests of the shareholders were also adequately protected by fixing the issue price close to the theoretical value of the convertible bonds and by the amount of conversion rights from the Convertible Bonds 2017 when issued to approximately 4.9% of the share capital. In view of the liquid exchange trading, shareholders in principle have the opportunity to maintain their relative shareholding in the Company by means of a purchase via the stock exchange on comparable terms. Significant economic dilution of shareholders' equity was not associated with the issuance of Convertible Bonds 2017, nor as a result of the parallel use of the Authorized Capital 2015 in February 2017 as described above. Placing bonds with subscription rights did not represent a suitable alternative from the Company's viewpoint, particularly as a result of the lower proceeds from the issuance, the uncertainty of the placement opportunities as well as the time frame required.

Based on the above considerations, the exclusion of the shareholders' subscription rights, which was made in compliance with the provisions of the authorization of the Annual General Meeting on June 12, 2015, was objectively justified.

V. 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 354,660,404.00 and is divided in 354,660,404 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 354,660,404. 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, May 26, 2017 at midnight (24:00) CEST** at the following address

Deutsche Wohnen AG
c/o Link Market Services GmbH
Landshuter Allee 10
80637 München
Fax: +49 (0) 89 210 27 289
E-mail: inhaberaktien@linkmarketservices.de

and the holders of bearer shares must verify to the Company by **Friday, May 12, 2017 at midnight (24:00) 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, May 26, 2017 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.

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 2017”).

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

inhaberaktien@linkmarketservices.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 2017”).

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 2017”).

Authorization of proxies appointed by the Company and detailed instructions for such proxies should be received by **midnight 24:00 CEST on Thursday, June 1, 2017**; 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 Link Market Services GmbH
Landshuter Allee 10
80637 München

Fax: +49 (0) 89 210 27 289

E-mail: inhaberaktien@linkmarketservices.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 2, 2017**. 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 90 days 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, whereby the holding period is calculated pursuant to Section 70 AktG. A rescheduling from a Sunday, a Saturday or a holiday to a chronologically prior or subsequent workday is ruled out. Sections 187 to 193 BGB apply accordingly.

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 18, 2017**, 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 2017”)

(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 2017”).

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 89 786-5419

E-mail: ir@deutsche-wohnen.com

Counter motions sent to a different address shall not be published.

Counter motions 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 counter motions to the various agenda items during the Annual General Meeting, even without prior and timely submission of such counter motions 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 Items 6 and 10).

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 18, 2017**, shall be published immediately on the Company's website at

<http://ir.deutsche-wohnen.com> (under "Annual General Meetings" > "Annual General Meeting 2017").

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 sentence 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 2017").

Candidate nominations should be sent to the following address:

Deutsche Wohnen AG
Investor Relations
Mecklenburgische Straße 57
14197 Berlin

Fax: + 49 (0) 30 89 786-5419

E-mail: ir@deutsche-wohnen.com

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

The right of every shareholder to nominate candidates at the Annual General Meeting shall remain unaffected. Candidate nominations that are conveyed to the Company prior will only be taken into account by the Chairman of the Meeting, if they are provided at the meeting verbally.

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. Section 9 para 9 sentence 2 of the Articles of Association of the Deutsche Wohnen AG authorize the Chairman of the Meeting to reasonably restrict the time for shareholder's question right and right to speak. 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 2017").

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 2017")

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 of Deutsche Wohnen AG as of December 31, 2016 adopted by the Supervisory Board, the management reports for Deutsche Wohnen AG and the Group, including the Supervisory Board Report for financial year 2016, as well as the Explanatory Management Board Report to the Notes pursuant to Section 289 para. 4, and Section 315 para. 4 HGB as of December 31, 2016.

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:

The Conversion Plan of April 19, 2017 on the conversion of Deutsche Wohnen AG into a European Company (Societas Europaea, SE) including the Articles of Association of Deutsche Wohnen SE, which is attached to the Conversion Plan as an annex, the Conversion Report prepared by the Management Board pursuant to Article 37 para. 4 SE-VO on the conversion of Deutsche Wohnen AG into a European Company (Societas Europaea, SE), the certification of net asset value for the conversion of Deutsche Wohnen AG into a European Company (Societas Europaea, SE) by Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Berlin office, pursuant to Article 37 para. 6 SE-VO as well as Information pertaining to the members of the first Supervisory Board of Deutsche Wohnen AG as proposed in the Articles of Association.

In addition:

Report of the Management Board on the partial utilization of the Authorized Capital 2015 against cash contributions under exclusion of subscription rights in February 2017,

Report of the Management Board on the issue of convertible bonds based on the authorization of June 12, 2015, with the exclusion of subscription rights on February 27, 2017.

The above documents shall also be available for inspection during the Annual General Meeting on Friday, June 2, 2017. 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, April 2017

Deutsche Wohnen AG

The Management Board