

Invitation to the Annual General Meeting

of Vonovia SE, 16 May 2017

VONOVIA

Vonovia SE
Düsseldorf
ISIN DE000A1ML7J1
WKN A1ML7J

Invitation to the 2017 Annual General Meeting

The shareholders in our Company are cordially invited
to the **Annual General Meeting**

taking place at **10am** (CEST)
on **Tuesday, 16 May 2017**

at the

RuhrCongress Bochum
Stadionring 20
44791 Bochum

Convenience Translation

This is a convenience translation of the German invitation to the Annual General Meeting of Vonovia SE on 16 May 2017, including its annexes, which is provided to the shareholders for informational purposes only. Vonovia SE assumes no responsibility for misunderstandings or misinterpretations that may arise from this translation or any mistakes or inaccuracies contained herein. In case of doubt, only the German version shall form the basis for interpretation.

I. Agenda

1. Presentation of the Adopted Annual Financial Statements of Vonovia SE and the Approved Consolidated Financial Statements as at 31 December 2016, of the Combined Management Report for Vonovia SE and the Group, including the Explanatory Report on Disclosures pursuant to Section 289 para. 4 and Section 315 para. 4 of the German Commercial Code (HGB), and of the Report of the Supervisory Board for the 2016 Financial Year

The Supervisory Board has approved the annual financial statements and the consolidated financial statements prepared by the Management Board; the annual financial statements are thus adopted. A resolution of the Annual General Meeting regarding this, item 1 of the agenda, is therefore neither envisaged nor necessary.

The specified documents are available from the time the Annual General Meeting is called via the Vonovia SE website at <http://investoren.vonovia.de/hv> and at the Annual General Meeting, and will be explained by the Management Board or – in the case of the Supervisory Board report – by the chairman of the Supervisory Board during the Annual General Meeting. The shareholders will have the opportunity to ask questions regarding the information presented, in accordance with their right to information.

2. Resolution on the Allocation of Distributable Profit of Vonovia SE for the 2016 Financial Year

The Management Board and Supervisory Board propose that the net profit of EUR 802,881,048.32, as presented in the adopted annual financial statements as at 31 December 2016, be appropriated as follows:

A dividend of EUR 1.12 shall be paid per share with the securities identification code ISIN DE000A1ML7J1 / WKN A1ML7J, which is entitled to a dividend for the 2016 financial year; with 468,796,936 shares currently entitled to dividend, this amounts to	EUR 525,052,568.32
Retained earnings brought forward	EUR 277,828,480.00
Distributable profit	EUR 802,881,048.32

The proposal for the appropriation of earnings is based on the number of shares entitled to dividend payment for the 2016 financial year of which the Company was aware on the day of the invitation to the Annual General Meeting. Should this number of shares entitled to dividend payment change up to the Annual General Meeting, a resolution proposal that has been modified accordingly to comprise an unchanged dividend of EUR 1.12 per share entitled to dividend payment for the 2016 financial year will be put

to the vote at the Annual General Meeting. The sum not relating to shares entitled to dividend payment shall be carried forward.

The dividend shall be paid either in cash or in the form of shares of the Company. The details on the distribution of the dividends in cash and the option for shareholders to choose a share dividend are set out in a separate document pursuant to Sections 4 para. 1 no. 4, para. 2 no. 5 of the Securities Prospectus Act (WpPG) (*prospectus-exempting document*). This shall be provided to the shareholders and in particular contain information on the number and nature of the shares and the reasons for and details of the offer.

Provided the resolution proposed by the Management Board and the Supervisory Board is accepted by the Annual General Meeting, the following shall apply to the payout of the dividend:

Because the dividend for the 2016 financial year is being paid fully from the tax contribution account within the meaning of Section 27 of the Corporation Tax Act (contributions not made to the nominal capital), the payout shall occur without capital gains tax and solidarity surcharge being deducted. The dividend is not subject to taxation for domestic shareholders. This applies to both the cash distribution and insofar as the dividend is paid in the form of shares. The dividend is not associated with an option to refund or set-off tax. In the opinion of the German tax authorities, the distribution reduces the tax-related acquisition costs of the shares.

The distribution of the cash dividend shall occur on the basis of the shares entitled to a dividend at the time of the Annual General Meeting, and is expected to occur on 16 June 2017. The shareholders that elect the share dividend are expected to receive the new shares in the Company on 21 June 2017.

3. Resolution regarding formal Approval of the Actions of the Members of the Management Board in the 2016 Financial Year

The Management Board and Supervisory Board propose that the actions of the incumbent members of the Management Board in the 2016 financial year be approved.

4. Resolution regarding formal Approval of the Actions of the Members of the Supervisory Board in the 2016 Financial Year

The Management Board and Supervisory Board propose that the actions of the incumbent members of the Supervisory Board in the 2016 financial year be approved.

5. Election of the Auditors of the Annual Financial Statements and the Consolidated Financial Statements for the 2017 Financial Year and of the Review of the Interim Financial Reports for the 2017 Financial Year and the Interim Financial Report for the First Quarter of the 2018 Financial Year

- Based on the recommendations of its Audit Committee, the Supervisory Board recommends that KPMG AG Wirtschaftsprüfungsgesellschaft, Berlin, be appointed as auditors for the audit of the year-end financial statements for the Company and the Group for the 2017 financial year and in order to review the interim financial statements for the 2017 financial year.
- Based on the recommendations of its Audit Committee, the Supervisory Board recommends that KPMG AG Wirtschaftsprüfungsgesellschaft, Berlin, be appointed in order to review the interim financial statements for the first quarter of the 2018 financial year.

6. Resolution regarding the Cancellation of the Authorized Capital 2013 and 2015 and the existing Articles 5 and 5a of the Articles of Association and the Creation of an Authorized Capital 2017 with the Possibility of Excluding Shareholders' Subscription Rights and correspondingly including a new Article 5c in the Articles of Association

With the approval of the Supervisory Board, the Management Board made partial use of the authorization granted by the Extraordinary General Meeting on 30 June 2013 to increase the Company's share capital by up to EUR 111,111,111.00 in the period up to 29 June 2018 by issuing up to 111,111,111 new no-par-value registered shares against cash and/or in kind contributions on one or several occasions (Authorized Capital 2013), increasing the share capital by a total of EUR 109,210,321.00 by means of the capital increases carried out in March and October 2014 as well as in March and May 2015.

Furthermore, with the approval of the Supervisory Board, the Management Board made partial use of the authorization granted by the Annual General Meeting on 30 April 2015 to increase the Company's share capital by up to EUR 170,796,534.00 in the period up to 29 April 2020 by issuing up to 170,796,534 new no-par-value registered shares against cash and/or in kind contributions on one or several occasions (Authorized Capital 2015), increasing the share capital by a total of EUR 110,334,918.00 by means of the cash capital increases carried out in July 2015, January 2017 and March 2017.

Article 5.1 of the Articles of Association therefore currently contains Authorized Capital 2013 that permits the Management Board, with the approval of the Supervisory Board, to increase the Company's share capital by up to EUR 1,900,790.00 by issuing up to 1,900,790 new no-par-value registered shares against cash and/or in kind contributions on one or several occasions. Article 5a.1 of the Articles of Association therefore currently contains Authorized Capital 2015 that permits the Management Board, with the approval of the Supervisory Board, to increase the Company's share capital by up to EUR 60,461,616.00 by issuing up to 60,461,616 new no-par-value registered shares against cash and/or in kind contributions on one or several occasions.

To maintain the Company's ability to comprehensively strengthen its capital resources as and when necessary, further authorized capital in addition to the existing Authorized Capital 2016 is to be approved and the Articles of Association shall be amended accordingly. The Authorized Capital 2013 and the Authorized Capital 2015 are to be cancelled.

The Management Board and Supervisory Board therefore propose that the following be approved:

(a) Cancellation of the existing Authorized Capital 2013 and 2015

The current authorization to increase the share capital pursuant to Article 5 of the Articles of Association which was granted by the Annual General Meeting on 30 June 2013 and expires as at 29 June 2018 (Authorized Capital 2013) and the current authorization to increase the share capital pursuant to Article 5a of the Articles of Association, which was granted by the Annual General Meeting on 30 April 2015 and expires as at 29 April 2020 (Authorized Capital 2015), shall be cancelled upon the new Authorized Capital 2017 becoming effective.

(b) Creation of an Authorized Capital 2017 with the possibility of excluding Shareholders' Subscription Rights and correspondingly including a new Article 5c in the Articles of Association

There will be EUR 66,556,874.00 of new authorized capital created (Authorized Capital 2017). A new Article 5c of the Company Articles of Association will be created for this purpose, worded as follows:

“Article 5c Authorized Capital

5c.1 The Management Board is authorized to increase the Company's share capital by up to EUR 66,556,874.00 in the period up to 15 May 2022 with the consent of the Supervisory Board by issuing up to 66,556,874 new no-par-value registered shares against cash and/or in kind contributions on one or several occasions (Authorized Capital 2017). The shareholders must in principle be granted subscription rights.

5c.2 As part of this, the shares pursuant to Section 186 para. 5 AktG may also be acquired by one or several credit institution(s) or one or several enterprise(s) operating pursuant to Section 53 para. 1 sentence 1 or Section 53b para. 1 sentence 1 or para. 7 of the German Banking Act (*Kreditwesengesetz*) with the obligation to offer them to the shareholders of the Company for subscription (known as an indirect subscription right).

5c.3 The Management Board is, however, authorized, with the approval of the Supervisory Board, to exclude shareholders' subscription rights for one or more capital increases relating to the authorized capital:

- (i) to exclude fractional amounts from the subscription right;
- (ii) insofar as is necessary to grant the holders/creditors of convertible bonds, warrant bonds, profit participation rights and/or participating bonds (or combinations thereof) (hereinafter collectively "Bonds") that come with conversion or option rights or obligations, and that were or shall be issued by the Company or companies dependent on or in the direct or indirect majority ownership of the Company, a subscription right for new no-par-value registered shares in the Company in the same volume as said holders/creditors would be entitled to upon exercising their option or conversion rights or fulfilling their conversion or option obligations as shareholders;
- (iii) to issue shares against cash contributions insofar as the issue price of the new shares does not significantly undercut the stock market price of the shares of the same class and with equal rights already listed on the stock exchange within the meaning of Sections 203 para. 1 and para. 2, Section 186 para. 3 sentence 4 AktG and the proportion of the share capital attributable to the new shares issued subject to the exclusion of subscription rights pursuant to Section 186 para. 3 sentence 4 AktG is in total no more than 10% of the share capital, either at the time at which this authorization becomes effective or at the time at which it is exercised. The Company's treasury shares which are sold during the term of this authorization, subject to the exclusion of shareholders' subscription rights pursuant to Section 71 para. 1 no. 8 sentence 5 part 2 in conjunction with Section 186 para. 3 sentence 4 AktG, are to

be included in this 10% cap on the share capital. Any shares already issued or to be issued to satisfy Bonds with conversion or option rights or obligations are also to be included in this 10% cap on the share capital, provided these Bonds were issued during the term of this authorization subject to the exclusion of subscription rights pursuant to Section 186 para. 3 sentence 4 AktG. Shares issued during the term of this authorization pursuant to Section 186 para. 3 sentence 4 AktG on the basis of other corporate action and subject to the exclusion of shareholders' subscription rights, particularly those under Authorized Capital 2016, are likewise to be included in this 10% cap on the share capital. The upper limit, decreased under the preceding sentences 2 to 4 of this paragraph, shall be increased again pursuant to or in line with Section 186 para. 3 sentence 4 AktG when the Annual General Meeting resolution on new authorization to exclude shareholder subscription rights becomes effective after the decrease, to the extent of the reach of the new authorization, but up to a maximum of 10% of the share capital in accordance with the stipulations of sentence 1 of this paragraph (iii);

- (iv) to issue shares against contributions in kind in particular – but not solely – for the purpose of the acquisition (including indirectly) of companies, parts of companies, shareholdings in companies and other assets (including receivables), properties and property portfolios relating to an intended acquisition, or to satisfy convertible bonds and/or warrant bonds or combinations thereof issued against contributions in kind;
- (v) to issue a share dividend under which shares of the Company are used (including partially or optionally) to satisfy shareholder dividend claims; and
- (vi) restricted to the issue of up to 2,500,000 new no-par-value registered shares against a contribution in cash insofar as this is necessary in order to issue shares to the employees of the Company or of affiliated companies within the meaning of Section 15 AktG to the exclusion of the members of the Company's Management Board and Supervisory Board and the members of the management boards, supervisory boards and other bodies of affiliated companies (employee shares).

Insofar as is legally permissible, the employee shares may also be issued such that the corresponding contributions are covered by the portion of the net profit that the Management Board and Supervisory Board are authorized to transfer to other retained earnings pursuant to Section 58 para. 2 AktG.

The new shares may additionally be subscribed by a bank against cash contributions, such that the Company is able to buy back the subscribed shares in order to issue them to the employees of the Company or of affiliated companies within the meaning of Section 15 AktG to the exclusion of the members of the Company's Management Board and Supervisory Board and the members of the management boards, supervisory boards and other bodies of affiliated companies.

5c.4 The authorizations to exclude subscription rights in the event of capital increases against cash and/or in kind contributions under Article 5c.3 above are limited in total to an amount not exceeding 20% of the share capital, either at the time at which this authorization becomes effective or at the time at which it is exercised. The above 20% cap is also to include treasury shares sold during the term of this authorization subject to the exclusion of subscription rights and any shares issued to satisfy bonds, provided the bonds were issued subject to the exclusion of shareholders' subscription rights during the term of this authorization due to the authorization stipulated in item 8 of the agenda of the Annual General Meeting of 12 May 2016. Shares issued during the term of this authorization on the basis of other corporate action and subject to the exclusion of shareholders' subscription rights, particularly those under Authorized Capital 2016, are likewise to be included in the aforementioned 20% cap on the share capital. The upper limit, decreased under the preceding sentences 2 and 3 of this paragraph, shall be increased again when the Annual General Meeting resolution on a new authorization to exclude shareholder subscription rights becomes effective after the decrease, to the extent of the reach of the new authorization, but up to a maximum of 20% of the share capital in accordance with the stipulations of sentence 1 of this paragraph.

5c.5 With the approval of the Supervisory Board, the Management Board is additionally authorized to stipulated the further details of the share rights and the conditions of the share issuance.

5c.6 The Supervisory Board is authorized to amend Articles 4.1 and 5c of the Articles of Association to reflect the utilisation of the Authorized Capital 2017 and once the authorization period has expired."

Should the Company's registered share capital and/or the Authorized Capital 2016 change up until the date of the Annual General Meeting, the Management Board and Supervisory Board will submit an appropriately adapted resolution proposal for approval that provides for a nominal amount for the authorized capital that is to be created, which together with the authorized capital that exists at this time pursuant to Article 5b of the Articles of Association, will correspond to 50% of the registered share capital of the Company on the day of the Annual General Meeting.

(c) Application for Registration in the Commercial Register

The Management Board is instructed to apply for the registration of the cancellation of the authorized capital contained in Article 5 of the Articles of Association (Authorized Capital 2013) and the authorized capital contained in Article 5a of the Articles of Association (Authorized Capital 2015) resolved as per lit. (a) and the new authorized capital (Authorized Capital 2017) resolved as per lit. (b) in the commercial register, provided that cancellation of the Authorized Capital 2013 and 2015 is effected first, albeit only if the new Authorized Capital 2017 is registered immediately thereafter.

Subject to the preceding paragraph, the Management Board is authorized to apply for the registration of the Authorized Capital 2017 in the commercial register irrespective of the Annual General Meeting's other resolutions.

7. Relocation of the Company's statutory seat

Pursuant to Article 1.2 of the Articles of Association, the Company's statutory seat is in Düsseldorf. Accordingly, the Company is registered in the commercial register of the local court (*Amtsgericht*) of Düsseldorf. The business address registered in the commercial register is Universitätsstraße 133, 44803 Bochum. Currently, the Company is building its new headquarters in Bochum. The decision for the place of business in Bochum is also to be expressed in the relocation of the statutory seat and the associated change to the local court (*Amtsgericht*) of Bochum as the competent court of registration.

The Management Board and Supervisory Board therefore propose that the following be approved:

(a) Amendment to the Articles of Association

Article 1.2 of the Company's Articles of Association is amended to read as follows:

"The Company's registered seat is in Bochum, Germany."

(b) Commercial register application

The Management Board is instructed to only apply for the registration of the relocation of the statutory seat resolved as per lit. (a) on 1 September 2017 or without undue delay thereafter.

The Management Board is authorized to apply for the registration of the relocation of the statutory seat irrespective of the Annual General Meeting's other resolutions.

(b) Commercial register application

The Management Board is instructed to apply for the registration of the amendment to the Articles of Association resolved as per lit. (a) in the commercial register of the Company.

The Management Board is authorized to apply for the registration of the amendment to the Articles of Association resolved as per lit. (a) to be registered in the commercial register irrespective of the Annual General Meeting's other resolutions.

8. Amendment of the quorum for amendments to the Articles of Association

The statutory provisions for an SE provide that a resolution on amendments to the articles of association by the general meeting must be taken by a majority which may not be less than two thirds of the votes cast, unless the laws applicable to stock corporations of the member state in which the SE is registered do not require or permit a larger majority (Article 59 of Council Regulation (EC) No 2157/2001 of 8 October 2001 on the Statute for a European Company (SE)). Section 51 of the German SE Implementation Act provides that the articles of association may determine that a simple majority of the votes cast is sufficient for a resolution by the general meeting amending the articles of association, provided that at least half of the SE's registered capital is represented. The Articles of Association of the Company are to be adapted in order to reflect this.

The Management Board and Supervisory Board therefore propose that the following be approved:

(a) Amendment to the Articles of Association

Article 17.4 of the Company's Articles of Association is amended to read as follows by adding sentence 3:

"Resolutions of the General Meeting are adopted by a simple majority of the votes cast unless mandatory legislation or the Articles of Association state otherwise (majority vote). In those cases where the German Stock Corporation Act also requires a majority of the share capital represented, a simple majority of the share capital represented is sufficient, unless mandatory legislation or the Articles of Association state otherwise (capital majority vote). Unless mandatory legislation require a different majority, amendments to the Articles of Association shall require a majority of two thirds of the votes cast or, if at least half of the registered share capital is represented, a simple majority of votes cast."

II. Management Board Reports

For items 6, the Management Board has written a report on the reasons for authorization excluding shareholder subscription rights. Furthermore, it has written a report on the utilization of the Authorized Capital 2015 in an amount of EUR 2,796,312.00 in connection with the public takeover of conwert Immobilien Invest SE. These reports are enclosed with this invitation to the Annual General Meeting as **Annex**.

III. Further Details on the Invitation

The relevant provisions for stock corporations which have their main place of business in Germany, in particular those of the HGB and AktG, apply to Vonovia SE on the basis of the principles on conflicts of law of Art. 5, Art. 9 para. 1 lit. c) ii), Art. 53 and Art. 61 of Regulation (EC) No. 2157/2001 of the Council of 8 October 2001 on the Statute for a European company (SE) (SE Regulation), insofar as special provisions under the SE Regulation do not state otherwise.

1. Total Number of Shares and Voting Rights on the date on which the Annual General Meeting is convened

On the date on which the Annual General Meeting is convened, the company's share capital totalled EUR 468,796,936.00 and is divided into 468,796,936 no-par-value shares. Each share corresponds to one vote in the Annual General Meeting. The total number of shares granting eligibility to attend the Annual General Meeting and the right to vote in the Annual General Meeting is therefore 468,796,936. On the date on which the Annual General Meeting is convened, the company does not hold any of its own shares.

2. Conditions for Attending the Annual General Meeting and for Exercising Voting Rights

In accordance with Article 15.1 of the company's Articles of Association, only those shareholders who have registered with the company in good time and who are listed in the share register for the registered shares may attend the Annual General Meeting - in person or by proxy - and exercise their voting rights. The company must receive registrations by **Tuesday, 9 May 2017 at 24:00** (CEST) at one of the following addresses

postal address:
Vonovia SE
c/o Computershare Operations Center
80249 Munich

or

fax number:
+49 (0) 89 30903-74675

or

email address:
anmeldestelle@computershare.de

in text form (Section 126b German Civil Code) in either German or English.

With regard to the company, pursuant to Section 67 para. 2 sent. 1 AktG, only persons listed in the share register are deemed to be shareholders. The shareholding entered in the share register at 24:00 (CEST) **on Tuesday, 9 May 2017** (known as the Technical Record Date) is relevant for the eligibility to attend and the exercise of voting rights, includ-

ing the number of voting rights to which a person eligible to attend the Annual General Meeting is entitled. Applications for the transfer of ownership in the share register that are received by the company in the period from Wednesday, 10 May 2017 at 00:00 hours (CEST) to Tuesday, 16 May 2017 at 24:00 (CEST) inclusively, shall only be processed and taken into consideration following the Annual General Meeting on 16 May 2017.

Registration for the Annual General Meeting does not mean that trading in the shares is blocked. Shareholders may dispose of their shares at their discretion also after registration for the Annual General Meeting.

Banks and shareholder associations and all other persons, institutions, companies or associations treated as equivalent to these pursuant to Section 135 para. 8 and Section 135 para. 10 in conjunction with Section 125 para. 5 AktG may exercise the voting rights in respect of shares not belonging to them but for which they are registered as holders in the share register, only on the basis of an authorisation granted by the shareholder. Details regarding this authorisation can be found in Section 135 AktG.

Further details regarding the registration process can be found in the registration documents sent to the shareholders and on the Company's website at <http://investoren.vonovia.de/hv>.

3. Process of Voting by Proxy

Shareholders may also appoint a proxy such as a bank, a shareholder association or some other third party, after granting of a power of attorney, to exercise their voting rights at the Annual General Meeting. Shareholders who are represented by a proxy must also register in good time and be listed in the share register as outlined above.

If neither a bank nor a shareholder association nor persons, institutions, companies or associations treated as equivalent pursuant to Section 135 para. 8 AktG and Section 135 para. 10 AktG in conjunction with Section 125 para. 5 AktG are appointed as proxies, the granting of the power of attorney, its revocation and the evidence of the authorisation provided to the company must be in text form.

No text form is required if banks, shareholder associations or persons, institutions, companies or associations treated as equivalent pursuant to Section 135 para. 8 AktG and Section 135 para. 10 AktG in conjunction with Section 125 para. 5 AktG are appointed as proxies. However, a verifiable record of the relevant power of attorney must be kept by the proxy in such case. Further details can be found in the statutory provisions, in particular Section 135 AktG. We therefore ask shareholders who wish to appoint a bank, a

shareholder association or persons, institutions, companies or associations treated as equivalent pursuant to Section 135 para. 8 and Section 135 para. 10 AktG in conjunction with Section 125 para. 5 AktG as proxy to agree the form of the power of attorney with the relevant person to be appointed as proxy.

If a shareholder appoints more than one person as proxy, the company may reject one or more of said persons.

Shareholders wishing to appoint a proxy may send the evidence of the authorisation in text form to one of the addresses listed in item 2 above (postal address, fax number or email address). In addition, a form of proxy is available for download on the company website at <http://investoren.vonovia.de/hv>.

This evidence may also be presented at the entry and exit point to the Annual General Meeting on the day of the Annual General Meeting. Further details regarding the proxy appointment process can be found on the Company's website at <http://investoren.vonovia.de/hv>.

Process of Voting by Proxies designated by the Company

In addition, as a service to its shareholders, the company has appointed Mr. Christian Jeschke and Mr. Christopher Jany as the company proxies, to whom shareholders can likewise grant authority to exercise their voting rights.

The company proxies are obliged to vote in accordance with their instructions; they may not exercise the voting rights at their own discretion. Please note that the company proxies may only exercise voting rights with regard to the items of the agenda for which the shareholders issue clear instructions and that the company proxies may neither receive instructions for motions before nor during the Annual General Meeting. The company proxies may likewise not be requested to speak, to lodge objections to Annual General Meeting resolutions or to raise questions or file motions.

Such power of attorney with instructions for the company proxies may be granted ahead of the Annual General Meeting by means of the form of proxy provided with the registration form. In addition, a form of proxy is available for download on the company website at <http://investoren.vonovia.de/hv>.

The proxy and instructions issued to the company proxies must be received by them by **Monday, 15 May 2017 at 24:00 (CEST)**; they require written form. The power of attorney and the instructions to the proxies designated by the Company must be submitted by post, fax or electronically (by email) as follows:

postal address:
Vonovia SE
c/o Computershare Operations Center
80249 Munich

or

fax number:
+49 (0) 89 30903-74675

or

email address:
vonovia-hv2017@computershare.de.

In all of these cases, the time of receipt of the power of attorney and of the instructions, the amendment or the revocation by the company is decisive.

On the day of the Annual General Meeting, powers of attorney and instructions to the company proxies can be issued, amended or revoked in writing at the entry and exit points to the Annual General Meeting.

If an individual vote is taken on an item on the agenda without any notification of such vote prior to the Annual General Meeting, the instruction granted in relation to said item of the agenda shall apply accordingly to each item of the individual vote.

A shareholder or an authorized third party attending the Annual General Meeting in person constitutes the automatic revocation of the power of attorney and instructions issued to the company proxies.

4. Voting by Postal Ballot

Shareholders may vote by postal ballot without attending the Annual General Meeting. When exercising voting rights by postal ballot, the following conditions must be observed:

Postal votes may be submitted, amended or revoked by either contacting the company in text form at one of the addresses listed above for registrations by **24:00 (CEST) on Monday, 15 May 2017**. In all of these cases, the time of receipt of the postal vote by the company is decisive.

Please note that postal voting may only be used to vote on motions in relation to which resolution proposals from the Management Board and/or Supervisory Board pursuant to Section 124 para. 3 AktG or from shareholders pursuant to Section 124 para. 1 AktG are published together with this Invitation or later, or which are made public in accordance with Sections 126 and 127 AktG.

Authorized banks and other equivalent persons and institutions (such as shareholder associations) treated as equivalent pursuant to Section 135 para. 8 or para. 10 AktG may also avail themselves of postal voting.

If an individual vote is taken on an item on the agenda without any notification of such vote prior to the Annual General Meeting, the postal vote cast in relation to said item of the agenda shall apply accordingly to each item of the individual vote.

A shareholder or an authorized representative attending the Annual General Meeting in person constitutes the automatic revocation of the postal votes already cast.

5. Other Shareholders' Rights

a) Shareholders' Motions to add Items to the Agenda pursuant to Art. 56 sent. 2 and sent. 3 SE Regulation, Section 50 para. 2 of the German SE Implementation Act (SEAG) and Section 122 para. 2 AktG

One or more shareholders whose shares jointly equate to five per cent of the share capital or to the sum of EUR 500,000.00 (this being equivalent to 500,000 shares) may demand that items be added to the agenda and made public. This quorum is required for requests to add items to the agenda made by shareholders of a European company (SE) pursuant to Art. 56 sent. 3 SE Regulation in conjunction with Section 50 para. 2 SEAG; Section 50 para. 2 SEAG corresponds to the rules stipulated in Section 122 para. 2 AktG. Each new item must be accompanied by a reason or a proposed resolution.

Such requests to add items to the agenda must be addressed to the Management Board in writing and must be received by the company at least 30 days in advance of the meeting; the date of receipt and the date of the Annual General Meeting are not to be included in this calculation. The deadline for the receipt of such requests is therefore **24:00 (CEST) on Saturday, 15 April 2017**. Requests received subsequently will not be considered.

We ask that any requests to add items to the agenda be submitted to the following address:

Vonovia SE
– Management Board –
Philippstraße 3
44803 Bochum

Additions to the agenda that are to be published shall be published in the Federal Gazette immediately after receipt. They shall also be published on the Company's website at <http://investoren.vonovia.de/hv> and the shareholders shall be notified of them in accordance with Section 125 para. 1 sent. 3 and para. 2 AktG.

b) Shareholders' Countermotions pursuant to Section 126 AktG

Every shareholder has the right to file a countermotion in the Annual General Meeting in relation to specific items of the agenda to contest proposals made by the Management Board and/or Supervisory Board.

Countermotions received by the company at the address below at least 14 days prior to the Annual General Meeting, with the day of receipt and the date of the meeting not being included in this calculation, in other words by **24:00 (CEST) on Monday, 1 May 2017** at the latest, shall be immediately published on the Company's website at <http://investoren.vonovia.de/hv> together with the shareholder's name, their justification and any statement made by the management (cf. Section 126 para. 1 sent. 3 AktG). Countermotions without justification need not be published.

Section 126 para. 2 AktG stipulates reasons that might warrant a countermotion and its justification not being published on the Company's website. These are outlined on the Company's website at <http://investoren.vonovia.de/hv>. A justification is, in particular, not required to be published if its total length is more than 5,000 characters.

Countermotions must be submitted together with their justifications to the following address only:

Vonovia SE
 - Legal Department -
 Philippstraße 3
 44803 Bochum
 Telefax: +49 (0) 234 314 2944
 Email: hauptversammlung@vonovia.de

Countermotions sent to any other address need not be published.

c) Shareholders' Appointment Proposals pursuant to Section 127 AktG

Every shareholder has the right to make proposals regarding the appointment of the auditors (item 5 of the agenda) during the Annual General Meeting.

Shareholders' appointment proposals received by the company at the address below at least 14 days prior to the Annual General Meeting, with the day of receipt and the date of the meeting not being included in this calculation, in other words by **24:00 (CEST) on Monday, 1 May 2017** at the latest, shall be immediately published on the Company's website at <http://investoren.vonovia.de/hv>. Shareholders' appointment proposals need not be published if they do not include the name, the profession and the place of residence of the individual being put forward. Appointment proposals need not be justified.

Other reasons why appointment proposals made by shareholders are not required to be published on the company's website are stipulated in Section 127 sent. 1 AktG in conjunction with Section 126 para. 2 and Section 127 sent. 3 in conjunction with Section 124 para. 3 sent. 4 and Section 125 para. 1 sent. 5 AktG. These are outlined on the company's website at <http://investoren.vonovia.de/hv>.

Appointment proposals must be submitted to the following address only:

Vonovia SE
 - Legal Department -
 Philippstraße 3
 44803 Bochum
 Telefax: +49 (0) 234 314 2944
 Email: hauptversammlung@vonovia.de

Appointment proposals sent to any other address need not be published.

d) Shareholders' Rights to Information

Pursuant to Section 131 para. 1 AktG, the Management Board must, upon request, provide each shareholder with information at the Annual General Meeting regarding the company's affairs insofar as such information is necessary for the proper assessment of an item of the agenda. This obligation to provide information on the part of the Management Board applies equally to the company's legal and business relations with an affiliated company, the Group's situation and the companies included in the consolidated financial statements.

Under certain circumstances outlined in Section 131 para. 3 AktG, the Management Board may refuse to disclose information. Details regarding the conditions pursuant to which the Management Board is entitled to refuse to disclose information can be found on the company's website at <http://investoren.vonovia.de/hv>.

e) Further Explanations

Further explanations on shareholders' rights pursuant to Art. 56 sent. 2 and sent. 3 SE Regulation, Section 50 para. 2 SEAG, Section 122 para. 2, Section 126 para. 1, Section 127 and Section 131 para. 1 AktG are available on the Company's website at <http://investoren.vonovia.de/hv>.

6. Publication on the Website/ Supplementary Information pursuant to Section 124a AktG

Information and documentation pursuant to Section 124a AktG, including the convocation of the Annual General Meeting and the Annual Report 2016 as well as other documents, motions and other information is available on the Internet at <http://investoren.vonovia.de/hv> as from the date of convocation of the Annual General Meeting.

All information that is required to be made accessible to the Annual General Meeting by law will be accessible also at the Annual General Meeting on Tuesday, 16 May 2017.

Any shareholders' countermotions, appointment proposals or requests to add items to the agenda subject to mandatory publication and received by the company within the deadlines stated above shall likewise be published on the above-mentioned website.

Bochum, April 2017

Vonovia SE

The Management Board

Annex

to the Invitation to the Annual General Meeting of Vonovia SE on Tuesday, 16 May 2017 at 10am (CEST)

Vonovia SE
Düsseldorf
ISIN DE000A1ML7J1
WKN A1ML7J

1. Report by the Management Board on Item 6 (Resolution regarding the Cancellation of the Authorized Capital 2013 and 2015 and the existing Articles 5 and 5a of the Articles of Association and the Creation of an Authorized Capital 2017 with the Possibility of Excluding Shareholders' Subscription Rights and correspondingly including a new Article 5c in the Articles of Association)

Regarding item 6 of the agenda of the Annual General Meeting of 16 May 2017, the Management Board and Supervisory Board propose the cancellation of the remaining Authorized Capital 2013 in the amount of EUR 1,900,790.00 and of the remaining Authorized Capital 2015 in the amount of EUR 60,461,616.00 and that, in addition to the Authorized Capital of EUR 167,841,594.00 (Authorized Capital 2016), further authorized capital (Authorized Capital 2017) with the authorization of excluding subscription rights be approved. Pursuant to Section 203 para. 2 sent. 2 of the German Stock Corporation Act (AktG) in conjunction with Section 186 para. 4 sent. 2 AktG, the Management Board gives the following report regarding item 6 of the agenda of the Annual General Meeting on the reasons for authorizing the exclusion of shareholders' subscription rights with the issuance of new shares:

With the approval of the Supervisory Board, the Management Board made partial use of the authorization granted by the Extraordinary General Meeting on 30 June 2013 to increase the company's share capital by up to EUR 111,111,111.00 in the period up to 29 June 2018 by issuing up to 111,111,111 new no-par-value registered shares against cash and/or in kind contributions on one or several occasions (Authorized Capital 2013), increasing the share capital by a total of EUR 109,210,321.00 by means of the capital increases carried out in March and October 2014 as well as in March and May 2015.

Furthermore, with the approval of the Supervisory Board, the Management Board made partial use of the authorization granted by the Annual General Meeting on 30 April 2015 to increase the company's share capital by

up to EUR 170,796,534.00 in the period up to 29 April 2020 by issuing up to 170,796,534 new no-par-value registered shares against cash and/or in kind contributions on one or several occasions (Authorized Capital 2015), increasing the share capital by a total of EUR 110,334,918.00 by means of the cash capital increase carried out in July 2015 as well as in January 2017 and March 2017.

To date the Management Board has not used the authorization granted to it by the Annual General Meeting on 12 May 2016 (Article 5b of the Articles of Association) to increase the company's share capital by up to EUR 167,841,594.00 in the period up to 11 May 2021 with the consent of the Supervisory Board by issuing up to 167,841,594 new no-par-value registered shares against cash and/or in kind contributions on one or several occasions (Authorized Capital 2016).

Germany's residential property market is still characterized by stiff competition for attractive residential property portfolios. The company is therefore dependent on being able to flexibly increase its own funds quickly and comprehensively. Therefore, new additional authorized capital in addition to the remaining Authorized Capital 2016 is to be approved and the Articles of Association shall be amended accordingly. Authorized Capital 2013 and Authorized Capital 2015 are to be cancelled.

The new authorized capital (Authorized Capital 2017) proposed in item 6 of the agenda of the Annual General Meeting of 16 May 2017, is designed to enable the Management Board, with the approval of the Supervisory Board, to increase the company's share capital by up to EUR 66,556,874.00 in the period up to 15 May 2022, by issuing up to 66,556,874 new no-par-value registered shares against cash and/or in kind contributions on one or several occasions. The volume of the new Authorized Capital 2017 is therefore approximately 14.2% of the company's current share capital. Together with the Authorized Capital 2016 and in accordance with the legally stipulated maximum amount permissible, the authorized capital at the Management Board's disposal would therefore equate to 50% of the company's current share capital.

Should the Company's registered share capital and/or the Authorized Capital 2016 change up until the date of the Annual General Meeting, the Management Board and Supervisory Board will submit an appropriately adapted resolution proposal for approval that provides for a nominal amount for the authorized capital that is to be created, which together with the authorized capital that exists at this time pursuant to Article 5b of the Articles of Association, will correspond to 50% of the registered share capital of the Company on the day of the Annual General Meeting.

The purpose of the Authorized Capital 2017 is to enable the company to continue to raise the capital required for the further development of the company at short notice by

issuing new shares and to give it the flexibility to benefit from a favorable market environment at short notice in order to cover its future financing requirements. As the decisions regarding covering future capital requirements generally need to be made at short notice, it is important that the company is not dependent on the rhythm of the annual general meetings or on the long notification period for convening an extraordinary general meeting. The legislator has accommodated these circumstances with the instrument of "authorized capital".

When using the Authorized Capital 2017 in order to issue shares in return for cash contributions, the shareholders are in principle entitled to a subscription right (Section 203 para. 1 sent. 1 in conjunction with Section 186 para. 1 AktG). The issuance of shares coupled with the granting of an indirect subscription right within the meaning of Section 186 para. 5 AktG is, by law, not to be classified as the exclusion of subscription rights as the shareholders are awarded the same subscription rights as with a direct subscription. For technical reasons, just one or more banks or one or more undertakings operating pursuant to Section 53 para. 1 sent. 1 or Section 53b para. 1 sent. 1 or para. 7 of the German Banking Act (KWG) will be involved in the handling thereof.

Nonetheless, with the approval of the Supervisory Board, the Management Board shall be authorized to exclude subscription rights under certain circumstances.

- (i) With the approval of the Supervisory Board, the Management Board shall be authorized to exclude subscription rights for fractional amounts. The purpose of this subscription rights exclusion is to facilitate an issuance fundamentally involving shareholder subscription rights, as it results in a subscription ratio which is technically feasible. The value of each shareholder's fractional amount is generally low and as such their potential dilutive effect is also deemed to be low. In contrast, the cost of an issue without such an exclusion is considerably greater. The exclusion therefore makes the issue more practicable and easier to implement. New shares for which shareholders' subscription rights are excluded as they are fractional amounts are put to the best possible use for the company by being sold on the stock exchange or by other means. The Management Board and Supervisory Board consider the potential exclusion of subscription rights for these reasons to be objectively justified and, weighed against the interests of the shareholders, to also be appropriate.
- (ii) Furthermore, the Management Board shall be authorized, with the approval of the Supervisory Board, to exclude subscription rights insofar as is necessary to grant the holders/creditors of convertible bonds, warrant bonds, profit participation rights and/or participating bonds (or combinations thereof) (herein-

after collectively "bonds") subscription rights to new shares. The issue conditions of bonds with conversion or option rights or obligations regularly include an anti-dilution provision that grants the holders/creditors subscription rights to new shares issued in subsequent share issuances and on the basis of other specific measures. They are thus treated as if they were already shareholders. For bonds to feature such an anti-dilution measure, shareholders' subscription rights for these shares have to be excluded. This serves to implement the issuance of the bonds and is therefore in the interests of the shareholders regarding an optimum financial structure for the company. Further, the exclusion of subscription rights for the holders/creditors of bonds has the advantage that, in the event that the authorization is exercised, the option or conversion price does not have to be reduced for the holders/creditors of existing bonds in accordance with the corresponding bond conditions. This allows for a great inflow of funds and is therefore in the interests of the company and its shareholders.

- (iii) Subscription rights may additionally be excluded in the case of cash capital increases provided that the shares are issued at a price that does not significantly undercut the stock market price and such a capital increase does not exceed 10% of the share capital, in fact – since it is Authorized Capital – neither at the time the authorization becomes effective nor at the time it will be exercised (simplified exclusion of subscription rights pursuant to Section 186 para. 3 sent. 4 AktG). The authorization enables the company to react flexibly to favorable capital market situations and to issue new shares very quickly, i.e. without meeting the requirement of a two week subscription offer period. The exclusion of subscription rights enables the Company to act quickly and to place shares close to the stock market price, i.e. without the general discount required in connection with subscription right issuances. This creates the parameters for achieving the highest possible disposal amount and for the greatest possible strengthening of the company's equity. The authorization of the simplified exclusion of subscription rights is objectively justified not only by the fact that a greater cash inflow can often be achieved as a result.

Such a capital increase must not exceed 10% of the share capital in existence neither at the time the authorization becomes effective nor at the time it will be exercised. The resolution proposal also provides for a deduction clause. The company's treasury shares that are sold during the term of this authorization subject to the exclusion of shareholders' subscription rights pursuant to Section 71 para. 1 no. 8 sent. 5 halvesentence 2 in conjunction with Section 186 para. 3 sent. 4 AktG are to be included in the 10% cap on the share capital

that concerns this exclusion of subscription rights. Any shares already issued or to be issued to satisfy bonds with conversion or option rights or obligations are also to be included in this 10% cap on the share capital, insofar as these bonds were issued during the term of this authorization subject to the exclusion of subscription rights pursuant to Section 186 para. 3 sent. 4 AktG. Shares issued during the term of this authorization pursuant to Section 186 para. 3 sent. 4 AktG on the basis of other corporate action and subject to the exclusion of shareholders' subscription rights, particularly those under Authorized Capital 2016, are likewise to be included in this 10% cap on the share capital. This inclusion is effected in line with the shareholders' interests that their investments be diluted as little as possible. The upper limit, decreased under the preceding inclusion clause, shall be increased again pursuant to or in line with Section 186 para. 3 sent. 4 AktG when the Annual General Meeting resolution on new authorization to exclude shareholder subscription rights becomes effective after the decrease, to the extent of the new authorization, but up to a maximum of 10% of the share capital in accordance with the stipulations of sentence 1 of the respective paragraph. This is because in this case (or cases), the Annual General Meeting again has the opportunity to decide on the simplified exclusion of subscription rights, meaning that the reason for inclusion had ceased to apply. When the new authorization on the simplified exclusion of subscription rights comes into force, the ban regarding the authorization for issuing the bonds without shareholder subscription rights that came into being by means of the use of the authorization for issuing of new shares or for issuing bonds or by means of the sale of the company's own shares will namely be cancelled. On the basis of the identical majority requirements for such a resolution, the renewed authorization for the simplified exclusion of subscription rights will at the same time also contain – insofar as the statutory requirements are observed – a confirmation regarding the authorization resolution on the creation of the Authorized Capital 2017. In the event of authorization for excluding subscription rights in direct or analogous application of Section 186 para. 3 sent. 4 AktG being used again, inclusion shall occur again.

The simplified exclusion of subscription rights is conditional to the issue price for the new shares not being significantly below the stock market price. Subject to specific circumstances in individual cases, any reduction compared with the current stock market price or a volume weighted stock market price over an appropriate number of trading days prior to the definitive determination of the issue price may not exceed approximately 5% of the stock market price in question. This takes into account the shareholders'

need for protection from a dilution of the value of their investments. Determining an issue price close to the stock market price ensures that the value of subscription rights for the new shares would, in practical terms, be very low. The shareholders have the opportunity to maintain their relative investments by effecting additional stock market purchases.

- (iv) Subscription rights may also be excluded in the event of capital increases against contributions in kind. The company should remain able to acquire in particular – but not only – companies, parts of companies, shareholdings in companies (this may also be implemented by way of a merger or other transformation law measures) and other assets (including receivables), properties and property portfolios relating to an intended acquisition or to respond to offers of acquisitions or mergers in order to strengthen its competitiveness and to boost its profitability and its enterprise value. The exclusion of subscription rights should also serve to satisfy convertible bonds and/or warrant bonds or combinations thereof issued against contributions in kind. Practice has shown that shareholders in attractive acquisition properties are to some extent very interested in acquiring the company's (voting) shares as a consideration, for example in order to maintain a certain degree of influence over the contribution in kind. From the point of view of an optimum financing structure, another argument in favor of offering a consideration not only as cash payments, but also or exclusively in the form of shares is that, based on the degree to which new shares can be used as an acquisition currency, the company's liquidity is protected, borrowing is avoided and the buyer(s) participate in future price development opportunities. This improves the company's competitive position in the event of acquisitions.

The option of using company shares as an acquisition currency gives the company the necessary scope to exploit such acquisition opportunities quickly and flexibly and enables it to acquire even large units in exchange for the granting of shares. Under certain circumstances, it should also be possible to acquire commodities (in particular property portfolios or shares in property companies) in exchange for shares. In both instances, shareholders' subscription rights must be excluded. As such acquisitions frequently have to happen at short notice, it is important that they are not, as a rule, depending on the usual annual rhythm of the Annual General Meeting or require an extraordinary general meeting, whose preparation and period of convening prevent a swift action. Authorized capital is needed which the Management Board can avail itself of quickly with the approval of the Supervisory Board.

The same applies to satisfying conversion and option rights or obligations relating to bonds. The shares are issued against contributions in kind, either in the form of the bond being contributed or in the form of consideration in kind relating to the bond. This leads to an increase in the company's flexibility while satisfying the conversion or option rights or obligations. Offering bonds in lieu of or in addition to granting shares or cash payments can represent an attractive alternative that increases the company's competitive chances in acquisitions due to their additional flexibility. The shareholders are protected by the subscription rights to which they are entitled when bonds with conversion or option rights or obligations are issued.

The instances in which subscription rights for bonds with conversion rights and obligations may be excluded are outlined in the report relating to the issue of the corresponding instruments. If the opportunity presents itself to merge with other companies or to acquire companies, parts of companies, shareholdings in companies or other assets, the Management Board shall, in each case, carefully consider whether it should exercise its authority to effect a capital increase by granting new shares. This includes, in particular, determining the valuation ratio of the company and the acquired company investment or other assets and determining the new shares issue price and the other share issue conditions. The Management Board shall only use the authorized capital if it believes the merger or the acquisition of a company or a share in a company or the investment acquisition in exchange for the granting of new shares is in the best interests of the company and its shareholders. The Supervisory Board shall only grant its necessary approval if it has reached the same conclusion.

- (v) Subscription rights may also be excluded to issue a share dividend (also known as *scrip dividend*) under which shares of the Company are used (including partially or optionally) to satisfy shareholder dividend claims. It is intended, in particular, to enable the company to make payment of a scrip dividend at ideal conditions. In the case of a scrip dividend, the shareholders are offered to contribute their claim for payment of the dividend, which comes into existence with the resolution of the annual general meeting on the appropriation of profits, to the Company, in whole or in part, as contribution in kind, in order to receive new shares in the Company in return. A scrip dividend can be implemented as a genuine share issue with subscription rights, observing, in particular, the provisions in Section 186 para. 1 AktG (minimum subscription period of two weeks) and Section 186 para 2 AktG (announcement of the issue price no later than three days before the expiry of the subscription

period). In individual cases, depending on the capital markets situation, it may be preferable to structure the implementation of a scrip dividend in such manner that the Management Board offers to all shareholders who are entitled to dividends, in observance of the general principle of equal treatment (Section 53a AktG), new shares for subscription against contribution of their dividend entitlement and, thus, economically grants the shareholders a subscription right, but to legally exclude the shareholders' subscription right to new shares in its entirety. Such an exclusion of the subscription right facilitates the implementation of the scrip dividend without the aforementioned restrictions of Section 186 para. 1 and para. 2 AktG and, thus, at more flexible conditions. In view of the fact that all shareholders will be offered the new shares and excessive dividend amounts will be settled by cash payment of the dividend, an exclusion of the subscription right in such cases appears to be justified and appropriate.

- (vi) In addition, subscription rights can be excluded in relation to the issue of 2,500,000 new no-par-value registered shares to issue shares to the employees of the company or of affiliated companies within the meaning of Section 15 AktG to the exclusion of the members of the company's Management Board and Supervisory Board and the members of the management boards, supervisory boards and other bodies of affiliated companies. This gives the company the opportunity to acknowledge the achievements of its employees and of the employees of its affiliated companies within the meaning of Section 15 AktG by issuing shares, and to thus allow the employees to participate in the company's success. This is also in the interests of the shareholders. Only if shareholders' subscription rights are excluded the company can issue shares to its employees. In contrast, the shareholders have the opportunity to maintain their share of the company's share capital at all times by effecting additional stock market purchases.

The above authorizations (i) to (vi) to exclude subscription rights in the event of capital increases against cash and/or in kind contributions are limited to an amount not exceeding 20% of the share capital, either at the time at which this authorization becomes effective or at the time at which it is exercised. The above 20% cap is also to include treasury shares sold during the term of this authorization subject to the exclusion of subscription rights and any shares issued to satisfy bonds, insofar as the bonds were issued subject to the exclusion of shareholders' subscription rights during the term of this authorization due to the authorization stipulated in item 8 of the agenda of the Annual General Meeting of 12 May 2016. Shares issued during the term of this authorization pursuant to Section 186 para. 3 sent. 4 AktG on the basis of other corporate action and

subject to the exclusion of shareholders' subscription rights, particularly those under Authorized Capital 2016, are likewise to be included in this aforementioned 20% cap on the share capital. This restriction also limits the potential dilution of the voting rights of the shareholders in relation to whom subscription rights have been excluded. The cap, decreased under the preceding inclusion clause, shall be increased again when the Annual General Meeting resolution on new authorization to exclude shareholder subscription rights becomes effective after the decrease, to the extent of the new authorization, but up to a maximum of 20% of the share capital in accordance with the stipulations of sentence 1 of this paragraph. This is because in this case (or cases), the Annual General Meeting again has the opportunity to decide on the simplified exclusion of subscription rights, meaning that the reason for inclusion had ceased to apply.

With all of these circumstances having been considered, the authorization to exclude subscription rights within the limits outlined is necessary, suitable, appropriate and in the interests of the company. Insofar as the Management Board fully exercises one of the aforementioned authorizations to exclude subscription rights in relation to a capital increase from the Authorized Capital 2017 within a single financial year, it shall report on this in the subsequent Annual General Meeting.

2. Management Board report on the partial use of the Authorized Capital 2015 (Capital increase each with the exclusion of the shareholders' subscription rights in December 2016 / January 2017, and in March 2017, in relation to the voluntary public Takeover Offer of Vonovia SE, to the shareholders of conwert Immobilien Invest SE)

Vonovia SE ("Vonovia" or the "Company") offered the shareholders of conwert Immobilien Invest SE, domiciled in Vienna and registered in the Commercial Register of the Commercial Court Vienna under registration number FN 212163f ("conwert") to acquire all no-par value bearer shares (with a pro rata amount of the share capital of EUR 5.00 per share) in conwert ("conwert share") on 17 November 2016 in relation to a voluntary public Takeover Offer under Austrian Takeover Law, under the terms of the Offer Document ("Offer Document") published on the same day. According to the Offer Document the shareholders of conwert were offered 0.496645 shares of the Company ("Exchange Offer") in exchange for a (1) conwert share. Alternatively, the conwert shareholders were given mandatory a cash offer under Austrian takeover law of EUR 16.16 per conwert share.

In order to provide the necessary shares for the Exchange Offer, the Management Board resolved on 19 October 2016 (Principle Resolution), as well as - after the results of the Exchange offer within the original acceptance period were determined - on 31 December 2016 ("Specification Resolution 1") and - after the results of the Exchange offer within the additional acceptance period were determined - on 27 March 2017 ("Specification Resolution 2") to increase the share capital of the Company by using the authorized capital as per § 5a.1 of the Company's Articles of Association (the "Authorized Capital 2015") as follows:

In December 2016 / January 2017:

- Within the context of an increase of the registered share capital in-kind by an amount of EUR 339,135.00 to EUR 466,339,759.00 by issuing 339,135 new no-par value bearer shares from the Authorized Capital 2015 with a pro rata amount of the share capital of EUR 1.00 per share, an issue price of EUR 1.00 per share and a profit entitlement from 1 January 2016 onwards ("New Shares 1").

In March 2017:

- Within the context of a further increase of the registered share capital in-kind by an amount of EUR 2,457,177.00 to EUR 468,796,936.00 by issuing 2,457,177 new no-par value bearer shares from the Authorized Capital 2015 with a pro rata amount of the share capital of EUR 1.00 per share, an issue price of EUR 1.00 per share and a profit entitlement from 1 January 2016 onwards ("New Shares 2", together with the New Shares 1, the "New Shares").

The Supervisory Board of the Company approved the Principle Resolution on 26 October 2016 and the Specification Resolution 1 on 3 January 2017. The Financial Committee of the Supervisory Board, which was authorized by the Supervisory Board, approved the Specification Resolution 2 on 28 March 2017.

The implementation of the capital increases mentioned above was registered in the Commercial Register of the Company on 10 January 2017 and on 31 March 2017. The share capital of the Company was thereby increased from EUR 466,000,624.00 by the amount of EUR 2,796,312.00 to the current share capital of EUR 468,796,936.00 in total.

The New Shares have been subscribed to as follows:

- COMMERZBANK Aktiengesellschaft, Kaiserstraße 16 (Kaiserplatz), 60311, Frankfurt am Main, registered in the Commercial Register of the Local Court of Frankfurt am Main under registration number HRB 32000 ("Commerzbank") subscribed in its function as exchange agent for the conwert shareholders who accepted the Takeover Offer 169,568 New Shares 1 in January 2017 and 1,228,589 New Shares 2 in March 2017 at an issue price of in total EUR 1,398,157.00 (1.00 EUR per share) against contribution in kind.
- Bankhaus Neelmeyer AG, Am Markt 14-16, Bremen, Germany, registered in the Commercial Register of the Local Court Bremen under registration number HRB 4425 HB ("Neelmeyer") subscribed in its function as exchange for the conwert shareholders who accepted the Takeover Offer 169,567 New Shares 1 in January 2017 and 1,228,588 New Shares 2 in March 2017 at an issue price of in total EUR 1,398,155.00 (1.00 EUR per share) against contribution in kind.

The contributions in kind for the New Shares 1 and 2 have been made by:

- Deposit of 2,815,205 conwert shares which were transferred to Commerzbank as exchange agent for the shareholders of conwert; and
- Deposit of 2,815,201 conwert shares which were transferred to Neelmeyer as exchange agent for the shareholders of conwert.

Commerzbank and Neelmeyer have transferred the conwert shares, which were to be contributed as contribution in kind to the Company, according to the respective contribution contracts from 3 January 2017 and 28 March 2017.

Prior to the resolutions on the use of the Authorized Capital 2015, the Management Board, the Supervisory Board, and the Financial Committee addressed carefully and intensively the appropriateness of the equivalent for the issue of the New Shares.

In this context, the historical stock prices of the conwert share were particularly taken into account, as this is a recognized basis for the determination of an appropriate price for listed shares. The conwert share is traded on the Official Market (*Amtlicher Handel*) of the Vienna Stock Exchange and is quoted on the Austrian stock exchange index ATX. The conwert shares were actively traded with an appropriate amount of liquidity. Prior to 5 September 2016 about 196,000 conwert shares were traded daily at the stock exchange in 2016. This liquidity supports the significance of using the historical stock prices in determining appropriateness of the offered price.

- On the basis of the volume weighted average share price of the Vonovia and conwert shares ("VWAP") during the last six months prior to 5 September 2016, the day of the publication of Vonovia's intention to launch a takeover, pursuant to Art. 17 Section 1 of the Market Abuse Regulation as well as § 5 of the Austrian Takeover Act, an amount of about EUR 28.59 per New Share was contributed into Vonovia, whereas the six-months-VWAP of the Vonovia share at the same date was about EUR 31.98. From the view of a conwert shareholder, the exchange ratio included a premium of 23.8% to the six-months-VWAP of the conwert share.
- On the basis of the closing price of the Vonovia and conwert shares on the last trading day prior to the announcement of the takeover intention, being 2 September 2016, an equivalent in the amount of about EUR 32.51 per New Share was contributed into Vonovia, whereas the closing price of the Vonovia share on that day was about EUR 35.40. From the view of a shareholder of conwert, the exchange ratio included a premium of 8.9% to the closing rate of conwert on 2 September 2016.

It is accepted that an appropriate premium to the share price for the new shareholders is permissible to make the Takeover Offer a success. The Management Board and the Supervisory Board expect that the transaction will lead to significant benefits for the Company which justifies a premium to the conwert shareholders:

- The Management Board intends to merge the complementary real estate portfolios of both companies through the takeover. The consolidated management of the portfolios enables a significant increase in value for tenants and shareholders.
- With the takeover of conwert, Vonovia is able to expand its presence in the dynamically growing cities Leipzig, Berlin, Potsdam and Dresden and the pure German portfolio is supplemented by the very attractive German speaking metropole Vienna.

- Within the context of the integration, Vonovia projects operational synergies in the amount of at least EUR 7 million per year which shall be completely realized by the end of 2018. Due to the partial refinancing of conwert, Vonovia projects finance synergies in the amount of EUR 5 million which shall be realized completely within the financial year 2017.
- Due to the expected economic results and advantages mentioned above, there may be further, hardly quantifiable appreciation potentials for shareholders of the Company and former conwert shareholders.

In the opinion of the Management Board, the transaction is therefore in the Company's best interest and the exclusion of subscription rights in context of the capital increase in-kind is justified. The exclusion of the subscription rights was necessary, as the transfer of the conwert shares, for which the exchange offer was accepted, required the acquisition of the New Shares by the respective former conwert shareholders.

Bochum, April 2017

Vonovia SE

The Management Board

Notes

Directions

Directions (by car)

Coming from the A40, take the 'RuhrCongress' motorway exit. Continue straight onto 'Stadionring'. After approximately 400 m, you will see RuhrCongress on your left hand side.

Parking for visitors

- In-house underground car park
Coming from the A40, continue straight onto 'Stadionring'. After approximately 400 m, you will enter a roundabout and take the third exit. After approximately 50 m, the underground car park entrance is to your left.
- Adjacent car park 'Stadionring'
Coming from the A40, keep left after exiting the motorway. You will run right into the car park 'Stadionring'. RuhrCongress Bochum is a five minute walk away. Please follow the signs.

Bus

From the Bochum central station, take bus line 388 in the direction of 'Bochum Riemke'. After about 6 minutes driving time, you will reach the 'RuhrCongress' stop and arrive directly at the main entrance.

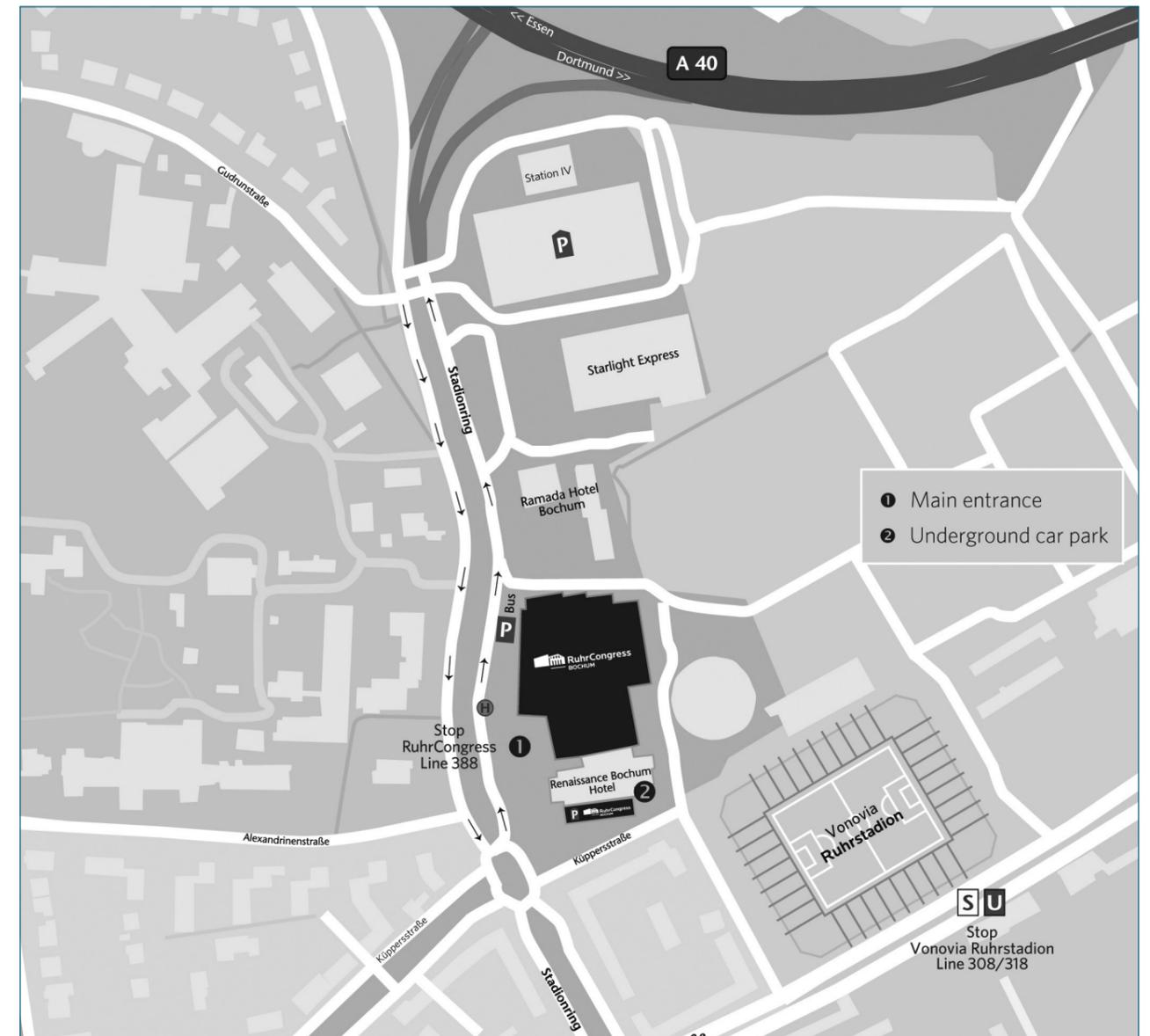
Train

From the Bochum central station, take tram lines 308 or 318 in the direction of 'Bochum Gerthe'. After about a 3 minute drive, you will reach the stop 'Vonovia Ruhrstation'. RuhrCongress Bochum is located directly behind the stadium.

Airports

RuhrCongress Bochum is ideally located between four regional airports.

- Dortmund Airport: 29 km
- Düsseldorf Airport: 45 km
- Cologne (Köln)/Bonn Airport: 89 km
- Münster/Osnabrück Airport: 96 km



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