

# Invitation to the Annual General Meeting of Shareholders for 2020

## Virtual Annual General Meeting

Dear Shareholders,

We are pleased to invite you to our Annual General Meeting to be held on **Wednesday, 27 May 2020, at 10:30 a.m. CEST**, without the physical presence of the shareholders and their representatives at Aareal Bank AG's registered office at Paulinenstrasse 15, 65189 Wiesbaden.

The entire Annual General Meeting will be streamed (audio and video) for duly registered shareholders and their representatives, following a resolution by Aareal Bank AG's Management Board with the approval of the Supervisory Board, in accordance with section 1 (2) sentence 1 no. 1 of the Law on Corporations, Cooperatives, Associations, Foundations and Residential Property to Combat the Effects of the COVID 19 Pandemic (C19-AuswBekG) in conjunction with Article 19 (2) of the Company's Memorandum and Articles of Association at the Internet address [www.aareal-bank.com/en/](http://www.aareal-bank.com/en/) (at Investors/Annual General Meeting 2020) (further details can be found in the section following the agenda for the meeting and the proposals for resolution).

## Agenda

### **Agenda item 1: Presentation of the confirmed Annual Financial Statements and the approved consolidated financial statements, the management report for the Company and the Group, the disclosures in accordance with sections 289a and 315a of the German Commercial Code (Handelsgesetzbuch – HGB) as well as the Report by the Supervisory Board for the 2019 financial year**

In accordance with section 172 sentence 1 of the German Public Limited Companies Act (Aktiengesetz – AktG), the Supervisory Board approved on 24 March 2020 the Annual Financial Statements and the Consolidated Financial Statements prepared by the Management Board; the financial statements have thus been confirmed. The proposal for the appropriation of profits is set out in the Notes to the Annual Financial Statements. Therefore, it is not necessary to pass a resolution on this agenda item 1 at the Annual General Meeting.

### **Agenda item 2: Passing of a resolution on the appropriation of net retained profit for the 2019 financial year**

In accordance with section 172 sentence 1 of the German Public Limited Companies Act (Aktiengesetz – AktG), the Supervisory Board approved on 24 March 2020 the Annual Financial Statements of Aareal Bank AG prepared by the Management Board including the net retained profit of € 119,714,442.00 arising in financial year 2019; the financial statements have thus been confirmed. The Annual Financial Statements include as the proposal by management for the appropriation of the Company's net retained profit a proposal to distribute a dividend of € 2.00 per no-par-value share (currently 59,857,221 shares) entitled to dividend payment, i.e. the entire net retained profit of € 119,714,442.00.

After the Annual Financial Statements were confirmed, the European Central Bank, which is responsible for supervising Aareal Bank AG, issued a recommendation on 27 March 2020 stating that significant banks should refrain from distributing any dividend for the 2019 and 2020 financial years until 1 October 2020 at the earliest in order to support their ability to absorb losses and to grant loans to households, small and mid-size enter-

prises and large corporates during the COVID-19 pandemic (ECB/2020/19).

In view of the express and unambiguous recommendations of the European Central Bank to refrain from distributing any dividend for the 2019 and 2020 financial years until 1 October 2020 at the earliest, the Management Board and the Supervisory Board have decided after further intensive deliberation, to propose to the Annual General Meeting that, by way of exception, no dividends shall be paid for the 2019 financial year so as to strengthen the Bank's capitalisation, and to recommend that the net retained profit be allocated to other retained earnings in full.

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

that Aareal Bank AG's net retained profit of € 119,714.442.00 for the 2019 financial year be allocated to other retained earnings in full.

### **Agenda item 3: Passing of a resolution on the formal approval of the members of the Management Board for the 2019 financial year**

The Management Board and Supervisory Board propose that formal approval be granted, for the 2019 financial year, for the members of the Management Board who were in office during that period.

### **Agenda item 4: Passing of a resolution on the formal approval of the members of the Supervisory Board for the 2019 financial year**

The Management Board and Supervisory Board propose that formal approval be granted, for the 2019 financial year, for the members of the Supervisory Board who were in office during that period.

### **Agenda item 5: Passing of a resolution on the appointment of the external auditors**

- a) Based on the recommendation of the Audit Committee, the Supervisory Board proposes that auditors Pricewaterhouse Coopers GmbH Wirtschaftsprüfungsgesellschaft, Frankfurt/Main, be appointed as the

external auditors for the Company's annual financial statement and the Group's consolidated financial statement for the 2020 financial year and as the external auditors for the review of the condensed financial statements and the interim management report as at 30 June 2020.

- b) Based on the recommendation of the Audit Committee, the Supervisory Board furthermore proposes that auditors KPMG AG Wirtschaftsprüfungsgesellschaft, Berlin, be appointed as the external auditors for the review, if applicable, of additional interim financial information required within the meaning of section 115 (7) of the German Securities Trading Act (Wertpapierhandelsgesetz – WpHG) for the periods after 31 December 2020 and before the Annual General Meeting of 2021.

On the basis of a selection process conducted in accordance with Article 16 (3) of Regulation (EU) no. 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities and repealing Commission Decision 2005/909/EC ("EU Audit Regulation"), the Audit Committee has recommended that the Supervisory Board propose to the Annual General Meeting that either KPMG AG Wirtschaftsprüfungsgesellschaft, Berlin, or Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Frankfurt/Main, be appointed as auditors for the review of (any) additional interim financial information within the meaning of section 115(7) of the German Securities Trading Act (Wertpapierhandelsgesetz – WpHG), which are prepared for the periods after 31 December 2020 and before the Annual General Meeting of 2021. In doing so, it stated that it preferred KPMG AG Wirtschaftsprüfungsgesellschaft, Berlin.

The Audit Committee has declared that its decision was taken free of any undue influence by third parties as defined in Article 16 (2) 3 of the EU Audit Regulation and that no clause of the kind referred to in Article 16 (6) of that Regulation has been imposed upon it.

### **Agenda item 6: New elections to the Supervisory Board**

The regular term of office of six shareholder representatives on the Supervisory Board ends with the close of the Annual General Meeting of 27 May 2020. There-

fore, a corresponding number of new representatives must be elected to the Supervisory Board during this year's General Meeting.

Pursuant to section 2 (1) of the Co-Determination Agreement in conjunction with Article 9 (1) of the Articles of Association and sections 95, 96 (1) and 101 (1) of the AktG, the Supervisory Board consists of eight members to be elected by the Annual General Meeting and four members to be elected by staff. The Annual General Meeting is not bound by nominations when electing shareholder representatives. The following nominations of the Supervisory Board take into account the goals last decided on by the Supervisory Board on 19 December 2019 in accordance with section 25d (11) no. 2 of the German Banking Act (KWG). In addition, the recommendations contained in section C.1 of the German Corporate Governance Code ("Code") concerning the composition of the Supervisory Board have been duly considered. In accordance with C.15 sentence 1 of the Code, the elections are to be held on an individual basis.

Based on the recommendation of the Nomination Committee, the Supervisory Board proposes that the following candidates be elected to the Supervisory Board as shareholder representatives:

- a) Jana Brendel, Frankfurt am Main (Germany), Chief Technology Officer (CTO) of Nets A/S
- b) Christof von Dryander, LL.M. (Yale), Frankfurt/Main (Germany), attorney at law, Senior Counsel at Cleary Gottlieb Steen & Hamilton LLP
- c) Sylvia Seignette, Langenselbold (Germany), member of the Supervisory Board of Aareal Bank AG
- d) Elisabeth Stheeman, Surrey (United Kingdom), External Member, Financial Policy Committee and Financial Market Infrastructure Board, Bank of England
- e) Dietrich Voigtländer, Dinslaken (Germany), self-employed businessman and consultant
- f) Prof. Dr Hermann Wagner, Frankfurt/Main (Germany), German Chartered Accountant and tax consultant, professor at the Frankfurt School of Finance and Management.

Candidates a), d), e) and f) will be elected (i) for a term of office commencing after the close of this year's Annual General Meeting in accordance with Article 9 (2) of the Company's Memorandum and Articles of Association until the close of the Annual General Meeting that passes a resolution on the formal approval of the Supervisory Board for the 2023 financial year and candidates b) and c) (ii) for a period expiring at the close of the Annual General Meeting that passes a resolution on the formal approval of the Supervisory Board for the 2022 financial year.

The nominations of the Supervisory Board are consistent with the requirements of section 100 (5) of the AktG. The Supervisory Board has conducted a careful selection process for the proposed candidates. This is described below.

The process is conducted by the Supervisory Board's Executive and Nomination Committee with the participation of the entire Supervisory Board. A profile of requirements was prepared on the basis of the current collective profile of competencies, which describes the requisite professional and personal qualities as well as the various objectives with respect to the promotion of gender, professional, age and geographic diversity as well as a suitable number of independent members, published in the Bank's Corporate Governance Statement pursuant to sections 289f and 315d of the German Commercial Code (Handelsgesetzbuch – HGB) and is therefore not reiterated here, as well as legal provisions, the requirements of the Memorandum and Articles of Association and the recommendations of the Code.

Potential candidates were identified on the basis of this profile and with the assistance of external consultants. Relevant information on the candidates was collected and compared with the profile. Finally, the short-listed candidates were interviewed in person by the Chairman and members of the Supervisory Board.

The proposals for candidates a) to f) are consistent with the collective profile of competencies described above. The proposal meets the criteria and objectives described in this profile. The Supervisory Board is satisfied that candidates a) to f) are independent within the meaning of C.13 of the Code and that they do not have any personal or business relations with Aareal Bank AG or any of its Group companies, its governance bodies

or any principal shareholder of the Company. The candidates have declared that they have sufficient time to perform their duties on the Supervisory Board.

As a tax consultant and German chartered accountant as well as a former partner at renowned audit companies, Prof. Wagner in particular has broad-based expertise in finance, auditing and risk-management matters as well as in banking. Assuming that the Annual General Meeting elects the candidates proposed under a) to f), the Supervisory Board will have seven male and five female members.

After detailed discussion, the Supervisory Board decided on 6 April 2020 to recommend that the Annual General Meeting elect candidates a), d), e) and f) for a period ending at the close of the Annual General Meeting at which a resolution is passed concerning formal approval of the Supervisory Board for the 2023 financial year and candidates b) and c) for a period ending at the close of the Annual General Meeting at which a resolution is passed concerning formal approval of the Supervisory Board for the 2022 financial year. In the future, the Annual General Meeting will be asked to elect the members of the Supervisory Board for a term of four years, meaning that elections of half of the shareholder representatives would be required in intervals of one or three years.

The curricula vitae of the candidates providing details on their relevant respective knowledge, abilities, experiences, and key activities can be found in the **Information on the candidates proposed for election to the Supervisory Board under agenda item 6** at the end of this agenda.

#### **Agenda item 7: Resolution on the authorisation to acquire and to use treasury shares in accordance with section 71 (1) no. 7 of the German Public Limited Companies Act (AktG)**

It is proposed to replace the authorisation granted by the Annual General Meeting of 20 May 2015 for the purchase of treasury shares for the purposes of securities trading in accordance with section 71 (1) no. 7 of the AktG, which has not been utilised to date and will expire on 19 May 2020, with a new authorisation, which is to remain in force until 26 May 2025.

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

- a) That the authorisation granted by the Annual General Meeting of 20 May 2015 under item no. 7 of the agenda for purchasing treasury shares for the purposes of securities trading in accordance with section 71 (1) no. 7 of the AktG be revoked on the date on which the new authorisation granted under b) below takes effect.
- b) That the Company be authorised pursuant to section 71 (1) no. 7 of the AktG, until 26 May 2025, to acquire and sell treasury shares for the purposes of securities trading. The volume of shares acquired for this purpose may not exceed five per cent (5 %) of the Company's share capital at the end of any day. The lowest price at which a share may be purchased is determined by the average closing price of the Company's shares in Xetra (or a comparable successor system on the Frankfurt stock exchange) on the last three trading days on the Frankfurt/Main stock exchange prior to such purchase, or assumption of an obligation to purchase, less ten per cent (10 %). The highest price shall not exceed such average closing price plus ten per cent (10 %). The shares acquired, together with any other shares of the Company acquired and still held by the Company or to be attributed to the Company pursuant to sections 71a et seq. of the AktG, may not exceed ten per cent (10 %) of the Company's share capital at any given time.

**Agenda item 8: Resolution on the authorisation to purchase and to use treasury shares in accordance with section 71 (1) no. 8 of the German Public Limited Companies Act (AktG) and on the exclusion of subscription and tender rights**

It is proposed to replace the authorisation granted by the Annual General Meeting of 20 May 2015 for the purchase of treasury shares for the purposes of securities trading in accordance with section 71 (1) no. 8 of the AktG, which has not been utilised to date and will expire on 19 May 2020, with a new authorisation, which is to remain in force until 26 May 2025. In addition, authorisation is to be granted to purchase treasury shares using derivatives. The general authorisation to

purchase treasury shares (agenda item 8) and the additional authorisation to use derivatives (agenda item 9) are to be voted on separately.

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

- a) That the existing authorisation expiring on 19 May 2020 granted by the Annual General Meeting of 20 May 2015 under agenda item no. 8 for purchasing and utilising treasury shares in accordance with section 71 (1) no. 8 of the AktG and for excluding subscription rights be revoked on the day on which the new authorisation granted under b) to d) below takes effect.
- b) That the Company be authorised pursuant to section 71 (1) no. 8 of the AktG to purchase on or before 26 May 2025 treasury shares for any valid purpose up to a maximum volume of ten per cent (10 %) of the share capital issued as of the date on which the resolution is passed by the Annual General Meeting or – if this value is lower – of the share capital issued on the date on which this authorisation is exercised. The treasury shares purchased, together with any other treasury shares previously purchased and still held by or attributable to the Company pursuant to sections 71a et seq. of the AktG may not exceed ten per cent (10 %) of the Company's share capital at any given time.

At the discretion of the Management Board, the treasury shares may be purchased via the stock exchange or by means of a public offer to buy, directed at all shareholders. Neither the purchase price per share, excluding ancillary costs (if the acquisition takes place via the stock exchange), nor the offering price per share, excluding ancillary costs (in case of a public offer to buy), may exceed or fall below the average closing price of the Company's shares in Xetra (or a comparable successor system on the Frankfurt stock exchange) during the three trading days on the Frankfurt/Main stock exchange prior to the purchase, the assumption of an obligation to purchase or the public announcement of the purchase offer by more than ten per cent (10 %).

Where, in the case of a public purchase offer, the volume of the tendered shares exceeds the intended

repurchase volume, the purchase must be effected in proportion with the shares offered. The preferential purchase or the preferential acceptance of a lower share quantity, up to 100 shares tendered per shareholder, and commercial rounding may be provided for in these cases, partially excluding any further disposal rights of shareholders. The public purchase offer may stipulate further conditions.

- c) That the Management Board be authorised to use the treasury shares purchased under this or an earlier authorisation as follows:
- (1) The Management Board shall be authorised to sell the treasury shares to all shareholders via the stock exchange or in a public offer.
  - (2) The Management Board shall also be authorised to effect the sale of any treasury shares purchased in accordance with this or an earlier authorisation, subject to the Supervisory Board's approval, via channels other than the stock exchange or public offer to all shareholders, provided that the sale is carried out at a cash price that is not significantly lower than the stock exchange price of the Company's shares at the time of sale (sections 71 (1) no. 8 sentence 5 and 186 (3) sentence 4 of the AktG). Said Supervisory Board approval may also be given in advance as a maximum amount authorisation for the time between two Supervisory Board meetings. However, this authorisation shall be subject to the proviso that the aggregate value of shares sold to the exclusion of shareholders' subscription rights, in accordance with section 186 (3) sentence 4 of the AktG, shall not exceed 10% of the share capital either on the date on which the resolution is passed by the Annual General Meeting or the date on which this authorisation is exercised. Any shares that were issued or sold during the term and prior to the exercising of said authorisation, in direct or analogous application of section 186 (3) sentence 4 of the AktG, shall count towards the above threshold of ten per cent (10%) of the registered share capital. Said 10% threshold shall also include shares the issuance of which is required under the terms of debt securities with embedded conversion or option rights on shares issued pursuant to section 186 (3) sentence 4 of the AktG (excluding shareholders' subscription rights), which were (or may be) issued during the validity of this authorisation.
- (3) In addition, the Management Board shall be authorised subject to approval by the Supervisory Board to additionally sell the purchased shares outside the stock exchange for payment in kind, excluding shareholders' pre-emptive subscription rights, particularly for the purpose of acquiring companies or parts thereof or shareholdings in companies or in connection with business combinations.
  - (4) The Management Board shall also be authorised subject to approval by the Supervisory Board to issue the purchased shares to settle conversion or option rights under convertible bonds or bonds with warrants in lieu of new shares from a contingent capital increase.
  - (5) Furthermore, upon the sale of purchased treasury shares by public offer to all shareholders the Management Board shall also be authorised (subject to the approval of the Supervisory Board), to grant subscription rights to the holders of option and/or conversion rights issued by the Company or its subsidiaries to the same extent as they would have been entitled upon exercising their conversion or option rights or upon performance of a conversion obligation.
  - (6) The Management Board shall also be authorised subject to approval by the Supervisory Board to call in any of the treasury shares purchased under this or any earlier authorisation without any further resolutions by the Annual General Meeting being necessary. Unless specified otherwise, such calling in of shares will result in a reduction of the Company's share capital. Instead, however, the Management Board shall be authorised to determine that the share capital remain unchanged upon the calling in of shares, and that the portion of issued share capital attributable to all other shares be increased pursuant to section 8 (3) of the AktG. In this case, the Management Board shall be authorised to amend the Company's Memorandum and Articles of

Association with regard to the indicated number of shares.

Provided that treasury shares are used in accordance with the above authorisations set out in (2) to (5), shareholders' subscription rights to treasury shares shall be excluded. Furthermore, the Management Board may, subject to the Supervisory Board's approval, exclude shareholders' subscription rights for fractional amounts upon the disposal of shares via a public offer to all shareholders.

- (d) That all of the above authorisations for the purchase and use of treasury shares may be exercised individually or collectively, in full or in part, on one or several occasions, by the Company or by its direct or indirect subsidiaries or by third parties for the Company's or its subsidiaries' account.

**Agenda item 9: Resolution on authorisation to use derivatives in connection with the purchase and sale of treasury shares in accordance with section 71 (1) no. 8 of the German Public Limited Companies Act (AktG) and on the exclusion of subscription and tender rights**

When the authorisation to purchase treasury shares to be granted under agenda item no. 8 is exercised, it shall also be possible to use derivatives for the purpose of such purchase. The total number of shares that may be purchased may not be increased as a result of this. The sole purpose is to provide alternative ways of purchasing treasury shares within the cap provided for in agenda item 8 and subject to the further restrictions provided for in a) to c) of the following proposal, with such alternative ways to count towards this cap.

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

- a) That the existing authorisation – expiring on 19 May 2020 – granted by the Annual General Meeting of 20 May 2015 under agenda item no. 8 for using derivatives to purchase treasury shares in accordance with section 71 (1) no. 8 of the AktG be revoked upon the new authorisation granted under b) to f) below taking effect.
- b) That further to the authorisation proposed under agenda item no. 8 concerning the authorisation to purchase treasury shares in accordance with section 71 (1) no. 8 of the AktG put or call options may be used to purchase treasury shares in addition to the other measures described therein. The Management Board shall be authorised to sell options imposing on the Company the obligation to purchase treasury shares upon the option being exercised (put options). In addition, the Management Board shall be authorised to acquire and exercise options granting the Company the right to purchase treasury shares upon the option being exercised (call options). Finally, it shall be possible to purchase treasury shares using a combination of these derivatives. The instruments mentioned above are also known as derivatives. This authorisation may be utilised by the Company, its subsidiaries or by third parties on their own account or for the account of the Company or its subsidiaries in full or in part, once or repeatedly including in different transactions or in connection with other permissible transactions outside the scope of this authorisation. The volume of all shares purchased using derivatives shall be limited to a maximum of five per cent (5 %) of the share capital existing at the time the relevant resolution is adopted by the Annual General Meeting or – if this value is lower – of the share capital existing at the time this authorisation is exercised. Furthermore, the acquired shares shall count towards the 10% threshold of the authorisation to purchase treasury shares approved by the Annual General Meeting in accordance with agenda item no. 8.
- c) That the derivatives must be transacted with one or more credit institutions, one or more companies active within the scope of section 53 (1) sentence 1 or section 53b (1) sentence 1 or section 7 of the German Banking Act (Kreditwesengesetz – KWG) or a group or syndicate of such credit institutions and/or such companies. The terms and conditions of the derivatives must stipulate that the derivatives may only be settled with shares purchased in accordance with the principle of equal treatment, this being deemed to be the case if the shares are purchased via the stock exchange.
- d) That the purchase price per treasury share to be paid upon the option being exercised ("exercise price")

may be no higher or lower than ten per cent (10%) of the average closing price of the treasury shares in Xetra trading (or a comparable successor system on the Frankfurt stock exchange) during the three trading days on the Frankfurt/Main stock exchange prior to the relevant derivatives transaction (in each case excluding ancillary costs but including the option premium paid or received). The option premium paid by the Company for call options may not significantly exceed and the option premium collected for put options may not significantly fall below the theoretical market price of the relevant derivative determined in accordance with recognised mathematical valuation methods; furthermore, the agreed exercise price must also be taken into consideration in the determination of said market price. The calculation of the purchase/selling price of the call or put options and the combination of call and put options shall take account of the agreed exercise price among other things.

- e) The lifetime of the derivative must, in each case, not exceed 18 months, must expire on 26 May 2025 at the latest and must be selected in such a way that the shares are not acquired through the exercise of the option any later than on 26 May 2025. Where treasury shares are purchased using derivatives in compliance with the preceding provisions, the shareholders' right to enter into any such derivatives transactions with the Company shall be excluded in analogous application of section 186 (3) sentence 4 of the AktG. Likewise, shareholders shall have no right to enter into derivative transactions to the extent that any such transactions provide for a preferential offer related to smaller quantities of shares. Shareholders shall only have a right to tender their shares to the Company to the extent that the Company is obliged to accept these shares under derivative transactions. Any further right to tender and sell is excluded.
- f) That the provisions set out in agenda item no. 8 d also apply to the use of shares purchased through the utilisation of derivatives. Provided that treasury shares are used in accordance with the authorisations set out in d) of the resolution proposal described in agenda item no. 8, shareholders' subscription rights to treasury shares shall be excluded.

### **Agenda item 10: Resolutions on amendments to the Memorandum and Articles of Association**

The preconditions for participating in the Annual General Meeting and for exercising voting rights have been modified by the German Act Implementing the Second Shareholder Rights Directive ("SRD II", BGBl. I (2019), page 2637 ff.). Under the revised version of section 123 (4) sentence 1 of the AktG, proof issued by the last intermediary as defined in the newly inserted section 67c (3) of the AktG is sufficient evidence of authorisation to participate in the Annual General Meeting or to exercise voting rights on the part of holders of bearer shares of listed companies. In accordance with the current version of section 123 (4) sentence 1 of the AktG, Article 15 (4) of the Company's Memorandum and Articles of Association requires specific proof in text form in English or German issued by the custodian bank confirming shareholdings as authorisation to participate in the Annual General Meeting and to exercise voting rights.

Large parts of SRD II came into effect on 1 January 2020. Under section 26j (4) of the Introductory Act to the German Public Limited Companies Act (EG-AktG), the amendments provided for in section 123 (4) sentence 1 of the AktG and the newly added section 67c of the AktG do not take effect until 3 September 2020 and therefore apply for the first time to annual general meetings that are convened after 3 September 2020. Accordingly, the new provisions will take effect before the date of the Company's Annual General Meeting in 2021.

A resolution to amend the Articles of Association accordingly is to be passed already at this year's Annual General Meeting to prevent any discrepancy in the stipulations governing authorisation to participate in the Annual General Meeting or to exercise voting rights.

Notwithstanding the amendments necessitated by SRD II, Article 16 of the Memorandum and Articles of Association is to be amended in the light of section 118 (1) of the AktG. The Management Board is to be authorised in the future to stipulate that shareholders may participate in the Annual General Meeting without being physically present at the venue of the Annual General Meeting and without any representative and to exercise



all or individual shareholder rights either fully or partially by means of electronic communications.

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

a) Amendment to Article 15 of the Memorandum and Articles of Association:

(1) That Article 15 (2) of the Memorandum and Articles of Association be amended to read as follows:

”Only those shareholders who register for this purpose prior to the Annual General Meeting and provide the Company with evidence of their right to participate in and to vote at the Annual General Meeting shall be entitled to participate in the Annual General Meeting and to exercise their voting rights. Special evidence that shares are held shall be necessary for this purpose. Confirmation of shareholdings issued by the last intermediary as defined in section 67c (3) of the AktG shall always suffice for this purpose. The evidence of shareholdings shall refer to the beginning of the 21st day before the date of the Annual General Meeting and must be submitted to the Company in text form at the address stipulated in the notice convening the meeting no later than on the sixth day prior to the date of the Annual General Meeting not including the date of receipt.”

(2) That Article 15 (4) of the Memorandum and Articles of Association be deleted. The previous Article 15 (5) of the Memorandum and Articles of Association shall be renumbered as Article 15 (4) of the Memorandum and Articles of Association.

(3) That the Management Board be instructed to wait until after 3 September 2020 before filing the amendment of Article 15 of the Memorandum and Articles of Association for entry in the Commercial Register.

b) That the following paragraph 4 be added to Article 16 of the Memorandum and Articles of Association:

”The Management Board shall be authorised to stipulate that shareholders may participate in the Annual General Meeting without being physically present at the venue of the Annual General Meeting and without any representative and to exercise all or individual shareholder rights either fully or partially by means of electronic communications. The Management Board shall also be authorised to determine the scope and procedure for participating in the Annual General Meeting and exercising shareholder rights in accordance with sentence 1. These shall be announced in the notice convening the Annual General Meeting.”

#### **Agenda item 11: Passing of a resolution regarding approval to amend existing control and profit transfer agreements**

Agreements to amend existing control and profit transfer agreements have been entered into between Aareal Bank AG as the controlling company (tax group parent) and the following subsidiaries, one organised as a public limited company and the other as a limited-liability company as controlled companies (tax group subsidiaries):

- a) DHB Verwaltungs AG with registered offices in Wiesbaden
- b) Aareal Immobilien Beteiligungen GmbH with registered offices in Wiesbaden

The Company holds 100 % of the shares in both of the aforementioned companies.

Re a) A control and profit transfer agreement was entered into between Aareal Bank AG as the controlling company and DHB Verwaltungs AG as the controlled company on 2 January 2019. The provisions governing extraordinary termination in Article 4 (2) of the corresponding contract were amended in an agreement dated 20 December 2019. As a result of the amendment, Article 4 (2) now reads as follows:

”Either Party’s right to terminate the Agreement without notice for good cause shall not be prejudiced. Aareal Bank may particularly terminate the Agreement for good cause if it no longer

holds a majority interest in DHBV or in the event of any other material reason anticipated by R 14.5 (6) of the Corporate Tax Guideline 2015 or corresponding regulation applicable on the date on which this Agreement is terminated.”

Re b) A control and profit transfer agreement was entered into between Aareal Bank AG as the controlling company and Aareal Immobilien Beteiligungen GmbH as the controlled company on 19 November 2002 in the version dated 25 April 2003. The provisions governing the absorption of losses in Article 6 of the corresponding contract were amended in an agreement dated 20 December 2019. As a result of the amendment, Article 6 now reads as follows:

”Loss shall be absorbed in accordance with the provisions of section 302 of the German Public Limited Companies Act as most recently amended.”

The Management Board and Supervisory Board propose the following resolutions:

- a) That the agreement of 20 December 2019 amending the control and profit transfer agreement of 2 January 2019 between Aareal Bank AG and DHB Verwaltungs AG be approved.
- b) That the agreement of 20 December 2019 amending the control and profit transfer agreement of 19 November 2002 in the version dated 25 April 2003 between Aareal Bank AG and Aareal Immobilien Beteiligungen GmbH be approved.

The corresponding amendment agreements have already been approved at the Annual General Meeting of DHB Verwaltungs AG and shareholders’ meeting of Aareal Immobilien Beteiligungen GmbH. The amendment agreements will not become effective until they have been approved by the Annual General Meeting of the Company and subsequently entered in the respective commercial registers of the subsidiaries concerned.

The Management Board of the Company has submitted joint reports together with the Management Board of DHB Verwaltungs AG and the management of Aareal Immobilien Beteiligungen GmbH in accordance with

section 293a of the AktG, explaining and justifying the respective amendment agreements. Together with other documents to be published, the joint reports will be available on the Company’s website from the date of convocation of the Annual General Meeting. In accordance with section 293b (1) 2nd half-sentence of the AktG, an audit of the aforementioned control and profit transfer agreements by an external auditor is unnecessary as the Company holds all the shares in both subsidiaries. All documents required to be published will also be made available at the Annual General Meeting.

## Information on the candidates for the Supervisory Board proposed under agenda item 6

### I. CV of Ms Jana Brendel

#### 1. Personal details

<b>Date of birth</b>	9 April 1970
<b>Resident in</b>	Frankfurt/Main (Germany)
<b>Nationality</b>	German

#### 2. Education

- Degree in Business Information Systems and Economics (FH), AKAD Hochschule für Berufstätige, Leipzig (Germany)
- Degree in Computer Science, Ingenieurschule für Elektronik und Informationsverarbeitung, Görlitz (Germany)
- Degree in Electronics, Betriebsberufsschule Robotron-Elektronik, Radeberg (Germany)

#### 3. Career and professional experience

<b>Since 2019</b>	Chief Technology Officer (CTO), Nets A/S, Copenhagen (Denmark)
<b>2018 – 2020</b>	Chief Information Officer (CIO) of Concardis Payment Group and member of the management of Concardis GmbH, Frankfurt/Main (Germany)
<b>2015 – 2018</b>	Managing Director, Head of Digital Solutions, Deutsche Bank AG, Frankfurt/Main (Germany)

**2014 – 2015** Managing Director, Head of Application Development, Deutsche Bank AG, Frankfurt/Main (Germany)

**2008 – 2014** Director, IT Program Manager, Deutsche Bank AG, Frankfurt/Main (Germany)

**2006 – 2007** Head of IT/Operations, norisbank GmbH, Frankfurt/Main (Germany)

**2003 – 2006** IT Portfolio Manager Channels/CRM/Finance, Deutsche Bank AG, Frankfurt/Main (Germany)

**1998 – 2002** Head of Online Banking Systems, Deutsche Bank AG, Frankfurt/Main (Germany)

**1991 – 1998** Software developer and project manager, SMS International (Deutschland) GmbH, Frankfurt/Main (Germany)

**Since 2013** Deputy Chairman of the Supervisory Board of DWS Investment GmbH, Frankfurt/Main (Germany)

**2016 – 2017** Global Co-General Counsel, Deutsche Bank AG, Frankfurt/Main (Germany)

**2013 – 2015** Deputy General Counsel, Deutsche Bank AG, Frankfurt/Main (Germany)

**1982 – 2012** Attorney at law and (from 1990) partner, Cleary Gottlieb Steen & Hamilton LLP, New York City (United States); worked in Frankfurt/Main (Germany), Brussels (Belgium), London (United Kingdom) and Hong Kong (China)

**1981 – 1982** US law firm, Washington D.C. (United States)

**4. Further mandates and activities pursuant to section 125 (1) sentence 5 of the AktG and section C.14 of the German Corporate Governance Code**

Ms Jana Brendel does not hold any other offices on statutory supervisory boards. In addition, no offices are held on comparable supervisory bodies in Germany or other countries in accordance with section 125 (1) sentence 5 of the AktG.

**4. Further mandates and activities pursuant to section 125 (1) sentence 5 of the AktG and section C.14 of the German Corporate Governance Code**

Mr Christof von Dryander, LL.M. (Yale) is Deputy Chairman of the Supervisory Board of DWS Investment GmbH, Frankfurt/Main (Germany). No other offices are held on comparable supervisory bodies in Germany or other countries in accordance with section 125 (1) sentence 5 of the AktG.

**II. CV of Mr Christof von Dryander, LL.M. (Yale)**

**1. Personal details**

**Date of birth** 26 September 1953  
**Resident in** Frankfurt/Main (Germany)  
**Nationality** German

**2. Education**

- Studied law and economics at the University of Freiburg (Germany)
- Articles completed at the Regional Court of Freiburg (Germany)
- Master of Laws (LL.M.), Yale University, New Haven (United States)

**3. Career and professional experience**

**Since 2018** Senior Counsel, Cleary Gottlieb Steen & Hamilton LLP, New York City (United States), Frankfurt am Main (Germany)

**III. CV of Ms Sylvia Seignette**

**1. Personal details**

**Date of birth** 6 July 1950  
**Resident in** Langenselbold (Germany)  
**Nationality** German

**2. Education**

- Qualified banker, Hessische Landesbank, Frankfurt/Main (Germany)
- Degree in wholesale and foreign trade

**3. Career and professional experience**

**Since 2015** Member of the Supervisory Board of Aareal Bank AG

**2005 – 2013** Chairman of the Board at Credit Agricole Corporate and Investment Bank and Group Senior Country Officer at the Credit Agricole Group in Germany and Austria, Frankfurt/Main (Germany)

- 2002 – 2005** Managing Director at Bank of America for Germany, Switzerland and Austria, Frankfurt/Main (Germany)
- 1989 – 2002** Member of the Management Board of JP Morgan AG, Germany and its predecessor banks, Frankfurt/Main (Germany)
- 1978 – 1989** Various management positions at JP Morgan AG, Germany and its predecessors, Frankfurt/Main (Germany)

#### 4. Functions at Aareal Bank AG

- Since 2015** Member of the Supervisory Board (Chairman of the Risk Committee)

#### 5. Further mandates and activities pursuant to section 125 (1) sentence 5 of the AktG and section C.14 of the German Corporate Governance Code

Ms Sylvia Seignette does not hold any other offices on statutory supervisory boards. In addition, no offices are held on comparable supervisory bodies in Germany or other countries in accordance with section 125 (1) sentence 5 of the AktG.

### IV. CV of Ms Elisabeth Stheemann

#### 1. Personal details

**Date of birth** 24 January 1964  
**Resident in** Surrey (United Kingdom)  
**Nationality** British/German

#### 2. Education

- Qualified banker, Vereins- und Westbank AG, Hamburg (Germany)
- Studied business administration at the Hamburg School of Business (Germany)
- Degree in Business Studies, London School of Economics, London (United Kingdom)

#### 3. Career and professional experience

- Since 2018** External Member, Financial Policy Committee, Bank of England, London (United Kingdom)

- Since 2017** External Member, Financial Market Infrastructure Board, Bank of England, London (United Kingdom)

- 2015 – 2018** Senior Advisor, Prudential Regulation Authority, Bank of England, London (United Kingdom)

- 2013 – 2014** Global Chief Operating Officer (COO), Member of Global Management Committee and Global Operating Committee, LaSalle Investment Management, London (United Kingdom) and Chicago (United States)

- 1988 – 2012** Various functions within the Investment Banking Division and Global Capital Markets, most recently Chief Operating Officer (COO), Real Estate and Natural Resources, Morgan Stanley, London (United Kingdom)

#### 4. Functions at Aareal Bank AG

- Since 2015** Member of the Supervisory Board (Deputy Chairman of Risk Committee and member of the Technology and Innovation Committee)

#### 5. Further mandates and activities pursuant to section 125 (1) sentence 5 of the AktG and section C.14 of the German Corporate Governance Code

Ms Elisabeth Stheemann does not hold any other offices on statutory supervisory boards. However, she is a member of the following comparable supervisory body in another country: Edinburgh Investment Trust Plc, Edinburgh (Scotland) (Non-Executive Director, Board of Directors).

### V. CV of Mr Dietrich Voigtländer

#### 1. Personal details

**Date of birth** 18 October 1958  
**Resident in** Dinslaken (Germany)  
**Nationality** German

#### 2. Education

- Engineering studies specialising in Assembly at the Technical University of Karlsruhe (Germany)

### 3. Career and professional experience

- Since 2014** Entrepreneur and consultant in the field of innovation and transformation management for the financial services and technology sectors
- 2009 – 2014** Chairman of the Managing Board at Portigon AG, the legal successor to WestLB AG, Düsseldorf (Germany)
- 2008 – 2009** Deputy Chairman of the Managing Board of WestLB, Düsseldorf (Germany)
- 1997 – 2008** Member of the Board of Managing Directors at DZ BANK AG and its predecessor banks, GZ-Bank and SGZ-Bank AG, Frankfurt/Main (Germany)

### 4. Functions at Aareal Bank AG

- Since 2015** Member of the Supervisory Board (Chairman of Technology and Innovation Committee and member of the Audit Committee and Remuneration Control Committee)

### 5. Further mandates and activities pursuant to section 125 (1) sentence 5 of the AktG and section C.14 of the German Corporate Governance Code

Mr Dietrich Voigtländer does not hold any other offices on statutory supervisory boards. In addition, no offices are held on comparable supervisory bodies in Germany or other countries in accordance with section 125 (1) sentence 5 of the AktG.

## VI. CV of Prof. Dr Hermann Wagner

### 1. Personal details

- Date of birth** 4 July 1956
- Resident in** Frankfurt/Main (Germany)
- Nationality** German

### 2. Education

- PhD in Economics, Justus-Liebig-Universität Gießen
- Accredited tax advisor
- Chartered accountant

### 3. Career and professional experience

- Since 2008** Self-employed accountant and tax consultant
- Since 2008** Professor at the Frankfurt School of Finance & Management, Germany
- 2002 – 2008** Member of the Management Board and Partner, Global Financial Services and other management functions, Ernst & Young, Frankfurt/Main (Germany)
- 1999 – 2001** Regional Managing Partner Frankfurt and Managing Partner Financial Services Germany, Arthur Andersen GmbH, Frankfurt/Main (Germany)
- 1998 – 1999** Branch Manager Frankfurt, KPMG Deutsche Treuhand-Gesellschaft AG, Frankfurt/Main (Germany)
- 1992 – 1997** Partner, KPMG Peat Marwick Treuhand GmbH and the subsequent KPMG Deutsche Treuhand-Gesellschaft AG, Frankfurt/Main (Germany)
- 1983 – 1991** Bank auditor at Peat, Marwick, Mitchell & Co., Frankfurt/Main (Germany)

### 4. Functions at Aareal Bank AG

- Since 2015** Member of the Supervisory Board (Chairman of the Audit Committee and member of the Risk Committee)

### 5. Further mandates and activities pursuant to section 125 (1) sentence 5 of the AktG and section C.14 of the German Corporate Governance Code

Prof. Dr Hermann Wagner is a member of the Supervisory Board of Squadra Immobilien GmbH & Co. KGaA, PEH Wertpapier AG and Consus Real Estate AG. No other offices are held on comparable supervisory bodies in Germany or other countries in accordance with section 125 (1) sentence 5 of the AktG.

## **Report of the Management Board to the Annual General Meeting regarding the authorisations and the exclusion of subscription rights proposed under agenda item no. 8 in accordance with sections 71 (1) no. 8 sentence 5 and 186 (4) sentence 2 of the AktG**

The Management Board has submitted a written report regarding agenda item no. 8 in accordance with sections 71 (1) no. 8, 186 (4) sentence 2 of the AktG describing the reasons for the proposed authorisation for the purchase of treasury shares, subject to the partial restriction of the principle of equal treatment and shareholders' tender rights, and regarding the proposed authorisation for the sale of treasury shares other than via the stock exchange and in compliance with the principle of equal treatment and at the proposed issue price. The report is hereby published as follows:

### **Authorisation to purchase treasury shares and to exclude possible tender rights**

The purpose of the proposed authorisation is to enable the Company to continue having the option to purchase treasury shares using customary market practices in accordance with section 71 (1) no. 8 of the AktG. This authorisation enables the Company to purchase treasury shares up to the equivalent of ten per cent (10%) of its share capital up until and including 26 May 2025, i.e. up to the maximum five years permitted by law, for any valid purpose. With the proposed extension of the authorisation granted by the Annual General Meeting of 20 May 2015, the Company will be in a position to continue capitalising on the benefits of purchasing treasury shares, in both its own interests and those of its shareholders, for a further period expiring on 26 May 2025.

The number of treasury shares the Company is permitted to hold is restricted by law to ten per cent (10%) of its share capital - including the authorisation to purchase treasury shares for securities trading purposes, as proposed under agenda item no. 7 (section 71 (2) of the AktG). The acquisition may take place via the stock exchange or via a public offer to purchase at the prices stipulated in the authorisation and based on the prevailing market price. This provides a level playing field for all shareholders to sell shares to the Company, pro-

vided that the Company exercises its authorisation to purchase treasury shares. This approach safeguards shareholders' rights and preserves equality of treatment. Whenever a public offer is oversubscribed, acceptance must be effected on a pro-rata basis. The preferential acceptance of a lower share quantity of up to 100 shares tendered per shareholder and commercial rounding may be provided for. This method is used to avoid fractional amounts when determining the individual purchase quotas and minor residual portions, thereby facilitating the technical handling.

Neither the offered purchase price nor the threshold values of the purchase price range may differ by more than ten per cent (10%) from the average closing price of the Company's shares in Xetra (or a comparable successor system on the Frankfurt stock exchange) during the three trading days on the Frankfurt/Main stock exchange prior to the purchase, the assumption of an obligation to purchase or the public announcement of the purchase offer. The public purchase offer may be contingent on further conditions.

### **Use of purchased shares and exclusion of subscription rights**

The treasury shares purchased under the authorisation proposed under agenda item no. 8 or under an earlier authorisation may be used as follows:

The purchased shares may be sold via the stock exchange or in a public offer or called in to reduce the Company's share capital. These alternatives ensure that the shareholders' right to equal treatment will be observed upon disposal.

The resolution contains an additional proposal to authorise the Management Board to effect the sale of any treasury shares purchased in accordance with section 71 (1) no. 8 of the AktG, subject to the Supervisory Board's approval, through channels other than a sale via the stock exchange, or an offer to all shareholders (excluding shareholders' subscription rights pursuant to section 186 (3) sentence 4 of the AktG), provided that the sale is carried out at a cash price that is not significantly lower than the relevant stock exchange price of the Company's shares at the time of sale. In such cases, the management will minimise any discounts from the issue price in relation to the market

price and is expected to limit any such discounts to five per cent (5%). Any dilution of the value of shareholders' holdings will be avoided through the close link to the prevailing market price. The selling price of the treasury shares will be finalised immediately prior to use.

The total number of shares sold in this manner may not exceed ten per cent (10%) of the issued share capital, neither at the time the proposed authorisation comes into effect nor at the time of its utilisation. This threshold also includes any shares that were issued or sold during the term, and prior to the exercise, of this authorisation, in direct or analogous application of section 186 (3) sentence 4 of the AktG, by virtue of other authorisations granted to the Management Board for the issue or sale of shares, or on the basis of resolutions passed by an Annual General Meeting. Said 10% threshold shall also include shares that were, or still can be, issued in accordance with section 186 (3) sentence 4 of the AktG during the validity of the proposed authorisation in connection with profit participation rights/bonds with conversion or option rights for shares and excluding shareholders' pre-emptive subscription rights. These inclusions ensure that no purchased treasury shares are sold (excluding shareholders' subscription rights) in accordance with section 186 (3) sentence 4 of the AktG if this would result in the exclusion – without objective grounds – of shareholder's pre-emptive subscription rights in direct or analogous application of section 186 (3) sentence 4 of the AktG for an amount exceeding 10% of the registered share capital. This additional restriction is in the interest of shareholders who wish to maintain their stake to the greatest extent possible.

The proposed authorisation therefore ensures that shareholders' financial and voting interests are appropriately taken into account when selling shares to the exclusion of subscription rights, whilst extending the Company's flexibility in the interest of all shareholders. The legal concepts embodied in section 186 (3) sentence 4 of the AktG have thus been properly considered and complied with. Among other things, this will provide the Company with an opportunity to offer shares to institutional investors or domestic and international investors, for example, and to expand its shareholder base, thereby stabilising the value of the shares. The Company will therefore have flexibility in adjusting its equity to commercial requirements and responding to favourable opportunities on the stock exchange. In addition,

shareholders have the option of maintaining the level of their shareholding in the Company by purchasing shares on the stock exchange.

Moreover, the shareholders' subscription rights may also be excluded when the shares are sold on a non-cash basis including receivables against the Company. This reflects the purpose of the authorisation included in the proposed resolution to maintain the Company's ability to act in the most flexible and cost-efficient manner when acquiring entities or agreeing on business combinations, particularly without increasing its capital, and to preserve its capital. Where appropriate, the Company may decide to offer treasury shares as consideration for the acquisition of enterprises or participating interests (excluding shareholders' pre-emptive subscription rights if and when appropriate). Such share deals have become increasingly popular world-wide as a form of acquisition finance. To this extent, the shareholders' right to subscribe to treasury shares may also be excluded. The price at which the treasury shares will be issued in this case depends on the individual circumstances and the timing. With regard to price determination, the Management and Supervisory Boards will be guided by the Company's interests. The Management Board will use the stock exchange price of the Company's shares as a guideline when determining the value of the shares granted by way of consideration; there are no plans to apply any fixed formula relating to the quoted market price, particularly to avoid the results of negotiations being called into question by fluctuations in the quoted market price.

The authorisation also provides for the Company to continue being allowed to use any treasury shares it has purchased to satisfy the rights of holders of convertible bonds and/or bonds with warrants. This may result in a reduction of any capital increase from conditional capital, if required. The use of existing treasury shares instead of a capital increase or cash payment may be financially advantageous; the authorisation is intended to increase flexibility in this regard. At present, no option or conversion rights or conversion obligations exist that would be eligible for servicing through treasury shares under the proposed authorisation.

Furthermore, the Company is to have the ability to partially exclude shareholders' subscription rights upon the sale of the shares via a public offer to all shareholders in favour of the holders of conversion or option rights.

In this way, subscription rights to shares could also be granted to these holders that would entitle said holders to the same extent as they would have been entitled upon exercising their conversion or option rights or upon performance of a conversion obligation. This would enable the Company to avoid a reduction in the option or conversion price, which would be the consequence of issuing treasury shares without granting subscription rights to the holders of options and conversion rights in accordance with the terms and conditions governing the convertible bonds and bonds cum warrants.

Furthermore, the Management Board should be authorised, subject to the Supervisory Board's approval, to exclude shareholders' subscription rights for fractional amounts upon the disposal of treasury shares via an offer to all shareholders. The purpose of this authorisation is to create subscription ratios that result in as few fractional shares as possible in order to facilitate the technical settlement of issuing shares. As freely marketable fractions, the shares excluded from the shareholders' subscription rights will either be sold at the stock exchange or otherwise disposed of on a "best efforts" basis. The Management Board will endeavour to keep the amount of freely marketable fractions as small as possible. Through the limitation to such fractional amounts, shareholders do not suffer a material dilution of their shareholdings. The shareholders' financial interests will be safeguarded by the obligation to ensure best possible realisation.

The option of purchasing and using treasury shares by direct or indirect subsidiaries of the Company, or by third parties for account of the Company or its direct or indirect subsidiaries, provides the Company with additional flexibility in the utilisation of its treasury shares.

The Management Board will only make use of this authorisation if the exclusion of subscription rights in individual instances is in the best interest of the Company and its shareholders. Similarly, the Supervisory Board will only grant the necessary approval if these requirements have been met.

#### Further information

The Management Board currently has no intention of utilising the authorisation anticipated in the proposed resolution to purchase and use treasury shares.

If the Annual General Meeting grants the proposed authorisation, the Management Board will consider from time to time whether to utilise it in the light of the prevailing market conditions and, depending on the outcome of such considerations, decide to purchase treasury shares and possibly use them for a specific purpose. In this connection, the Management Board will only utilise the authorisation to purchase treasury shares if it is satisfied that (i) this will result in an improvement in earnings per share and/or an advantageous equity ratio for the Company in the light of the prevailing market conditions and (ii) such a purchase is in the legitimate interests of the Company and its shareholders. The Management Board has not yet made any decision on the extent to which the treasury shares purchased on the basis of this resolution are to be redeemed. The Management Board will only utilise the authorisation to use the treasury shares subject to the exclusion of subscription rights if in the specific situation the strict regulatory conditions for excluding subscription rights are satisfied and in particular if the exclusion of subscription rights is justified in the light of the Company's interests.

Whenever the Management Board utilises one of the above-mentioned authorisations, it will report on this at the next General Meeting as well as in the annual report.

The Management Board's report on agenda item no. 8 explaining the reasons for the planned authorisation to exclude the shareholders' subscription rights will be made available to each shareholder without delay and free of cost (upon request). The report is also available on the internet at [www.aareal-bank.com/en/](http://www.aareal-bank.com/en/)

---

### **Report of the Management Board to the Annual General Meeting regarding the authorisations proposed in agenda item no. 9 to utilise derivatives to purchase and sell treasury shares and to exclude subscription rights proposed in accordance with section 186 (4) sentence 2 of the AktG**

In connection with the purchase of treasury shares in accordance with section 71 (1) no. 8 of the AktG, the Company is to be authorised to use certain derivatives



in addition to the scope anticipated in agenda item no. 8 for purchasing treasury shares. The authorisation is to be utilised by the Company, Group companies and third parties acting for the account of the Company or a Group company. The authorisation proposed in agenda item no. 9 will not result in any increase in the cap on the purchase of treasury shares provided for in agenda item no. 8 of a total of ten per cent (10%) of the share capital at the time the relevant resolution is adopted by the Annual General Meeting or – if this value is lower – of the share capital existing at the time this authorisation is exercised. It merely opens up further possibilities for purchasing treasury shares beneath the planned additional cap of five per cent (5%).

This additional alternative, which is already part of the commercial practice of many DAX companies, expands the Company's options of optimally structuring the acquisition of treasury shares. It may be advantageous for the Company to sell put options, to purchase call options or to acquire Company shares using a combination of put and call options, instead of purchasing its treasury shares directly.

The lifetime of the derivative must, in each case, not exceed 18 months, must expire on 26 May 2025 at the latest and must be selected in such a way that the shares are not acquired through the exercise of the option any later than on 26 May 2025. This ensures that the Company does not purchase any treasury shares under section 71 (1) no. 8 of the AktG on this basis after this authorisation expires on the aforementioned date. Moreover, the purchase of treasury shares using derivatives is capped at five per cent (5%) of the Company's share capital existing at the time the relevant resolution is adopted by the Annual General Meeting.

The Company grants the purchaser of a put option the right to sell Company shares to the Company at a pre-determined price (exercise price). In return, the Company receives an option premium which equates to the value of the disposal right granted by way of the put option, taking into consideration a variety of parameters, including exercise price and lifetime of the option or the volatility of the Company's share price. If the purchaser exercises the put option, the option premium paid by the purchaser reduces the total price paid by the Company for the purchase of the shares. Exercising the put option would be financially advantageous to

the purchaser only if the share price is below the exercise price at the time of exercise, as in this case the purchaser would be able to sell the shares at the higher exercise price. From the Company's perspective, the use of put options has the added advantage that the exercise price is already determined when the derivative transaction is entered into, while there will be no outflow of liquidity until the exercise date. If the purchaser does not exercise the option because the share price exceeds the exercise price on the exercise date, the Company will not be able to purchase its treasury shares in this way, but would still retain the option premium collected.

Where the Company purchases a call option, it acquires the right to buy a predetermined number of treasury shares at a predetermined price (exercise price) from the option seller, for payment of an option premium. Exercising the call option would be financially advantageous to the Company if the share price exceeds the exercise price, as in this case the Company would be able to buy the shares from the seller at the lower exercise price. By acquiring call options, the Company can, for instance, limit price risks if the Company itself is obligated to transfer shares at a later time, in connection with conversion rights from convertible bonds, for example.

The purchase price to be paid for the Company's shares is the exercise price agreed for the relevant option. The exercise price may differ from the stock exchange price of the Company's share on the day the derivative transaction is entered into, but may not do so by more than ten per cent (10%) from the average closing price of the Company's share on the Xetra trading platform (or a comparable successor system at the Frankfurt stock exchange) during the three trading days on the Frankfurt/Main stock exchange prior to the relevant derivative transaction (in each case excluding ancillary costs but including the option premium paid or received). The option premium paid by the Company for call options may not significantly exceed, and the option premium collected for put options may not significantly fall below, the theoretical market price of the relevant options determined in accordance with recognised methods, mathematical valuation methods in particular. Among other aspects, the agreed exercise price must be taken into consideration in the determination of the theoretical market price of the relevant options.

The structure of the proposed authorisation precludes any financial prejudice to shareholders if the Company purchases treasury shares using derivatives. The determination of the exercise price and option premium described above, and the mandatory requirement that options are only settled by using treasury shares that were purchased on the stock exchange, in accordance with the principle of equal treatment, at the prevailing share price at the time of the purchase on the stock exchange, ensure that the Company will receive or pay a fair market price and that the Company's shareholders who do not participate in these derivative transactions will not suffer financial prejudice. This is in keeping with the position of shareholders when treasury shares are repurchased via the stock exchange but not all of the Company's shareholders can in fact sell shares to the Company. The requirements for the structuring of the options as well as the requirements for the shares to be used for servicing the option rights ensure that the principle of equal treatment of all shareholders is accommodated to the fullest extent. Against this background and given the legal principle underlying section 186 (3) sentence 4 of the AktG, it is reasonable that shareholders should not be entitled to enter into any such derivative transactions with the Company. Likewise, shareholders shall have no right to enter into derivative transactions with the Company to the extent that any such transactions provide for a preferential offer related to small quantities of shares. By excluding the subscription and tender rights, the Company is able to enter into derivative transactions at short notice. The Company would not have this opportunity to the same extent if the offer to purchase or sell options was extended to all shareholders.

Shareholders of the Company should only have a right to tender their shares to the Company using derivatives to the extent that the Company is under a specific obligation towards these shareholders to accept their shares in connection with the applicable option transactions. Otherwise, derivatives could not be used to purchase treasury shares, depriving the Company of the potential advantages associated with this.

After careful consideration of the interests of the shareholders on the one hand and the interests of the Company on the other hand, the Management Board considers the non-granting or the restriction of tender rights justified given the advantages that arise for the

Company as a result of the use of derivatives when purchasing treasury shares.

The Management Board will report any utilisation of the authorisation to the Annual General Meeting. There is currently no intention to utilise this authorisation to use derivatives to purchase and sell treasury shares and to exclude the shareholders' subscription rights.

---

### **Company website and documents and information available there**

The invitation to the Annual General Meeting, the documents to be made available to the Annual General Meeting as well as further information in connection with the Annual General Meeting will be available on the Company's website at [www.aareal-bank.com/en/](http://www.aareal-bank.com/en/) (at Investors/Annual General Meeting 2020) as from the date of convocation of the Annual General Meeting.

Any counter-proposals, nominations or requests for amendments by shareholders that are received by the Company and require publication will also be made available on the above website. The entire video and audio track of the Annual General Meeting will be streamed via the Company's online portal (**shareholder portal**), which can be accessed at the Internet address [www.aareal-bank.com/en/](http://www.aareal-bank.com/en/) (at Investors/Annual General Meeting 2020). Among other things, duly registered shareholders and their representatives will be able to exercise their voting rights before and during the Annual General Meeting via the shareholder portal. Following the Annual General Meeting, the voting results will be published on the Company's website at [www.aareal-bank.com/en/](http://www.aareal-bank.com/en/) (at Investors/Annual General Meeting 2020).

As a special service, the Company will send these documents to shareholders free of charge, upon request. It should be noted that the Company has complied with its legal obligation by making the information available on its website.

## Total number of shares and voting rights

At the time of convening the Annual General Meeting, the Company's share capital amounts to € 179,571,663.00 and is divided into 59,857,221 no-par-value bearer shares. Each share carries one vote at a General Meeting. Therefore, at the time of convening the Annual General Meeting, the total number of voting rights amounts to 59,857,221. At the time of convening the Annual General Meeting, the Company does not hold any treasury shares.

## Execution as an Annual General Meeting without the physical presence of the shareholders and their representatives, streaming of the Annual General Meeting

In view of the ongoing COVID-19 pandemic, Aareal Bank AG's Annual General Meeting on 27 May 2020 is to be held in virtual form on the basis of C 19-AuswBekG without the physical presence of the shareholders and their representatives, who will be able to participate in the Annual General Meeting via online connection (**participation**).

Accordingly, it is not possible for the shareholders and their representatives to physically participate in the Annual General Meeting. However, they may follow the entire Annual General Meeting by means of audio and video streaming at the Internet address [www.aareal-bank.com/en/](http://www.aareal-bank.com/en/) (at Investors/Annual General Meeting 2020).

## Shareholder portal and shareholder hotline

In lieu of the conventional admission ticket, duly registered shareholders will receive a voting card with further information explaining how they can exercise their rights. Among other things, the voting card sets out the logon data, which duly registered shareholders can use to access the Company's shareholder portal at the Internet address [www.aareal-bank.com/en/](http://www.aareal-bank.com/en/) (at Investors/Annual General Meeting 2020).

The shareholder portal will be open to duly registered shareholders and their representatives from 6 May 2020. Via the shareholder portal, shareholders and their representatives can exercise their voting rights, grant voting proxies, submit questions or lodge objections for inclusion in the minutes of the meeting. To use the shareholder portal, you must enter your logon data that you have received together with your voting card. Detailed instructions on how to use the shareholder portal and the various options for exercising shareholder rights will be sent to the shareholders together with their voting card and is also available on the Company's website at [www.aareal-bank.com/en/](http://www.aareal-bank.com/en/) (at Investors/Annual General Meeting 2020). Further information on registering for and using the shareholder portal can also be found there. **Please note the technical information at the end of this invitation.**

## Conditions for the participation in the Annual General Meeting via online connection and exercising shareholder rights, particularly voting rights

Shareholders who register in text form (section 126b of the German Civil Code (BGB)) at the following address (**registration address**) and submit to the Company at this address specific evidence of their shareholdings issued by their custodian bank in text form (section 126b of the BGB) in German or English (**duly authorised shareholders**) are authorised to participate in the Annual General Meeting via online connection and to exercise their shareholder rights, particularly voting rights.

**Aareal Bank AG**  
c/o Computershare Operations Center  
80249 Munich, Germany  
Telefax: +49 89 30903 74675  
E-mail: [anmeldestelle@computershare.de](mailto:anmeldestelle@computershare.de)

Specific evidence of the shareholdings must refer to 6 May 2020 (00:00 hours CEST) (the record date for submission of proof). Registration to participate in the Annual General Meeting via online connection and specific evidence of the shareholdings must be submitted to the Company by no later than 20 May 2020 (24:00 hours CEST) at the following address.

The Company will only consider shareholders who register within the requisite period and have proved that they are authorised to participate in the Annual General Meeting via online connection and to exercise voting rights to be duly authorised to participate in the Annual General Meeting and to exercise their voting rights. The Company shall be entitled to demand suitable additional evidence in cases of doubt regarding the correctness or authenticity of the proof submitted. Where no such evidence is provided or it is not provided in an appropriate form, the Company may deny the shareholder participation in the Annual General Meeting.

### Importance of the record date

The right to participate in the Annual General Meeting via online connection and to exercise shareholder rights as well as the scope of voting rights depend solely on the shareholdings stated in the evidence as of the record date for submission of proof (the "record date"). However, this record date does not in any way restrict the disposability of shareholdings. Even where shareholdings are sold in whole or in part after the record date, the shareholder's right to participate via online connection, and to exercise shareholder rights as well as the scope of the voting rights will be based solely on his/her respective shareholdings on the record date. This means that the sale of shares after the record date does not in any way affect the shareholder's right to participate in the Annual General Meeting via online connection or the scope of his/her voting rights. Corresponding provisions apply to the initial or further acquisition of shares after the record date. Anyone who does not hold shares in the Company at the record date, but subsequently becomes a shareholder of the Company may only participate in the Annual General Meeting via online connection and exercise shareholder rights (especially voting rights) to the extent that they have been authorised by the previous shareholder to act as a proxy. The record date has no bearing on possible dividend rights. Following receipt of registration and specific proof of shareholdings by the Company, voting cards for the exercise of shareholder rights at the Annual General Meeting including the logon data for the shareholder portal for participating in the Annual General Meeting will be sent to the duly registered shareholders. To ensure timely receipt of the voting cards, shareholders should request

them from their custodian banks at their earliest convenience.

### Exercise of voting rights by postal vote

Duly registered shareholders can exercise their voting rights in text form or by means of electronic communications (postal vote) without actually participating in the Annual General Meeting.

Prior to the Annual General Meeting, duly registered shareholders may use the postal vote form sent to them together with the voting card. The postal voting form can also be requested from the registration address by ordinary mail, telefax or e-mail. In addition, the postal vote form can also be downloaded from the Company's website at [www.aareal-bank.com/en/](http://www.aareal-bank.com/en/) (at Investors/Annual General Meeting 2020). If you use the postal vote form, postal votes can

- in text form in a notice sent to  
**Aareal Bank AG**  
**c/o Computershare Operations Center**  
**80249 Munich, Germany,**
- in text form in a notice sent by telefax to  
**+49 89 30903 74675** or
- in text form in a notice sent to the e-mail address  
**aarealbank-HV2020@computershare.de**

by no later than 26 May 2020 (18:00 hours CEST) at the latest. The date on which the postal vote is received by the Company is decisive for determining whether a postal vote has been duly submitted, modified or revoked in this way. Postal votes that cannot be unambiguously assigned to a duly registered shareholder will be excluded.

Before and during the Annual General Meeting, duly registered shareholders will also be able to exercise their voting rights at Aareal Bank AG's shareholder portal, which can be reached at the Internet address [www.aareal-bank.com/en/](http://www.aareal-bank.com/en/) (at Investors/Annual General Meeting 2020). Voting rights may be exercised via the shareholder portal from 6 May 2020 until the beginning of voting on the day of the Annual General Meeting. Using the shareholder portal, you can also

modify or revoke any prior postal votes that you may have already submitted during the Annual General Meeting up until the commencement of voting.

Votes can only be cast on motions and proposals that have been published with this invitation or in connection with section 122 (2) of the AktG or sections 126 and 127 of the AktG.

Further information on postal voting can be found on the voting card sent to duly registered shareholders. Corresponding information and a detailed description of the electronic postal voting process via the shareholder portal are available at the Company's website at [www.aareal-bank.com/en/](http://www.aareal-bank.com/en/) (at Investors/Annual General Meeting 2020).

### **Exercise of voting rights through voting proxies appointed by the Company**

Duly registered shareholders may arrange to be represented by a voting proxy appointed by the Company, who is bound by the voting instructions issued by the shareholder in question.

In addition to the proxy document, voting proxies appointed by the Company require express and clear instructions for exercising the voting rights. If an individual vote is to be cast on a specific item of the agenda, the instructions provided apply to each individual item on which votes are to be cast. Voting proxies are obliged to vote in accordance with instructions given to them; they cannot exercise voting rights at their discretion. If the meeting votes on a topic for which a shareholder did not give express instructions, that shareholder's voting proxy will abstain from voting.

Prior to the Annual General Meeting, duly authorised shareholders may use the proxy and voting instruction form sent to them by the Company together with the voting card to authorise the voting proxies appointed by the Company and bound by the instructions of the relevant shareholder to vote on their behalf. The proxy and voting instruction form can also be requested from the registration address by ordinary mail, telefax or e-mail. In addition, it may be downloaded from the Company's website at [www.aareal-bank.com/en/](http://www.aareal-bank.com/en/)

(at Investors/Annual General Meeting 2020). If you use the proxy and voting instruction form, proxies and voting instructions for the voting proxies nominated by the Company and bound by your instructions can

- in text form in a notice sent to  
**Aareal Bank AG**  
**c/o Computershare Operations Center**  
**80249 Munich, Germany,**
- in text form in a notice sent by telefax to  
**+49 89 30903 74675** or
- in text form in a notice sent to the e-mail address  
**aarealbank-HV2020@computershare.de**

by no later than 26 May 2020 (18:00 hours CEST). The date on which the proxy and voting instruction form is received by the Company shall be decisive for determining whether a proxy or voting instruction has been duly submitted, modified or revoked in this way.

Before and during the Annual General Meeting, duly registered shareholders may also issue instructions to the voting proxies appointed by the Company at Aareal Bank AG's shareholder portal, which can be accessed at the Internet address [www.aareal-bank.com/en/](http://www.aareal-bank.com/en/) (Investors/Annual General Meeting 2020). Voting proxies may be granted via the shareholder portal from 6 May 2020 until the beginning of voting on the day of the Annual General Meeting. Via the shareholder portal, you can also modify or revoke any prior voting proxies or instructions that you may have already submitted during the Annual General Meeting up until the commencement of voting.

Votes can be cast and voting instructions issued only on motions and proposals that have been published with this invitation or in conjunction with section 122 (2) of the AktG or sections 126 and 127 of the AktG.

Further information on granting a proxy and issuing voting instructions to the voting proxies appointed by the Company can be found on the voting card sent to duly registered shareholders. Corresponding information and a detailed description of the process for issuing voting instructions to the voting proxies nominated by the Company are available at the Company's website at [www.aareal-bank.com/en/](http://www.aareal-bank.com/en/) (at Investors/Annual General Meeting 2020).

## Granting proxies to third parties to exercise voting rights and other rights

Duly registered shareholders may have their voting rights and other rights exercised by third-party proxyholders. Authorised third-party proxyholders may then exercise the voting rights by postal vote or voting proxy by issuing voting instructions to the voting proxies appointed by the Company (see above). If a shareholder appoints more than one person as a proxyholder, the Company is entitled to reject one or more of these proxyholders in accordance with section 134 (3) sentence 2 of the AktG.

A voting proxy must be granted or revoked or proof provided of such voting proxy in text form served on the Company (section 126b of the BGB) if no voting proxy is granted in accordance with section 135 of the AktG. Special rules generally apply if voting proxies are granted in accordance with section 135 of the AktG (voting proxies granted to intermediaries (particularly credit institutions), shareholder associations, voting advisors or persons who accept voting proxies from shareholders at the Annual General Meeting on a commercial basis). Shareholders who wish to grant voting proxies in accordance with section 135 of the AktG are asked to inquire with the proxyholder in question about the applicable conditions and to agree on these with the proxyholder.

Intermediaries (particularly credit institutions), shareholder associations, voting advisors or persons who accept voting proxies from shareholders at the Annual General Meeting on a commercial basis who represent a majority of shareholders are recommended to contact the shareholder hotline or the registration office at the above-mentioned address ahead of the Annual General Meeting with regard to the exercise of voting rights.

If voting proxies are not issued to an intermediary (particularly credit institutions), shareholder associations, voting advisors or persons who accept voting proxies from shareholders at the Annual General Meeting on a commercial basis, the voting proxy may be served directly on the Company or directly on the proxyholder (in which case proof of the grant of the voting proxy must be served on the Company in text form). Notice

of the voting proxy served on the Company or evidence of the voting proxy served on the Company must reach the Company

- in text form in a notice sent to  
**Aareal Bank AG**  
**c/o Computershare Operations Center**  
**80249 Munich, Germany,**
- in text form in a notice sent by telefax to  
**+49 89 30903 74675** or
- in text form in a notice sent to the e-mail address  
**aarealbank-HV2020@computershare.de**

This also applies to a revocation of the voting proxy.

Where a proxy is granted, proof of such proxy provided, or a proxy revoked by way of a declaration to the Company by regular mail or by fax, the Company must, for organisational reasons, receive such declaration by no later than 26 May 2020 (18:00 hours CEST). It is still possible to serve the voting proxy or proof of voting proxy on the Company on the day of the Annual General Meeting via the aforementioned telefax number or e-mail address. Proof of the voting proxy granted in this way can be submitted by sending it (e.g. copy or scan of the voting proxy) to the aforementioned telefax number or e-mail address.

Duly registered shareholders wishing to issue a voting proxy should use the proxy form provided by the Company for this purpose and attached to the voting card. The proxy form can also be requested from the registration address by ordinary mail, telefax or e-mail. In addition, the proxy form can be downloaded from the Company's website at [www.aareal-bank.com/en/](http://www.aareal-bank.com/en/) (at Investors/Annual General Meeting 2020).

Voting proxies can also be issued electronically via the shareholder portal up until and including the day of the Annual General Meeting. It is only permissible for the proxyholder to participate in the Annual General Meeting via online connection if the provider of the voting proxy gives the proxyholder the logon data attached to the voting card. Proof that voting proxies have been issued must also be submitted to the Company in such cases. This proof must be served on the Company via the channels described above.

---

Votes can only be cast on motions and proposals that have been published with this invitation or in conjunction with section 122 (2) of the AktG or sections 126, 127 of the AktG.

Further information on granting voting proxies to third parties can be found on the voting card sent to duly registered shareholders. Corresponding information and a detailed description of the process for granting voting proxies via the shareholder portal are available at the Company's website at [www.aareal-bank.com/en/](http://www.aareal-bank.com/en/) (at Investors/Annual General Meeting 2020).

### **Opportunities for shareholders to ask questions**

Duly registered shareholders are able to ask questions via electronic channels (section 1 (2) sentence 1 no. 3 of the C19-AuswBekG). Any questions must be submitted no later than two days before the Annual General Meeting, i.e. by 24 May 2020 (24:00 hours CEST) via the Company's shareholder portal accessible at the Internet address [www.aareal-bank.com/en/](http://www.aareal-bank.com/en/) (at Investors/Annual General Meeting 2020).

No questions can be submitted after the expiry of the aforementioned deadline. The name of the person asking the question will generally be disclosed. Please also note the detailed explanations on shareholder rights and data protection at the end of this invitation.

### **Declaration of objections for inclusion in the minutes of the Annual General Meeting**

Duly registered shareholders who have exercised their voting rights may until the end of the Annual General Meeting declare their objection to resolutions passed at the Annual General Meeting via the shareholder portal for inclusion in the minutes taken by the notary.

### **Information on shareholder rights pursuant to sections 122 (2), 126 (1), 127, 131 (1) of the AktG in conjunction with section 1 (2) sentence 1 no. 3 of the C19-AuswBekG**

#### **Requests for amendments to the agenda in accordance with section 122 (2) of the AktG**

Shareholders whose combined shareholdings amount to one-twentieth of the registered share capital, or a proportional number of shares amounting to € 500,000 (equivalent to 166,667 shares), may request that certain items be included in the agenda and made public (section 122 (2) of the AktG). Each new item to be added must be accompanied by an explanation or a resolution proposal. Applicants must prove that they have been holders of the relevant shares for a minimum of 90 days prior to the day the request is received and that they will continue to hold them until the Management Board has made a decision on their application. Evidence can be provided in form of a certificate issued by the custodian bank.

The application must be addressed in writing (section 126 of the German Civil Code (BGB)) or in electronic form, i.e. using the qualified electronic signature (section 126a of the German Civil Code (BGB)), to the Management Board of Aareal Bank AG and must be received by the Company no later than 26 April 2020 (24:00 hours CEST) at the following address:

**Management Board of Aareal Bank AG**  
Paulinenstrasse 15  
65189 Wiesbaden, Germany  
E-mail: [HV2020@aareal-bank.com](mailto:HV2020@aareal-bank.com)

Unless already communicated at the date of convocation, amendments to the agenda requiring publication must be published, without undue delay following receipt, in the electronic German Federal Gazette (Bundesanzeiger) and in such other media that can be assumed to distribute information throughout the entire European Union. In addition, they will be published on the Company's website at [www.aareal-bank.com/en/](http://www.aareal-bank.com/en/) (at Investors/Annual General Meeting 2020) and communicated to the shareholders.

### **Motions and nominations by shareholders in accordance with section 126 (1) and section 127 of the AktG**

Shareholders may lodge counter-proposals to the proposals submitted by the Management Board and the Supervisory Board on certain items of the agenda and submit nominations for the election of members of the Supervisory Board and external auditors. Any such counter-proposals must also state their reasons; nominations for elections do not require any substantiation. Counter-proposals pertaining to items of the agenda and nominations must be sent to the following address only:

**Aareal Bank AG**  
**Corporate Affairs – Board Office**  
**Paulinenstrasse 15**  
**65189 Wiesbaden, Germany**  
**Telefax: +49 611 348 2965**  
**E-mail: HV2020@aareal-bank.com**

Counter-proposals and nominations received by the Company at the aforementioned address by no later than 12 May 2020 (24:00 hours CEST) will be published on the Company's website at [www.aareal-bank.com/en/](http://www.aareal-bank.com/en/) (at Investors/Annual General Meeting 2020) immediately after they are received, including the shareholder's name and the reasons for the counter-proposal, taking the further stipulations set forth in sections 126 and 127 of the AktG into consideration. Any management statements will be published on the same website.

A counter-proposal or nomination to be published in accordance with sections 126 and 127 of the AktG will be deemed to have been duly served if the shareholder submitting it is duly registered for participation at the virtual Annual General Meeting via online connection.

### **Right to disclosure pursuant to section 131 (1) of the AktG**

The shareholders' right to request information is substantially restricted in the case of a virtual Annual General Meeting held in accordance with section 1 (2) of the C19-AuswBekG. Accordingly, the shareholders are only able to ask questions via electronic channels (section 1 (2) sentence 1 no. 3 of the C19-AuswBekG). Moreover, the Management Board may stipulate that

questions are to be submitted by no later than two days before the Annual General Meeting. The Management Board has utilised this right with the approval of the Supervisory Board. In derogation of section 131 of the AktG, the Management Board decides on the response to questions at its own free discretion in accordance with section 1 (2) sentence 2 of the C19-AuswBekG. In accordance with the explanatory memorandum to section 1 (2) sentence 2 of the C19-AuswBekG, management does not have to answer all questions under any circumstances; it can summarise questions and select meaningful questions in the interest of the other shareholders. In doing so, it may give preference to shareholder associations and institutional investors with significant shareholdings.

Reference is made to the above-mentioned comments on the "possibility for shareholders to ask questions" pursuant to section 1 (2) sentence 1 no. 3 of the C19-AuswBekG.

### **Further explanations concerning shareholder rights**

Further information on shareholder rights pursuant to sections 122 (2), 126 (1), 127 and 131 (1) of the AktG in conjunction with section 1 (2) sentence 1 no. 3 of the C19-AuswBekG can be found at the Company website at [www.aareal-bank.com/en/](http://www.aareal-bank.com/en/) (at Investors/Annual General Meeting 2020).

### **Information on data protection**

When you register for the Annual General Meeting, exercise your voting rights by postal vote or through the voting proxies appointed by the Company, authorise a third party to exercise your voting rights and other rights or participate in the virtual Annual General Meeting via online connection, we collect personal data about you and/or your representative. We do this to ensure that shareholders or their representatives are able to exercise their rights at and participate in the virtual Annual General Meeting via online connection. Personal data is always processed in accordance with the applicable data protection legislation.

The data controller with respect to the processing of your personal data is:



**Aareal Bank AG**  
**Paulinenstrasse 15**  
**65189 Wiesbaden, Germany**  
**Telefax: +49 611 348 2965**  
**E-mail: HV2020@aareal-bank.com**

Any service providers that we use to organise the virtual Annual General Meeting process personal data solely on our behalf and are otherwise under a duty of confidentiality.

Provided that the statutory requirements are met, every data subject has the right of access, the right to rectification, the right to restriction of processing, the right to erasure and, if necessary, the right to object to the processing of their personal data at any time, as well as the right to data portability.

Further information on how your personal data is processed in connection with the Annual General Meeting and on your rights under the EU General Data Protection Regulation can be accessed at any time on the Company's website at [www.aareal-bank.com/en/](http://www.aareal-bank.com/en/) (at Investors/Annual General Meeting 2020) or requested at the following address:

**Aareal Bank AG**  
**Paulinenstrasse 15**  
**65189 Wiesbaden, Germany**  
**Telefax: +49 611 348 2965**  
**E-mail: HV2020@aareal-bank.com**

## Technical details concerning the virtual Annual General Meeting

You need an Internet connection and a computer in order to participate in the Annual General Meeting via online connection and to use the shareholder portal and exercise your shareholder rights electronically. A stable Internet connection with a sufficient transmission speed is recommended to ensure optimum audio and video streaming of the Annual General Meeting.

You also require a computer and loudspeakers or headphones to follow the audio and video stream of the virtual Annual General Meeting.

From 26 May 2020, (10:00 hours CEST), a test sequence (video and audio) will be available at the Internet address [www.aareal-bank.com/en/](http://www.aareal-bank.com/en/) (at Investors/Annual General Meeting 2020) to enable you to check the suitability of your hardware and software for participating in the virtual Annual General Meeting.

To access the Company's shareholder portal, you will need your voting card, which you will automatically receive after duly registering for the Annual General Meeting. This voting card sets out your individual logon data that you require to log onto the shareholder portal.

On 27 May 2020, registered shareholders or registered shareholder representatives may access the virtual Annual General Meeting from 10:00 hours CEST at the Internet address [www.aareal-bank.com/en/](http://www.aareal-bank.com/en/) (at Investors/Annual General Meeting 2020) by entering their logon data.

In order to avoid the risk of any restrictions in the exercise of shareholder rights as a result of technical problems during the virtual Annual General Meeting, it is **recommended to exercise shareholder rights (particularly voting rights) before the Annual General Meeting commences** as far as possible. Voting rights may be exercised via the shareholder portal from 6 May 2020.

Shareholders will receive further details about the shareholder portal and the conditions for registration and use together with their voting card, which will be sent to duly registered shareholders. Corresponding information and a detailed description of the use of the shareholder portal are available at the Internet address [www.aareal-bank.com/en/](http://www.aareal-bank.com/en/) (at Investors/Annual General Meeting 2020).

If you have any technical questions regarding the shareholder portal or the participation in the virtual Annual General Meeting via online connection, the employees of our service provider Computershare will be happy to assist you before and during the Annual General Meeting on the following telephone number:

**Shareholder hotline: +49 89 30903 6334**

---

The shareholder hotline is available Monday to Friday from 9:00 hours until 17:00 hours CEST and on the day of the Annual General Meeting, 27 May 2020, from 9:00 hours CEST.

If you have any technical questions before the start of the virtual Annual General Meeting, you can also contact our service provider Computershare by e-mail at [aktionaersportal@computershare.de](mailto:aktionaersportal@computershare.de).

### **Availability of audio and video streaming**

Shareholders and their representatives may follow the entire Annual General Meeting by means of audio and video streaming on the Internet. In line with the current state of technology, the video and audio streaming of the virtual Annual General Meeting and the availability of the web-based shareholder portal may be subject to fluctuations due to restrictions in the availability of the telecommunications network and third-party internet services, over which the Company has no influence. Accordingly, the Company assumes no liability for the functionality and continuous availability of the Internet services used, third-party network elements, the quality of the audio or video stream or the accessibility of the shareholder portal and its general availability. Nor does the Company assume any liability for any errors or shortcomings in the hardware and software used for the online service including the hardware and software used by third-party service providers except in the case of wilful intent. For this reason, the Company recommends making early use of the options described above for exercising shareholder rights, particularly voting rights. Where rendered necessary by data protection or security considerations, the chairman of the Annual General Meeting reserves the right to interrupt or terminate the virtual Annual General Meeting.

**Aareal Bank AG**

**The Management Board**

**Wiesbaden, April 2020**

---

**Aareal Bank AG**

Paulinenstrasse 15 · 65189 Wiesbaden, Germany

[www.aareal-bank.com](http://www.aareal-bank.com)



**Aareal Bank**

**Aareal**  
YOUR COMPETITIVE ADVANTAGE.