



**AAREAL BANK AG**

– Counter-proposals and comments by management –

Within the framework of the virtual Annual General Meeting, shareholders can forward counter-proposals to the proposals of the Management Board or the Supervisory Board on certain agenda items as well as nominations for the elections to the Supervisory Board or the appointment of external auditors in accordance with sections 126 (1), 127 of the German Public Limited Companies Act (*Aktiengesetz* – “AktG”).

Any counter-proposal or nomination to be made available pursuant to sections 126 (1), 127 of the AktG will be deemed to have been submitted for the purposes of the virtual Annual General Meeting if the submitting shareholder was duly registered for the Annual General Meeting.

We designate with capital letters those counterproposals that require a separate resolution. If you wish to support or reject such proposals, please cast your vote next to the respective proposal on the registration form for the Annual General Meeting (absentee voting or proxy and voting instructions) or on the shareholder portal. Your vote is important to us, regardless of whether the proposals are addressed at the Annual General Meeting.

The proposals and their substantiation reflect the opinion of the relevant author, as communicated to us. This also includes the posting of allegations of fact on our website without amendment or review.

The counter-proposals and nominations forwarded to us by shareholders within the period of time prescribed by sections 126 (1), 127 of the AktG, as well as any comments by the management, are listed below:

**Counter-proposals submitted by Mr Bastian Broer:**

Shareholder Mr Bastian Broer submitted the following counter-proposals on 30 April 2021:

**Proposal regarding agenda item no. 3: That the Meeting resolve not to grant formal approval to Thomas Ortmanns, member of the Management Board.**

Reasons:

In 2020, Mr Ortmanns failed to take effective action to terminate the unfavourable investment in Deutsche Bau- und Grundstücks-AG (“BauGrund Group”). The fact that under the leadership of Management Board member Brückner, BauGrund Group – which has long been loss-making – has established inefficient business processes is demonstrated, inter alia, in an implementation of the legality principle in rental management that is exposed to risk, as has been evident in 2013 and in subsequent years.

No economic sense is conceivable in the fact that Aareal Bank Group has once again provided extensive liquidity support to the BauGrund Group, in order to avoid BauGrund Group’s equity being depleted (whilst BauGrund Group almost doubled its operating losses compared to the previous year). There are no indications that Mr Ortmanns, as former Chairman of the Supervisory Board of BauGrund Group, has taken sufficient action to return BauGrund Group to profitability, or to terminate the investment.

**Proposal regarding agenda item no. 4: That the Meeting resolve not to grant formal approval to Marija Korsch, Chairman of the Supervisory Board.**

Reasons:

Ms Marija Korsch has had access to comprehensive information regarding the need for action with respect to the investment in Deutsche Bau- und Grundstücks-AG (“BauGrund Group”) for many years. There is no evidence of any initiatives to implement the requisite consequences in accordance with the Memorandum and Articles of Association, nor of a re-assessment of this investment, which keeps incurring losses every year.

This raises doubts as to whether Ms Korsch has lived up to her responsibility in managing Aareal Bank Group’s financial investments with respect to loss-making BauGrund Group.

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