



Deutsche Wohnen SE

Berlin

ISIN DE000A0HN5C6

WKN A0HN5C

Invitation to the Annual General Meeting 2018

The shareholders of our Company are hereby invited to attend the

Annual General Meeting 2018

taking place

at

Kap Europa

Osloer Straße 5, 60327 Frankfurt/Main

at 10:00 a.m. (CEST)

on Friday, June 15, 2018.

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

I. Agenda

1. **Presentation of the approved annual financial statements of Deutsche Wohnen SE and the consolidated financial statements as of December 31, 2017 as adopted by the Supervisory Board, the combined management reports of Deutsche Wohnen SE and the Group, including the Supervisory Board Report for financial year 2017, as well as the Explanatory Management Board Report to the Notes pursuant to Section 289a, and Section 315a of the German Commercial Code (*Handelsgesetzbuch*, HGB) as of December 31, 2017**

The Supervisory Board has adopted the annual financial statements and consolidated financial statements of Deutsche Wohnen SE prepared by the Management Board; the annual financial statements of Deutsche Wohnen SE 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 2017 by Deutsche Wohnen SE**

The Management Board and the Supervisory Board propose to utilize the net profits of EUR 331,000,000.00 in the approved annual financial statements as of December 31, 2017 as follows:

Distribution to shareholders:

Distribution of a dividend of EUR 0.80 per bearer share with the securities identification number ISIN DE000A0HN5C6, bearing dividend rights for financial year 2017; for 354,668,378 bearer

shares, this amounts to	EUR	283,734,702.40
Profit carry-forwards	EUR	47,265,297.60
Net profits	EUR	331,000,000.00

At the discretion of the shareholder, dividends will either be paid (i) in cash or (ii) in form of shares of Deutsche Wohnen SE (subsequently also “**Share Dividend**”) or (iii) for one part of their shares in cash and for the other part as a Share Dividend. Insofar that the dividends are paid in the form of shares, these shares will be distributed from the Authorized Capital 2017.

With regard to the aforementioned dividend payment, the dividend that is to be paid in cash shall mature on July 17, 2018, pursuant to Section 58 para. 4 sentence 3 German Stock Corporation Act (*Aktiengesetz*, AktG) in conjunction with Article 16 para. 2 sentence 2 of the Articles of Association. If

shareholders choose the Share Dividend, they are expected to receive the new shares of Deutsche Wohnen SE on July 19, 2018.

The details of the cash payment and the option for shareholders to select the Share Dividend are set forth in a separate document pursuant to Section 4 para. 1 no. 4, and para. 2 no. 5 of the Securities Prospectus Act (*Wertpapierprospektgesetz*, WpPG) (Prospectus-Exemption Document). This document will be made available to shareholders on the webpage of Deutsche Wohnen SE under <https://ir.deutsche-wohnen.com> (under “Annual General Meetings” > “Annual General Meeting 2018”) and will in particular contain information regarding the number and type of shares as well as an explanation regarding the reasons and details of the share offer.

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 2017 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 SE and GSW Immobilien AG, and associated issuances of new shares of the Company from the Conditional Capital 2014/II (Article 6b of the Articles of Association of Deutsche Wohnen SE), 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 0.80. The offer to receive the dividend in parts or in full in the form of shares of Deutsche Wohnen SE instead of a cash payment remains unchanged.

Insofar as the number of no-par value shares bearing dividend rights, and thus the total amount of dividend distributed, increases by EUR 0.80 per new share issued, the profit carry-forwards shall be reduced accordingly.

As the dividend for the financial year 2017 is paid out in full from the tax contribution account pursuant to Section 27 Corporate Income Tax Act (*Körperschaftsteuergesetz*, KStG), (contributions not paid into nominal capital), payment will be made without the deduction of capital gains tax, solidarity surcharge or church tax. Domestic shareholders are not required to pay tax on the dividend. This applies to both the cash distribution and insofar as the dividend is paid in the form of shares of Deutsche Wohnen SE. The possibility to claim a tax refund or tax credit does not apply. According to the German tax administration’s understanding, the payment of dividends reduces the purchase cost of the shares.

3. Resolution on the discharge of the members of the Management Board for financial year 2017

The Management Board and the Supervisory Board propose that the officiating members of the Management Board in financial year 2017 be granted discharge for that financial year.

4. Resolution on the discharge of the members of the Supervisory Board for financial year 2017

The Management Board and the Supervisory Board propose that the officiating members of the Supervisory Board for financial year 2017 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 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 2018;
- (b) in the event of an audited review of the condensed interim financial statements and the interim management reports (Sections 115 para. 5 and 117 no. 2 of the German Securities Trading Act (*Wertpapierhandelsgesetz*, WpHG) for the first half-year of financial year 2018 as auditor for such an audited review; and
- (c) in the event of an audited review of additional interim financial statements (Section 115 para. 7 WpHG) for the first and/or third quarter of financial year 2018 and/or for the first quarter of financial year 2019 as auditor for such an audited review.

The Audit Committee declares that its recommendations are free from any undue influence by third parties and that in regard to the appointment of a certain auditor or a certain auditing company to conduct the audit, no categories or lists of auditors or auditing companies were imposed on the Audit Committee and that it was hence free in its decision.

6. Election to the Supervisory Board

Pursuant to Article 40 para. 2 and 3, and Article 9 para. 1 c) Directive (EC) no. 2157/2001 (**SE-Regulation**), Section 17 SE-Implementation Act (**SEAG**) and Article 10 para. 1 of the Articles of Association of Deutsche Wohnen SE, the Supervisory Board is composed of six members, all of whom are to be elected by the shareholders.

The term of office of Mr. Uwe E. Flach as member of the Supervisory Board of Deutsche Wohnen SE shall end effective with the closing of the Annual General Meeting on June 15, 2018, due to the passage of time pursuant to Article 10 para. 2 of the Articles of Association of Deutsche Wohnen SE. As a result, one member of the Supervisory Board shall be newly elected.

By taking into consideration the objectives and its competence profile 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:

Ms. Tina Kleingarn, resident in Frankfurt am Main, partner at Westend Corporate, shall be appointed as a member of the Supervisory Board of Deutsche Wohnen SE, 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 her term of office, not including the financial year in which the term of office commences.

Ms. Kleingarn, born 1974 in Hamburg, acquired her masters degree in Business Administration at the University of Mannheim. She began her career at Goldman Sachs as an analyst in investment banking. From 2004 to 2005, she worked as an associate in this field in Japan and again in Frankfurt in 2006. From 2006 to 2012, she worked for Barclays Bank, first as vice president in the area of leveraged finance and later on as director in the area of financial sponsor coverage with responsibility for private equity clients in Germany. Since 2013, she works as a founding partner of Westend Corporate Finance, an M&A and IPO consultancy.

Ms. Kleingarn is currently neither a member of statutory supervisory boards within the meaning of Section 125 para. 1 sentence 5 clause 1 Stock Corporation Act (AktG) nor in comparable domestic and foreign supervisory bodies at commercial enterprises within the meaning of Section 125 para. 1 sentence 5 clause 2 Stock Corporation Act (AktG).

The Supervisory Board has confirmed with Ms. Kleingarn that she is able to devote the expected amount of time required. Currently, the following key duties of Ms. Tina Kleingarn will continue to exist:

- Westend Corporate Finance, Frankfurt (partner)

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

7. Resolution on the creation of an Authorized Capital 2018/I 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 2, 2017, 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 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 Management Board was also authorized by resolution of the Annual General Meeting on June 2, 2017, with the consent of the Supervisory Board until June 1, 2022, 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 3,000,000,000.00 with or without restrictions on maturity. On October 4, 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 Article 5 SE-Regulation in conjunction with Section 186 para. 3 sentence 4 of the German Stock Corporation Act (AktG). These were initially convertible into approximately 15.7 million new or existing bearer shares of Deutsche Wohnen SE. This corresponds to a pro rata amount of the Company's share capital of approximately 4.4% 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 5 para. 2 (iii) of the Articles of Association of the Company, when accounting for the restrictions set out by Article 5 SE-Regulation in conjunction with Section 186 para. 3 sentence 4 Stock Corporation Act (AktG), inter alia, shares shall be included that were issued to serve 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 Stock Corporation Act (AktG), during the period of this authorization, with the exclusion of subscription rights. Accordingly, the authorization to exercise the Authorized Capital 2017 against cash contributions and exclusion of subscription rights pursuant to Article 5 para. 2 (iii) of the Articles of Association was already utilized to a considerable extent.

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 2017 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 2018/I 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 14, 2023, 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 2018/I).

Shareholders are to be granted subscription rights in principle. Pursuant to Article 5 SE-Regulation in conjunction with Section 186 para. 5 Stock Corporation Act (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 Article 5 SE-Regulation in conjunction with Section 203 para. 1 and para. 2, and Section 186 para. 3, sentence 4 Stock Corporation Act (AktG) and the pro rata amount of the share capital attributable to the new shares excluded from subscription rights according to Article 5 SE-Regulation in conjunction with Section 186 para. 3, sentence 4 Stock Corporation Act (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 serve 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 2018/I, insofar as these bonds were issued, as specified by Section 186 para. 3 sentence 4 Stock Corporation Act (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 Stock Corporation Act (AktG);

- dd) 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 serve bonds that will be issued in return for contributions in kind; and
- ee) for the implementation of Share Dividends, in which shares of the Company (also partially and/or selectively) are issued against contribution of dividend claims of shareholders (*Scrip Dividend*).

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 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 10% 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 serve 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 2018/I, 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 10% limit shall also include those shares that are to be issued from conditional capital to serve 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 5 of the Articles of Association

Article 5 of the Company's Articles of Association shall be revised as follows for the Authorized Capital 2018/I:

“Article 5

Authorized Capital 2018/I

- (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 14, 2023, 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 2018/I).
- (2) Shareholders shall be granted subscription rights in principle. Pursuant to Article 5 SE-Regulation in conjunction with Section 186 para. 5 Stock Corporation Act (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 Stock Corporation Act (AktG) and the pro rata amount of the new shares excluded from subscription rights according to Section 186 para. 3 sentence 4 Stock Corporation Act (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 serve 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 2018/I, insofar as these bonds were issued, as specified by Section 186 para. 3 sentence 4 Stock Corporation Act (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 Stock Corporation Act (AktG);
- (iv) 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 serve bonds issued in return for contributions in kind;
 - (v) for the implementation of Share Dividends, in which shares of the Company (also partially and/or selectively) are issued against contribution of dividend claims of shareholders (*Scrip Dividend*).
- (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 10% of the share capital, either at the date on which this authorization becomes effective or the date on which such authorization is exercised. This 10% 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 serve 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 2018/I, 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 10% limit shall also include those shares that are or are to be issued from conditional capital to serve 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 2, 2017 to increase the share capital in accordance with Article 5 of the Articles of Association for the period until June 1, 2020 shall be canceled once the new Authorized Capital 2018/I 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 5 of the Articles of Association and of the new Authorized Capital 2018/I resolved under a) and b), but only after the execution of a possible capital increase from the Authorized Capital 2017 in connection with the Share Dividends resolved under agenda item 2 of the General Meeting of June 15, 2018 – insofar shareholders elect this form of dividend. The Management Board is further instructed to apply for entry in the commercial register, that first the cancellation of the Authorized Capital 2017 will be entered, but only if immediately afterwards the new Authorized Capital 2018 is entered.

Subject to the preceding paragraph, the Management Board is authorized to apply for the Authorized Capital 2018/I to be entered into the commercial register regardless of any other resolutions passed by the Annual General Meeting.

8. 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 2018/I in the amount of EUR 35 million, cancellation of the existing (residual) authorization to issue convertible bonds and bonds with warrants, partial cancellation of the existing Conditional Capital 2017 and corresponding amendments to the Articles of Association

By means of a resolution of the Annual General Meeting on June 2, 2017, 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 2017**”) with a total nominal value of up to EUR 3,000,000,000.00, with or without a limitation on maturities until June 1, 2022 and to grant the creditors or holders of the Bonds 2017 conversion or option rights to shares of the Company with a pro rata amount of up to EUR 67,000,000.00 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 2017**”). A Conditional Capital 2017 in the amount of EUR 67,000,000.00 was created to serve the Bonds 2017 (Article 6e of the Articles of Association).

With partial utilization of the Authorization 2017, the Company, on October 4, 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 15.7 million new or existing bearer shares of Deutsche Wohnen SE. This corresponds to a pro rata amount of the Company's share capital of approximately 4.4% of the share capital, based both on the date on which the authorization becomes effective and on the date on which the authorization was exercised. As a result, the Authorization 2017 granted by the Annual General Meeting on June 2, 2017 can no longer be used flexibly in its entirety, as the possibility for simplified exclusion of subscription rights has already been utilized to a considerable extent.

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 serve the resulting option or conversion rights, the Authorization 2017 as well as the Conditional Capital 2017 – provided they have not been exercised and/or the Conditional Capital 2017 does not need to be reserved – shall be canceled and replaced with a new authorization and a new conditional capital (Conditional Capital 2018/I).

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 14, 2023, 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 35,000,000.00 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 Article 5 SE-Regulation in conjunction with Section 186 para. 5 Stock Corporation Act (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 Stock Corporation Act (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 Stock Corporation Act (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 Stock Corporation Act (AktG);

- (4) insofar as the bonds are issued in return for contributions in kind, provided that the value of the contribution in kind is commensurate with the market value of the bonds as determined in the manner described in paragraph (a), bb), para. 3 above.

The aforementioned authorizations for excluding subscription rights may not, in sum, exceed 10% of the share capital, either at the date on which this authorization becomes effective or the date on which such authorization is exercised. This 10% 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 10% limit shall also include those shares that were or are to be issued from conditional capital to serve 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 rate 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 Stock Corporation Act (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 price of the Company's share in Xetra trading (or an equivalent successor system) during the ten (10) trading days in Frankfurt am Main prior to the date the Management Board makes its final decision on the placement of bonds or on the assumption or allocation by the Company of bonds as part of a placement, or – in the case of a subscription right being granted – at least 80% of the volume-weighted average price of the Company's share in Xetra trading (or an equivalent successor system) during (i) the days on which the subscription rights are traded on the Frankfurt Stock Exchange, excluding the last two trading days of subscription rights, or (ii) the days between the start of the subscription period and the date and time at which the final

subscription price is set. Section 9 para. 1 and Section 199 Stock Corporation Act (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 Stock Corporation Act (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 2018/I

The share capital is conditionally increased by up to EUR 35,000,000.00 through the issue of up to 35,000,000 new no-par value bearer shares with participation rights (Conditional Capital 2018/I). 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 2, 2017 and partial cancellation of the Conditional Capital 2017

The authorization of the Management Board, dated June 2, 2017, 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 October 4, 2017 with the registration of the proposed amendment to the Articles of Association under Agenda Item 8.d). The Conditional Capital 2017 in the amount of EUR 67,000,000.00, resolved upon by the Annual General Meeting of June 2, 2017 pursuant to Article 6e of the Articles of Association, shall be canceled as of registration of the proposed amendment to the Articles of Association under Agenda Item 8.d), to the extent that the Conditional Capital 2017 only consists of the partial sum of EUR 30,000,000.00.

d) Amendment to Article 6e of the Articles of Association and supplementing the Articles of Association with a new Article 6f

Article 6e of the Articles of Association shall be amended as follows and the Articles of Association will be amended to include new Article 6f as follows:

**“Article 6e
Conditional Capital 2017**

- (1) The share capital is conditionally increased by up to EUR 30,000,000.00 by the issue of up to 30,000,000 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 served with treasury shares, shares from authorized capital or other forms of compensation.
- (3) The new shares shall participate in the profits beginning in the financial year in which they have been created, and continue for all subsequent financial years. The Management Board shall be authorized to stipulate the further details of the execution of the conditional capital increase.

§ 6f

Conditional Capital 2018/I

- (1) The share capital is conditionally increased by up to EUR 35,000,000 by the issue of up to 35,000,000 new no-par value bearer shares with participation rights (Conditional Capital 2018/I). 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 15, 2018.
- (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 served with treasury shares, shares from authorized capital or other forms of compensation.
- (3) The new shares shall participate in the profits beginning in the financial year, in which they have been created, and continue for all subsequent financial years. The Management Board shall be authorized to stipulate the further details of the execution of the conditional capital increase.”

e) Application for entry in the commercial register

The Management Board is instructed to apply for entry in the commercial register the partial cancellation and amendment, resolved under preceding c) and d) of this Agenda Item 8, of the Conditional Capital 2017 contained in Article 6e of the Articles of Association and the new Conditional Capital 2018/I pursuant to preceding b) and d) of this Agenda Item 8, with the provision that the partial cancellation of the Conditional Capital 2017 is entered first but only if the Conditional Capital 2018/I is entered immediately afterwards.

Subject to the preceding paragraph, the Management Board is authorized to apply for the Conditional Capital 2018/I to be entered into the commercial register regardless of any other resolutions adopted by the Annual General Meeting.

9. Resolution on the authorization to acquire the Company's own shares and to use them including the authorization to redeem shares of the Company acquired and capital reduction, as well as cancellation of the according existing authorization

For the acquisition and the use of the Company's own shares, the Company requires according to Article 5 SE- Regulation in conjunction with Section. 71 para.1 no. 8 Stock Corporation Act (AktG), unless expressly authorized by statute, a separate authorization by the General Meeting. Since the resolution of the General Meeting of June 11, 2014 on the then existing authorization to acquire and to use the Company's own shares, the Company has issued the share capital of the Company with the exclusion of subscription rights of shareholders according to Section 186 para. 3 sentence 4 Stock Corporation Act (AktG) and convertible bonds with the exclusion of subscription rights according to Section 186 para. 3 sentence 4 Stock Corporation Act (AktG). Shares that were sold or issued in direct or indirect application of Section 186 para. 3 sentence 4 Stock Corporation Act (AktG), as well as shares that are or will be issued to serve convertible bonds or bonds with warrant or participations rights with conversion or option rights, insofar that these bonds were issued pursuant to Section 186 para. 3 sentence 4 Stock Corporation Act (AktG), are to be credited against the possible use of shares reacquired by the Company itself with the exclusion of subscription rights. The authorizations to use shares of the Company reacquired by it according to Section 186 para. 3 sentence 4 Stock Corporation Act (AktG) are thereby fully exhausted. A new authorization to acquire and use the Company's own shares with revocation of the existing authorization is therefore intended to be proposed to the General Meeting in order to increase flexibility.

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

a) Revocation of the existing authorization

The authorization to acquire and use the Company's own shares resolved on at the General Meeting on June 11, 2014 is revoked at the time that the new authorization proposed at b) to f) inclusive below of this Agenda item 9 comes into effect.

b) Creation of a new authorization

The Management Board is authorized with the consent of the Supervisory Board to acquire by June 14, 2023 in compliance with the principle of equal treatment (Article 9 para. 1 c (ii) SE-Regulation in conjunction with Section 53a Stock Corporation Act (AktG)) shares of the Company of up to a total of 10% of the share capital of the Company at the time of the resolution or – if lower – at the time of the exercise of the authorization. Shares acquired on the basis of this authorization may not together with other of its own shares held by the Company, which the Company has already acquired and still holds or which are attributable to it according to Art. 5 SE-Regulation in conjunction with Sections 71 et seq. Stock Corporation Act (AktG), exceed 10% of the share capital of the Company in each case.

The authorizations can be exercised once or several times in one or several amounts in pursuit of one or more objectives by the Company but also by group companies or by third parties for the account of the Company or of the group companies.

The authorization may not be exercised for the purpose of trading in the Company's own shares.

c) **The manner and method of acquisition of the Company's own shares**

The acquisition of its own shares by the Company takes place at the election of the Management Board (i) through the stock exchange, (ii) by a public purchase offer addressed to all shareholders of the Company or by a public request to the shareholders to make a sales proposal (the acquisition according to (ii) hereinafter "**Public Acquisition Offer**") or (iii) by means of public offer or a public request to make an offer to exchange liquid shares admitted to trading on an organized market in the meaning of the Securities Acquisition and Takeover Act (hereinafter "**Exchange Shares**") against shares of the Company (the acquisition according to (iii) hereinafter "**Exchange Offer**").

aa) Acquisition of shares through the stock exchange

If the acquisition by the Company of its own shares takes place through the stock exchange, the purchase price per share paid (without ancillary purchase costs) by the Company may not exceed or fall below the price for a share of the Company in Xetra trading (or a corresponding successor system) ascertained on the trading day by the opening auction by more than 10%.

bb) Acquisition of shares (1) by means of a public purchase offer or (2) by means of public request to make a sales offer

In the case of acquisition by public purchase offer the Company can set a fixed purchase price or a purchase price range for each share (without ancillary purchase costs), within which it is prepared to purchase shares. In the Public Acquisition Offer, the Company can set a period for acceptance or the making of the offer and the possibility and the conditions for adjustment of the purchase price range during the period in the event of not only insignificant price changes. The purchase price will in the case of a purchase price range be ascertained on the basis of the sales prices stated in the acceptance or offer declarations of the shareholders and the acquisition volume set by the Management Board after the ending of the offer period.

- (1) In the case of a public purchase offer of the Company, the offered purchase price or the purchase price range may not exceed or fall below the volume-weighted average price for a share of the Company in Xetra trading (or a corresponding successor system) on the last five (5) stock exchange trading days price prior to the day of the public announcement of the offer by more than 10%. In the event of adjustment of

the purchase price range by the Company, the last five (5) stock exchange trading days prior to the public notification of the adjustment will be relied on.

- (2) In the case of a request to the shareholders to make a sales offer, the purchase price (without purchase ancillary costs) for each share of the Company ascertained on the basis of the offers made may not exceed or fall below the volume weighted average of the price for a share of the Company in Xetra trading (or a corresponding successor system) on the last five (5) stock exchange trading days prior to the day of the publication of the request to make a sales offer by more than 10%. In the event of an adjustment of the purchase price range by the Company, the last five (5) stock exchange trading days prior to the public notification of the adjustment will be relied on.
- cc) The volume of the purchase offer or the sales request can be restricted. If the shares offered by the shareholders for acquisition exceed the total amount of the purchase offer or the sales request of the Company, they will be taken into account or accepted in the proportion borne by the total amount of the purchase offer or the sales request to the total of the shares offered by the shareholders. It can, however, be provided that minor amounts of up to 100 shares offered per shareholder will be acquired in preference. The purchase offer or the sales request can provide other conditions
- dd) The acquisition of shares (1) by means of a public offer to exchange liquid shares or (2) by a public request to make an offer for the exchange of liquid shares, each of which are admitted to trade on an organized market in the meaning of the Securities Acquisition and Takeover Act.

In the case of an acquisition by an Exchange Offer, the Company can set either an exchange ratio or a corresponding exchange range at which it is prepared to acquire shares of the Company. Payment in cash can thereby be made as additional payment or in compensation for fractional amounts. In the Exchange Offer, the Company can set a period for the acceptance or making of the offer and the possibility and the conditions for adjustment of the exchange range during the period in the event of not only insignificant price changes. The exchange ratio will be ascertained in the event of an exchange range on the basis of the exchange ratio and/or other data stated in the acceptance or offer declarations of the shareholders and the acquisition volume set by the Management Board after the ending of the offer period.

- (1) In the case of an Exchange Offer of the Company, the offered exchange ratio or the exchange range may not exceed the crucial value of a share of the Company by more than 10% or fall below the said value by more than 20%. The volume-

weighted average of the price of an Exchange Share weighted average of the closing price of an exchange share and a share of the Company in Xetra trading (or a corresponding successor system) or on an organized market in the meaning of the Securities Acquisition and Takeover Act on the last five (5) stock exchange trading days prior to the day of the public notification of the offer is to be charged in each case. In the event of adjustment of the exchange range by the Company, the last five (5) stock exchange trading days prior to the public notification of the adjustment will be relied on.

- (2) In the case of a request to the shareholders to make an offer for the exchange of liquid shares the exchange ratio may not exceed the crucial value of a share of the Company by more than 10% or fall below the said value by more than 20%. The volume weighted average of the closing of an exchange share and a share of the Company in Xetra trading (or a corresponding successor system) or on an organized market in the meaning of the Securities Acquisition and Takeover Act on the last five (5) stock exchange trading days prior to the day of the public notification of the offer is to be charged in each case. In the event of adjustment of the exchange range by the Company, the last five (5) stock exchange trading days prior to the public notification of the adjustment will be relied on.

The volume of the Exchange Offer or the request to make an Exchange Offer can be restricted. If the shares offered by the shareholders for exchange exceed the total amount of the Exchange Offer or the request of the Company to make an Exchange Offer, they will be taken into account or accepted in the proportion borne by the total amount of the Exchange Offer or the request to make an Exchange Offer to the total of the shares of the Company offered by the shareholders. It can however be provided that minor amounts of up to 100 shares offered per shareholder will be acquired in preference. The Exchange Offer or the request to make an Exchange Offer can provide other conditions.

d) **Authorization of the Management Board to sell and otherwise use acquired shares**

The Management Board is authorized to use the own shares of the Company acquired by it on the basis of the above authorizations apart from a sale through a stock exchange or by means of an offer to all shareholders in the following manner:

- aa) They can be redeemed and the share capital of the Company reduced by the amount of share capital attributable to the redeemed shares without the redemption or its implementation requiring a further General Meeting resolution. The Management Board can also redeem the shares in the simplified procedure without reducing the share capital so that the proportion of the remaining shares in the share capital is increased by the redemption. If the redemption of the shares takes place in the simplified procedure without reduction of the share capital, the

Management Board is authorized to adjust the number of shares in the Articles of Association of the Company.

- bb) They can be granted for the purpose of securing stock options of the Management Board of the Company that have been issued under the stock option program described under Agenda Item 16 of the General Meeting of the Company of June 11, 2014. In respect of performance targets, acquisition and exercise periods, the holding period until they can first be exercised and any other conditions, the terms of the stock option program set out in Agenda Item 16 of the General Shareholders Meeting on June 11, 2014 shall apply. The use of this authorization may not exceed a pro rata amount of 5 %, neither at the time when the General Meeting resolves this authorization nor at the time when this authorization is being used.
- cc) They can be offered with the consent of the Supervisory Board to third parties in return for contributions in kind, in particular in the course of merger resolutions or acquisitions of companies, plants, company parts or interests and transferred thereto. The above described shares can also be used to end or settle corporate law conciliation proceedings at affiliates of the Company.
- dd) They can, with the consent of the Supervisory Board, be sold for cash to third parties if the price at which the shares of the Company are sold does not significantly fall below the stock exchange price of a share of the Company at the time of sale (Section 186 para. 3 sent. 4 Stock Corporation Act (AktG)).
- ee) They can be used to serve acquisition obligations or acquisition rights to shares of the Company out of and in connection with convertible and bonds with warrant or participation rights with conversion or option rights issued by the Company or one of its group companies.

The total of shares used on the basis of the authorizations under d) dd) and ee) above to the extent they are issued in analogous application of Section 186 para. 3 sent. 4 Stock Corporation Act (AktG) (with the exclusion of subscription rights for cash not significantly below the stock exchange price) may not exceed 10% of the share capital either at the time of the passing of the resolution or – if lower – at the time of the exercise of the authorization. Shares issued or sold in direct or analogous application of Section 186 para. 3 sent. 4 Stock Corporation Act (AktG) during the period of this authorization until that time are to be credited against this restriction. Shares issued or to be issued to serve convertible bonds or bonds with warrants or participations rights with conversion or option rights are also to be credited to the extent these bonds were issued during

the period of this authorization according to Section 186 para. 3 sent. 4 Stock Corporation Act (AktG).

e) **Authorization of the Supervisory Board to use the Company's acquired own shares**

The Supervisory Board is authorized to use the own shares of the Company acquired by it on the basis of the authorization under c) above to secure stock options of the Management Board of the Company which were issued under the stock option program described at Agenda items 16 of the General Meeting of the Company of June 11, 2014. With regard to targets, acquisition and exercise periods and the waiting period for the first exercise and other conditions, the conditions of the stock options programs described under Agenda items 16 of the General Meeting of the Company on June 11, 2014 for the stock option program.

f) **Other provisions**

The authorizations to use the Company's own shares stated under d) and e) above may be used entirely or related to partial volumes of the Company's own shares acquired once or several times, individually or together. The authorizations under d) above can also be exercised by independent companies or companies in the majority ownership of the Company or by third parties for the account of the Company or of its dependent or majority held companies. By the use of the authorizations under d) bb) and e) above a proportionate amount of 5% of the share capital of the Company may not be exceeded whether at the time of the passing of the resolution of the General Meeting on these authorizations nor at the time of the exercise of these authorizations. Shares issued out of authorized capital and/or conditional capital to employees or members executive bodies of the Company and/or of its affiliates during the period of these authorizations are to be credited against the above mentioned maximum limit of 5%

10. Resolution on an authorization to use own capital derivatives when acquiring the Company's own shares

In addition to the authorization resolved on under Agenda item 9 of this General Meeting, the Company is also intended to be authorized to acquire its own shares using own capital derivatives.

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

In addition to the authorization resolved on under Agenda item 9 of this General Meeting, the Management Board is authorized up to June 14, 2023 with the consent of the Supervisory Board to acquire the Company's own shares of up to a total of 5% of the share capital existing at the time of the passing of the resolution by the use of derivatives (put or call options or a combination of both). The acquisitions of shares are also to be credited against the 10% limit according to 9.b) to 9.f) inclusive under Agenda item 9 of the authorization to acquire the Company's own shares resolved on by the General Meeting.

- a) On the acquisition of the Company's own shares with the use of derivatives in the form of put and call options or a combination of both, the options must be concluded with a financial institution or through a stock exchange on conditions close to market conditions, in the course of ascertaining which, inter alia, the purchase price for the shares payable on the exercise of the options is to taken into account (hereinafter "**Exercise Price**"). In any event, the Company may acquire at most up to a total of 5% of the share capital by the use of derivatives in the form of put and call options or a combination of both. The period of options must be so selected that the acquisition of shares in exercise of the options takes place at the latest on June 14, 2023. The shareholders have no right – in analogous application of Section 186 para. 3 sent. 4 Stock Corporation Act (AktG) – to conclude such option transactions with the Company. The exercise price (without ancillary purchase costs but taking into account the received or paid option premium) may not exceed the volume-weighted average of the price of a share of the Company in Xetra trading (or a corresponding successor system) on the last five (5) stock exchange trading days prior to the conclusion of the relevant option transaction by more than 10% or fall below it by more than 20%.
- b) Shareholders have a right to the purchase of their shares only to the extent that the Company is obliged to them under the derivative transactions to purchase the shares. Any further purchase right is excluded.
- c) For the use of its own shares acquired by the Company with the use own capital derivatives, the provisions contained in the authorization concluded under Agenda item 9 of this General Meeting apply.
- d) The authorization can be exercised once or several times entirely or in partial amounts in pursuit of one or more objectives by the Company but also by group companies or by third parties for the account of the Company or the group companies.

II. Management Board reports

1. Management Board report on Agenda Item 7 (Resolution on the creation of Authorized Capital 2018/I 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 7 of the Annual General Meeting on June 15, 2018, the Management Board and the Supervisory Board propose to cancel the partially unutilized Authorized Capital 2017 and replace this with a new authorized capital (Authorized Capital 2018/I). Pursuant to Article 5 SE-Regulation in conjunction with Section 203 para. 2 sentence 2, in conjunction with Section 186 para. 4 sentence 2 Stock Corporation Act (AktG), the Management Board shall provide this report on Agenda Item 7 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 2, 2017, 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 1, 2020, by up to EUR 110,000,000.00, by issuing up to 110,000,000 new, no-par value bearer shares against contributions in cash and/or in kind (Authorized Capital 2017).

The Management Board was also authorized by resolution of the Annual General Meeting on June 2, 2017, with the consent of the Supervisory Board until June 1, 2022, 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 3,000,000,000.00 with or without restrictions on maturity. On October 4, 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 Stock Corporation Act (AktG). These were initially convertible into approximately 15.7 million new or existing bearer shares of Deutsche Wohnen SE. This corresponds to a pro rata amount of the Company's share capital of approximately 4.4% 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 5 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 Stock Corporation Act (AktG), inter alia, shares shall be included that were issued to serve 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, provided these bonds were issued, as specified by Section 186 para. 3 sentence 4 Stock Corporation Act (AktG), during the period of this authorization, with the exclusion of subscription rights. Accordingly, the authorization to exercise the Authorized Capital 2017 against cash contributions and exclusion of subscription rights pursuant to Article 4a para. 2 (iii) of the Articles of Association was already utilized to a considerable extent.

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 2017 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 7 a) of the agenda to the Annual General Meeting on June 15, 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 14, 2023, 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 2018/I).

The Authorized Capital 2018/I 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 2018/I for the issuance of shares against contributions in cash, shareholders shall have subscription rights in principle (Article 5 SE-Regulation in conjunction with Section 203 para. 1 sentence 1, in conjunction with Section 186 para. 1 Stock Corporation Act (AktG)), although indirect subscription rights within the meaning of Section 186 para. 5 Stock Corporation Act (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 Stock Corporation Act (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 serve 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 Stock Corporation Act (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 2018/I, insofar as these bonds were issued, as specified by Section 186 para. 3 sentence 4 Stock Corporation Act (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 Stock Corporation Act (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) 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 serve 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 (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 can not only be resolved at Annual General Meetings, which are held just once a year, or at extraordinary general meetings passing of the statutory invitation period. 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 8 of the Annual General Meeting on June 15, 2018, 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 8. 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.

- (v) Moreover, in the event of the implementation of Share Dividends (also known as *Scrip Dividend*), in the context of which shares of the Company are used (fully and/or selectively) for the purpose of securing dividend claims of shareholders, subscription rights may be excluded. This is to enable the Company to pay dividends with optimal conditions. In the case of Share Dividends, shareholders are offered to deposit their claim for the payment of dividends, which arose with the resolution of the General Meeting on the appropriation of profits, fully or partially as a contribution in kind to the Company, and receive shares of the Company as consideration. The distribution of Share Dividends may take place in the form of a subscription rights issue with consideration of the rules set forth in Article 5 SE-Regulation in conjunction with Section 186 para. 1 Stock Corporation Act (AktG) (minimum subscription period of two weeks) and Section 186 para. 2 Stock Corporation Act (AktG) (publication of the issue amount at least three days before expiration of the subscription period). Depending on the situation on the capital markets, it may be preferable to set up the Share Dividends in such a way, that the Management

Board offers, under the principle of equal treatment (Article 5 SE-Regulation in conjunction with Section 53a Stock Corporation Act (AktG)), all shareholders, who are entitled to dividends, new shares as consideration for their dividend claims, thereby commercially granting commercial subscription rights to shareholders, but overall excluding shareholders' subscription rights for new shares. Such exclusion of subscription rights allows for the payment of Share Dividends without the limitations of Article 5 SE-Regulation in conjunction with Section 186 para. 1 and 2 Stock Corporation Act (AktG) mentioned above and hence under more flexible conditions. Considering that all shareholders are offered new shares and that excess dividend sums are compensated by cash payments, the exclusion of subscription rights seems justified and appropriate.

The aforementioned authorizations for excluding subscription rights may not, in sum, exceed 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 10% 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 serve 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 10% restriction shall also include those shares issued from conditional capital to serve 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 2018/I, the Management Board shall report on this matter at the next Annual General Meeting.

- 2. Report of the Management Board on Agenda Item 8 (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 2018/I in the amount of EUR 35 million, cancellation of the existing (residual) authorization to issue convertible bonds, bonds with warrants, partial cancellation of the existing Conditional Capital 2017 and corresponding amendment to the Articles of Association)**

Under Agenda Item 8 of the Annual General Meeting on June 15, 2018, 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") as well as the corresponding Conditional Capital 2017 and the creation of a

new authorization and new Conditional Capital 2018/I. Pursuant to Article 5 SE-Regulation in conjunction with Section 221 para. 4 sentence 2, in conjunction with Section 186 para. 4 sentence 2 Stock Corporation Act (AktG), the Management Board is providing this report on Agenda Item 8 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 2, 2017, 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 2017**") in the period until June 1, 2022, once or more than once in the nominal amount of up to EUR 3,000,000,000.00, with or without a limitation on maturity, as well as to grant creditors or owners of Bonds 2017 convertible or option rights to Company shares with a pro-rata amount of share capital up to EUR 67,000,000.00 according to the respective option or convertible bond conditions or profit participation conditions (hereinafter the "**Authorization 2017**"). A Conditional Capital 2017 in the amount of EUR 67,000,000.00 was created to serve the Bonds 2017 (Article 6e of the Articles of Association).

By way of partially exercising the Authorization 2017, the Company issued a convertible bond with a total nominal value of EUR 800,000,000.00 in a private placement on October 4, 2017, with simplified exclusion of shareholder rights. These were initially around 15.7 million new or existing, no-par value convertible shares of Deutsche Wohnen SE. This corresponds to a pro rata amount of approximately around 4.4% of the Company's share capital, with reference both to the date of authorization as well as the date of the utilizing the authorization. As a result, the Authorization 2017 granted by the Annual General Meeting on June 2, 2017 can no longer be used flexibly to its full extent, as the possibility for simplified exclusion of subscription rights has already been utilized to a substantial extent.

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 serve the resulting option or conversion rights, the Authorization 2017 as well as the Conditional Capital 2017 – provided they have not been exercised and that the Conditional Capital 2017 does not need to be reserved – shall be canceled and replaced with a new authorization and a new conditional capital (Conditional Capital 2018/I).

Considering that the Authorization 2017 is to be cancelled with subsequent resolution to the extent that it has not been used, and from that time on, no Bonds 2017 can be issued under the Authorization 2017, the Conditional Capital 2017 in the amount of EUR 67,000,000.00 only has to be reserved for securing the conversion rights of the convertible bonds that were issued on October 4, 2017, described in the previous paragraph. The Conditional Capital 2017 can therefore be cancelled to the extent of EUR

37,000,000.00, as proposed by the Management Board and Supervisory Board, and the Articles of Association can be amended accordingly.

In order to be able to make proper use of the spectrum of capital market instruments available to securitize conversion or option rights, it seems appropriate to set the permissible issue volume in the authorization at EUR 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 35,000,000.00. This shall ensure that the full scope of this authorization can be utilized. The number of shares necessary to serve 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 (Article 5 SE-Regulation in conjunction with Section 221 para. 4, in conjunction with Section 186 para. 1 Stock Corporation Act (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 Stock Corporation Act (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 Stock Corporation Act (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 Stock Corporation Act (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 Stock Corporation Act (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, provided 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 Stock Corporation Act (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 Stock Corporation Act (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 10% 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 10% 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 10% limit shall include those shares that were or are to be issued from conditional capital to serve 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 served instead by the provision of treasury shares or shares from authorized capital, or by other means of compensation.

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

3. Report of the Management Board on the issuance of convertible bonds based on the authorization of June 2, 2017 with exclusion of subscription rights on October 4, 2017

The Management Board was authorized by resolution of the Annual General Meeting on June 2, 2017, with the consent of the Supervisory Board, to issue until June 1, 2022 one or multiple convertible bonds, bonds with warrants, participation rights and/or participating bonds (or a combination of these instruments) with a nominal value of up to EUR 3,000,000,000 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 67,000,000 in accordance with the underlying documentation of the convertible bonds, bonds with warrants and participation rights (hereafter “**Authorization 2017**”). For issuing these bonds, a Conditional Capital 2017 of EUR 67,000,000 was created (Article 6e Articles of Association).

According to the Authorization 2017, on October 4, 2017, the Company issued an unsecured, unsubordinated convertible bond with a maturity date of January 5, 2026 and a total nominal value of EUR 800,000,000, 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/II**”).

The Convertible Bonds 2017/II were issued at 100% of their nominal value. The Company may terminate the Convertible Bonds 2017/II as of January 27, 2023 in accordance with the underlying bond documentation if the market price of the bearer shares of Deutsche Wohnen SE amounts to at least 130% of the conversion price over a certain period of time. Early repayment will generally not be granted to the bondholders. The Convertible Bonds 2017/II will bear a coupon of 0.60 % p.a. The initial conversion price amounts to EUR 50,8460 and therefore surmounts by 40.0% the reference price of EUR 36.3186 for a Deutsche Wohnen SE share. The reference price corresponded to the arithmetic mean of the daily volume-weighted average prices of the shares of Deutsche Wohnen SE in XETRA trading on September 26 and 27, 2017.

The right of the shareholders of Deutsche Wohnen SE to subscribe to the Convertible Bonds 2017/II 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 Stock Corporation Act (AktG) and as authorized by the Annual Meeting on June 2, 2017. The Management Board and Supervisory Board believe that the exclusion of subscription rights was justified.

The issued Convertible Bonds 2017/II initially were convertible into 15.7 million new or existing bearer shares of Deutsche Wohnen SE. This corresponds to around 4.4% 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/II which was provided for in the authorization of the annual meeting on June 2, 2017 was thus fulfilled.

Also the authorization requirements of the annual meeting of June 2, 2017 concerning the determination of the face value of the Convertible Bonds 2017/II were fulfilled. The face value of the Convertible Bonds 2017/II with a maturity date of 8 years and 3 months corresponded to an initial conversion premium of 40% above reference price of EUR 36.3186 per share of Deutsche Wohnen SE with a coupon of 0.60 % p.a. 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 Stock Corporation Act (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 most optimal total conditions 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 (Article 5 SE-Regulation in conjunction with Sections 221 para. 4 sentence 2, 186 para. 3 sentence 4 Stock Corporation Act (AktG)) however would not have allowed for short-term reactions to current changes in the markets. Financial instruments such as the Convertible Bonds 2017/II 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 (Article 5 SE-Regulation in conjunction with Sections 221 para. 4 sentence 2, 186 para. 3 sentence 4 Stock Corporation Act (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/II was primarily used to finance the reacquisition of the convertible bonds issued on September 8, 2014 in the amount of EUR 400,000,000 and thereby to lessen the dilution of the previous shareholders. 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/II when issued to approximately 4.4% 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/II 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 or adverse total conditions, 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 2, 2017, was objectively justified.

4. Report of the Management Board on Agenda item 9 (Resolution on the authorization to acquire the Company's own shares and to use them including the authorization to redeem shares of the Company acquired and capital reduction) and on Agenda item 10 (Resolution on an authorization to use own capital derivatives when acquiring the Company's own shares)

The Management Board submits the following report according to Article 5 SE-Regulation in conjunction with Section 71 para. 1 No. 8 sentence 5 in connection with Section 186 para. 4 sentence 2 Stock Corporation Act (AktG) on Agenda item 9 and Agenda item 10 of the General Meeting on the grounds for the authorization to exclude subscription rights of shareholders on the sale of the Company's own shares purchased:

As to Agenda item 9, the Management Board and Supervisory Board propose that the Company be authorized to acquire by June 14, 2023 its own shares corresponding to up to 10% of the share capital existing at the time of the resolution of the General Meeting or – if lower – at the time of the exercise of the authorization. With this authorization, the possibility of repurchasing shares and the use of shares purchased is to be created. Since the resolution of the ordinary General Meeting of June 11, 2014 on the then existing authorization to acquire and to use the Company's own shares, the Company has issued the share capital of the Company with exclusion of subscription rights according to Section 186 para. 3 sentence 4 Stock Corporation Act (AktG) and several convertible bonds with the exclusion of subscription rights. Shares which were sold or issued before during the time of this Authorization and in

direct or corresponding application of Section 186 para. 3 sentence 4 Stock Corporation Act (AktG) as well as shares which were issued to serve convertible bonds or bonds with warrants or participations rights with conversion or option rights, insofar that these bonds were issued during their term according to this authorization pursuant to Section 186 para. 3 sentence 4 Stock Corporation Act (AktG), are to be credited against the possible use of shares reacquired by the Company itself with the exclusion of subscription rights. As a result, the authorizations to use reacquired shares of the Company were pursuant to Section 186 para. 3 sentence 4 are thereby fully exhausted. The Company's own shares may be acquired by the Company itself by the Company itself and also by dependent or majority-held companies (group companies) or for the account of the Company or third parties acting for the account of group companies.

As to Agenda item 10, the Management Board and the Supervisory Board propose that the Company be authorized to acquire its own shares in addition to the possibilities provided under Agenda item 9 also by the use of equity capital derivatives.

The acquisition of its own shares can take place through the stock exchange or by way of a public purchase or Exchange Offer. In the course of the acquisition, the principle of equal treatment of shareholders according to Article 9 Section 1 c) (ii) SE-Regulation in conjunction with Section 53a Stock Corporation Act (AktG) is to be complied with. The proposed acquisition through the stock exchange or by way of a public purchase or Exchange Offer takes account thereof. If in the course of a public purchase or Exchange Offer the number of offered shares exceeds the purchase volume intended by the Company, the acquisition or exchange takes place proportionately in the relationship of the offered shares per shareholder. However, irrespective of the shares offered by the shareholder a purchase or exchange of a minor number of up to 100 shares per shareholder can be preferred. Shares with a price set by the shareholder at which the shareholder is prepared to sell the shares to the Company and which is higher than the purchase price set by the Company will not be considered for acquisition. That applies analogously to an exchange ratio set by the shareholder by which the Company would be obliged to deliver and transfer more Exchange Shares than the exchange ratio set by the Company for shares of the Company.

- a) The proposed authorization provides that shares of the Company acquired by it can be redeemed without any further General Meeting resolution or can also again resold through the stock exchange or by public offer to all shareholders. The redemption of the Company's own shares has in principle the result of reducing the share capital of the Company. The Management Board is however also authorized to redeem the Company's own shares without reducing the share capital according to Section 237 para. 3 No. 3 Stock Corporation Act (AktG). The proportion of the other shares of the share capital according to Section 8 para. 3 Stock Corporation Act (AktG) (nominal amount) would thereby proportionally increase. In both of the sales methods stated, the corporate law principle of equal treatment will be complied with.

- b) On June 11, 2014, the General Meeting resolved on the authorization to issue stock options to members of the Management Board, and to selected leading employees of the Company and affiliates of the Company. The underlying stock option programs – the Stock option program (AOP 2014) served the targeted incentivisation of the participants in the program and to bind the participants to the Company. The issuance of additional stock options is not targeted under the AOP 2014. It is provided that the Company apart from shares out of conditional capital is also intended to be able to use also its own shares to serve stock options already issued. The transfer of the Company's own shares instead of availing of any conditional capital available can be a financially useful alternative because it avoids to a great extent the expense and other dilution effects from a capital increase and the admission of new shares. The exclusion of subscription rights is therefore in principle in the interests of the Company and its shareholders.
- c) In addition, it is also intended to be possible for the Management Board with the consent of the Supervisory Board to offer and transfer the Company's own shares as consideration in the course of mergers or on the acquisition of companies, plants, company parts or interests. The authorization proposed for this reason is intended to strengthen the Company in competition for interesting acquisitions and to enable it to react rapidly, flexibly and without impairing liquidity to acquisition opportunities arising. The proposed exclusion of subscription rights of shareholders takes account of this. The decision whether in any particular case the Company's own shares from an authorized capital will be used is made by the Management Board, guided solely by the interests of the Company and the shareholders. In the course of the valuation of the Company's own shares and the consideration for them, the Management Board will ensure that the interests of the shareholders are reasonably protected. The Management Board will thereby take account of the stock exchange price of the shares of the Company. No schematic linking to a stock exchange price is intended, in particular so that negotiation results once achieved cannot again be questioned due to fluctuations in the stock exchange price.
- d) It is intended that the Management Board be enabled with the consent of the Supervisory Board to sell acquired shares of the Company for cash to third parties with the exclusion of the subscription rights of the shareholders if the sale price for each share does not significantly fall below the stock exchange price of shares of the Company at the time of the sale. With this authorization the possibility of simplified exclusion of subscription rights permitted by Article 5 SE-Regulation in conjunction with Section 71 para. 1 No. 8 sentence 5 Stock Corporation Act (AktG) in analogous application of Section 186 para. 3 sentence 4 Stock Corporation Act (AktG) is availed of. The Management Board is thereby placed in a position to be able rapidly and flexibly to use the opportunities of favorable stock exchange situations and achieve by a market near price setting the highest possible resale price and thereby usually achieve strengthening of equity capital or access to a new group of investors. The authorization is subject to the shares issued with exclusion of subscription rights not exceeding a total of 10% of the share capital, whether at the time of the

resolution or at the time of the use of the authorization. Shares which have been issued during the term of the resale authorization in direct or analogous application of Section 186 para. 3 sentence 4 Stock Corporation Act (AktG) are to be credited against this limit. Shares issued or to be issued to serve convertible bonds or bonds with warrants or participations rights with conversion or option rights also fall hereunder if these bonds were issued or sold during the term of this authorization up to this time with the exclusion of subscription rights analogously to Section 186 para. 3 sentence 4 Stock Corporation Act (AktG). The asset and voting interests of the shareholders will be reasonably protected by this manner of sale of the Company's own shares. The shareholders have in principle the possibility to maintain their proportionate participation on comparable conditions by purchasing shares through the stock exchange.

- e) The acquisition by the Company of its own shares with the use of derivatives in the form of put and call options or a combination of both may only take place through options with a financial institution or through the stock exchange on usual market conditions. For the avoidance of a dilution effect the acquisition of the Company's own shares with the use of derivatives in the form of put or call options or a combination of both is also limited to a maximum of a total of 5% of the share capital, the Company's own shares acquired through derivatives being credited against the maximum limit of 10% of the share capital of the Company in the course of the acquisition and holding of the Company's own shares.
- f) In addition, the Company is also intended to be able to use its own shares to serve acquisition obligations or acquisition rights to shares of the Company out of and in connection with conversion or bonds with warrants or participations rights with conversion and option rights issued by the Company or one of its group companies. For this purpose, the subscription right of shareholders must be excluded. This applies even in the case of a sale of the Company's own shares by public offer to all shareholders for the possibility of granting creditors of such instruments subscription rights to shares to the extent to which they would be entitled if the relevant conversion or option rights had already been exercised (protection against dilution). This authorization is subject to the condition that the shares issued with the exclusion of subscription rights may not exceed a total of 10% of the share capital, whether at the time of the resolution or at the time of the exercise of the authorization. Shares which have been issued during the term of the resale authorization in direct or analogous application of Section 186 para. 3 sentence 4 Stock Corporation Act (AktG) are to be credited against this limit. Shares issued or to be issued to serve conversion or bonds with warrants or participations rights with conversion or option rights also fall hereunder if these bonds were issued or sold during the term of this authorization up to this time with the exclusion of subscription rights analogously to Section 186 para. 3 sentence 4 Stock Corporation Act (AktG).

The Management Board will report at the next General Meeting in each case according to Article 5 SE-Regulation in conjunction with Section 71 para. 3 sentence 1 Stock Corporation Act (AktG) on any exercise of this authorization.

III. Additional information on convening the Annual General Meeting

The relevant provisions for publicly listed companies headquartered in Germany, particularly the German Commercial Code and the German Stock Corporation Act (AktG), apply to the Company based on the reference norms of Article 5, Article 9 para. 1 c) ii), Article 53 as well as Article 61 SE-Regulation, unless other specific provisions of the SE-Regulations provide otherwise.

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 354,668,378.00 and is divided in 354,668,378 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 354,668,378. As of the convening the Company does not hold any treasury shares.

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

Only those holders of bearer shares who have registered to attend on time shall be entitled to attend the Annual General Meeting and exercise their voting rights. Registration forms must therefore have been received by the Company by no later than on **Friday, June 8, 2018 at midnight (24:00) CEST** at the following address

Deutsche Wohnen SE
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 25, 2018 at 0:00 CEST (record date)** that they are shareholders of the Company. A special shareholding certificate issued by the custodian bank shall suffice as proof of share ownership.

As with the registration form, the shareholding certificate must also have been received by the Company at the above address by no later than on **Friday, June 8, 2018 at midnight (24:00) CEST**. Registration and proof of share ownership must be provided in writing (pursuant to Section 126 b German Civil Code (*Bürgerliches Gesetzbuch*, 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 Stock Corporation Act (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 Stock Corporation Act (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 Stock Corporation Act (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

<https://ir.deutsche-wohnen.com> (under “Annual General Meetings” > “Annual General Meeting 2018”).

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

<https://ir.deutsche-wohnen.com> (under “Annual General Meetings” > “Annual General Meeting 2018”).

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

<https://ir.deutsche-wohnen.com> (under “Annual General Meetings” > “Annual General Meeting 2018”).

Authorization of proxies appointed by the Company and detailed instructions for such proxies should be received by **midnight 24:00 CEST on Thursday, June 14, 2018;** 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 SE
c/o Link Market Services GmbH
Landshuter Allee 10
80637 München

Fax: +49 (0) 89 210 27 289

E-Mail: inhaberaktien@linkedmarketservices.de

5. Other shareholder rights

- a) **Motions by shareholders to add items to the agenda pursuant to Article 56 sentence 2 and sentence 3 SE-Regulation, Section 50 para. 2 SE-Implementation Act (*SE-Ausführungsgesetz*, SEAG), Section 122 para. 2 Stock Corporation Act**

One or several shareholders whose collective holdings equate to five percent 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. According to Article 56 sentence 3 SE-Regulation in conjunction with Section 50 para. 2 SE-Implementation Act for additional requests of shareholders of a European company (SE) is required; Section 50 para. 2 SE-Implementation Act corresponds to the provision of Section 122 para. 2 Stock Corporation Act (AktG). 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 15, 2018**. Requests that do not arrive by this deadline shall not be considered.

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

Deutsche Wohnen SE
Management Board
Mr. Dirk Sonnberg
Mecklenburgische Straße 57
14197 Berlin

Amendments to the agenda that are required to be disclosed will be published upon receipt in the German Electronic Federal Gazette (*Elektronischer Bundesanzeiger*). They will also be published on website of the Company under <http://ir.deutsche-wohnen.com> (in the section <https://ir.deutsche-wohnen.com> > “Annual General Meetings” > “Annual General Meeting 2018”) and pursuant to Section 125 para. 1 sentence 3, para. 2, shareholders shall be notified.

b) Countermotions by shareholders pursuant to Section 126 Stock Corporation Act (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 31, 2018**, 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

<https://ir.deutsche-wohnen.com> (under “Annual General Meetings” > “Annual General Meeting 2018”)

(see Section 126 para. 1 sentence 3 Stock Corporation Act (AktG)).

Section 126 para. 2 Stock Corporation Act (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

<https://ir.deutsche-wohnen.com> (under “Annual General Meetings” > “Annual General Meeting 2018”).

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 SE
Legal/Compliance
Mecklenburgische Straße 57
14197 Berlin
Fax: + 49 (0) 30 89 786-5499

E-Mail: compliance@deuwo.com

Countermotions sent to a different address shall not be published.

Countermotions shall be deemed to have been submitted only if they are proposed during the Annual General Meeting. This does not affect the right of any shareholder to propose

countermotions to the various agenda items during the Annual General Meeting, even without prior and timely submission of such countermotions to the Company.

c) Candidate nominations by shareholders pursuant to Section 127 Stock Corporation Act (AktG)

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

Candidate nominations by shareholders that are received by the Company at the address below at least 14 days prior to the Annual General Meeting, not including the date of receipt and the date of the Annual General Meeting, i.e., by **midnight (24:00) CEST on Thursday, May 31, 2018**, shall be published immediately on the Company's website at

<https://ir.deutsche-wohnen.com> (under “Annual General Meetings” > “Annual General Meeting 2018”).

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 Stock Corporation Act (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 Stock Corporation Act (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

<https://ir.deutsche-wohnen.com> (under “Annual General Meetings” > “Annual General Meeting 2018”).

Candidate nominations should be sent to the following address:

Deutsche Wohnen SE
Legal/Compliance
Mecklenburgische Straße 57
14197 Berlin
Fax: + 49 (0) 30 89 786-5499
E-Mail: compliance@deuwo.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 Stock Corporation Act (AktG)

Each shareholder 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 Stock Corporation Act (AktG). Article 13 para 9 sentence 2 of the Articles of Association of the Deutsche Wohnen SE 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

<https://ir.deutsche-wohnen.com> (under "Annual General Meetings" > "Annual General Meeting 2018").

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

<https://ir.deutsche-wohnen.com> (under "Annual General Meetings" > "Annual General Meeting 2018")

and shall be available for inspection by the shareholders at the business premises of Deutsche Wohnen SE in Berlin (Mecklenburgische Straße 57, 14197 Berlin):

Re. Agenda Items 1 and 2:

The approved annual financial statements of Deutsche Wohnen SE and the consolidated financial statements as of December 31, 2017 adopted by the Supervisory Board, the management reports for Deutsche Wohnen SE and the Group, including the Supervisory Board Report for financial year 2017, 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, 2017.

Re. Agenda Item 7:

Report of the Management Board pursuant to Article 5 SE-Regulation in conjunction with Section 203 para. 2 sentence 2, in conjunction with Section 186 para. 4 sentence 2 Stock Corporation Act (AktG)

Re. Agenda Item 8:

Report of the Management Board pursuant to Article 5 SE-Regulation in conjunction with Section 221 para. 4 sentence 2, in conjunction with Section 186 para. 4 sentence 2 Stock Corporation Act (AktG)

Re. Agenda Item 9:

Report of the Management Board pursuant to Article 5 SE-Regulation in conjunction with Section 71 para. 1 no. 8 sentence 5, in conjunction with Section 186 para. 4 sentence 2 Stock Corporation Act (AktG)

In addition:

Report of the Management Board on the issue of convertible bonds based on the authorization of June 2, 2017, with the exclusion of subscription rights on October 4, 2017.

The above documents shall also be available for inspection during the Annual General Meeting on Friday, June 15, 2018. The legal requirement shall be satisfied with publication on the Company's website.

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.

7. Information on Data Protection

Deutsche Wohnen SE, Mecklenburgische Straße 57, 14197 Berlin processes your personal data for the purposes of preparation and execution of the General Meeting. Questions should be directed to Deutsche Wohnen SE, Legal/Compliance, Mecklenburgische Straße 57, 14197 Berlin or compliance@deuwo.com

External data protection officer of Deutsche Wohnen SE is attorney Nikolaus Bertermann, daspro GmbH, Kurfürstendamm 21, 10719 Berlin, E-Mail: DeuWoDSB@daspro.de

Legal basis for processing is Article 6 para. 1 c) DS-GVO (legal obligation pursuant to Stock Corporation Act (AktG)). We employ service providers for the preparation and execution of the General Meeting by way of job processing. Your data will be deleted five calendar years after execution of the General Meeting. The provision of data is necessary for participation in the General Meeting. Without the provision of personal data, a participation in the General Meeting is not possible.

You are entitled to request information on all of your personal data that we process at all times. In the event that your personal data is false or incomplete, you have the right to have it rectified or supplemented. You can request the deletion of your personal data at all times, insofar we are not legally mandated or entitled to process your data. Furthermore, you have the right to file a complaint with the supervisory board for data protection at all times, if you consider that the processing of data took place in violation of applicable law.

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

Berlin, May 2018

Deutsche Wohnen SE

The Management Board