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## **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 2<sup>nd</sup> 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