

Invitation to the Annual General Meeting (Virtual General Meeting)

of Vonovia SE, 16 April 2021

VONOVIA

Key Figures

FINANCIAL KEY FIGURES in € million	2019	2020
Total Segment Revenue	4,111.7	4,370.0
Adjusted EBITDA Total	1,760.1	1,909.8
Adjusted EBITDA Rental	1,437.4	1,554.2
Adjusted EBITDA Value-add	146.3	152.3
Adjusted EBITDA Recurring Sales	91.9	92.4
Adjusted EBITDA Development	84.5	110.9
Group FFO	1,218.6	1,348.2
Group FFO per share in €*	2.25	2.38
KEY BALANCE SHEET FIGURES in € million	Dec. 31, 2019	Dec. 31, 2020
Fair value of the real estate portfolio	53,316.4	58,910.7
Adjusted NAV	28,199.6	33,651.8
Adjusted NAV per share in €*	52.00	59.47
LTV in %	43.1	39.4
NON-FINANCIAL KEY FIGURES	2019	2020
Own apartments	416,236	415,688
Vacancy rate in %	2.6	2.4
Monthly in-place rent in €/m ²	6.93	7.16
Organic rent increase in %	3.9	3.1
Number of employees (as of Dec. 31)	10,345	10,622

Vonovia SE
Bochum
ISIN DE000A1ML7J1
WKN A1ML7J

The Act on Measures in Corporate, Co-operative, Association, Foundation and Home Ownership Law to Combat the Effects of the COVID 19 Pandemic (*Gesetz über Maßnahmen im Gesellschafts-, Genossenschafts-, Vereins-, Stiftungs- und Wohnungseigentumsrecht zur Bekämpfung der Auswirkungen der COVID-19-Pandemie; C-19 AuswBekG*) opens up the possibility of holding annual general meetings in 2021 without the physical presence of shareholders or their proxies (virtual general meeting). In view of the pending COVID 19 pandemic, the rules of conduct adopted in this respect by the state of North Rhine-Westphalia and the objective of avoiding health risks for shareholders, internal and external employees and the Company's board members, the Management Board of Vonovia SE has decided, with the approval of the Supervisory Board, to make use of the option of a virtual general meeting.

Invitation to the 2021 Annual General Meeting (Virtual General Meeting)

The shareholders in our Company are cordially invited to the

Annual, Virtual General Meeting

taking place on **Friday, 16 April 2021**
at **10:00 hours**

at the business premises of Vonovia SE, Universitätsstraße 133, 44803 Bochum,
without the physical presence of shareholders and their proxies.

Pursuant to section 1(2) sentence 1 no. 1 C-19 AuswBekG, the entire meeting will be broadcast in sound and vision on the password-protected InvestorPortal, which can be accessed via the Company's website at <https://investors.vonovia.de/agm> (see the more detailed notes following the Agenda with the proposed resolutions under III.).

I. Agenda

1. Presentation of the adopted annual financial statements of Vonovia SE and the approved consolidated financial statements as at 31 December 2020, of the combined management report for Vonovia SE and the Group, including the explanatory report on disclosures pursuant to section 289a and section 315a of the German Commercial Code (HGB), and of the report of the Supervisory Board for the 2020 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 <https://investors.vonovia.de/agm> 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. As part of their right to information, shareholders will have the opportunity to ask questions about the documents submitted.

2. Resolution on the allocation of net profit of Vonovia SE for the 2020 financial year

The Management Board and Supervisory Board propose that the net profit of EUR 1,000,000,000.00 as presented in the adopted annual financial statements as of 31 December 2020 be appropriated as follows:

A dividend of EUR 1.69 shall be paid per no-par-value share of the Company which is entitled to a dividend for the 2020 financial year; with currently 565,887,299 no-par-value shares	EUR	956,349,535.31
Allocation to other retained earnings:	EUR	0.00
Profit carried forward:	EUR	43,650,464.69
Net profit:	EUR	1,000,000,000.00

The dividend shall be payable on 19 May 2021.

The proposal for the appropriation of earnings is based on the number of no-par-value shares entitled to dividend payment for the completed 2020 financial year of which the Company was aware of on the day of the invitation to the Annual General Meeting. Should this number of no-par-value 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 1.69 per no-par-value share entitled to dividend payment for the completed 2020

financial year as well as a correspondingly adjusted proposal for the profit carried forward and/or for the allocation to other retained earnings will be put to the vote at the Annual General Meeting. The sum not relating to no-par-value shares entitled to dividend payment shall be carried forward and/or allocated to other retained earnings.

The dividend shall be paid, at the shareholders' choice, either in cash or in the form of shares of the Company. Further details are set out in a separate document (*prospectus exemption document*) pursuant to article 1(4) lit. h), (5) subpara. 1 lit. g) of the EU Prospectus Regulation (Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017). This document is available via the Vonovia SE website at <https://investors.vonovia.de/agm> and contains in particular information on the number and nature of the shares and the reasons for and details of the share 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 pay-out of the dividend:

As the dividend for the 2020 financial year is being paid fully from the tax contribution account within the meaning of section 27 of the German Corporation Tax Act (*Körperschaftsteuergesetz*) (contributions not made to the nominal capital), the pay-out 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. There is no tax refund or tax credit option in relation to the dividend. In the opinion of the German tax authorities, the distribution reduces the tax-related acquisition costs of the shares.

The distribution of the dividend in cash is expected to occur on 19 May 2021. The shareholders choosing the share dividend are expected to receive the new shares in the Company on 21 May 2021.

The Management Board and the Supervisory Board point out that they will only offer and carry out the share dividend if they consider it to be reasonable after due assessment, taking into account the interests of the Company as well as of its shareholders. This decision will be based, in particular, on the development of the Company's share price in relation to the latest financial key performance indicators. If the Management Board and the Supervisory Board decide not to carry out a share dividend, the possibility for the shareholders to opt for a share dividend will not exist or will be cancelled and the dividend will be paid out in cash only. The payment of the dividend would then be made immediately after such a decision, by 19 May 2021 at the latest.

3. Resolution regarding formal approval of the actions of the members of the Management Board in the 2020 financial year

The Management Board and Supervisory Board propose that the actions of the incumbent members of the Management Board in the 2020 financial year be approved.

4. Resolution regarding formal approval of the actions of the members of the Supervisory Board in the 2020 financial year

The Management Board and Supervisory Board propose that the actions of the incumbent members of the Supervisory Board in the 2020 financial year be approved.

5. Election of the auditors of the annual financial statements and the consolidated financial statements for the 2021 financial year and for the potential review of the interim financial reports for the 2021 financial year and the interim financial report for the first quarter of the 2022 financial year

Based on the recommendation of its Audit Committee, the Supervisory Board proposes that KPMG AG Wirtschaftsprüfungsgesellschaft, Berlin, be appointed as auditors for the audit of the annual financial statements and the consolidated financial statements for the 2021 financial year and for the potential review of the interim financial reports for the 2021 financial year and for the first quarter of the 2022 financial year.

Pursuant to article 16(2) subpara. 3 of the EU Auditors Regulation (Regulation (EU) No 537/2014 of the European Parliament and of the Council of 16 April 2014), the Audit Committee of the Supervisory Board has stated that its recommendation is free from any undue influence by a third party and that there are no restrictions regarding the choice of a particular auditor or audit firm (article 16(6) of the EU Auditors Regulation).

6. Approval of the compensation system of the Management Board

The Act Implementing the Second Shareholders' Rights Directive (ARUG II) of 12 December 2019 introduced section 120a of the German Stock Corporation Act (AktG), which provides that the Annual General Meeting of a listed company shall resolve on the approval of the compensation system for Management Board members presented by the Supervisory Board whenever there is a significant change, but at least every four years.

With effect from 1 January 2021, the Supervisory Board has resolved a revised compensation system for the members of the Management Board, which is submitted to this Annual General Meeting for resolution in accordance with the provisions of section 120a AktG.

Based on the recommendation of its Executive and Nomination Committee, the Supervisory Board proposes that the following compensation system for the members of the Management Board resolved by the Supervisory Board with effect from 1 January 2021 be approved.

Description of the compensation system for the Management Board of Vonovia SE:

1. Principles of the compensation system

As a housing company, Vonovia is at the heart of society. This means our activities are never solely economic in nature, but always have a social aspect. We are aware of this special role and responsibility: As a service provider and supplier of housing for around a million people, we put our customers and their needs at the heart of everything we do. This includes looking after our building stock and actively shaping neighbourhoods. We offer our customers contemporary apartments that are tailored to their needs and develop services for increased quality of life. For this reason, we also participate in a particularly important social task: the construction of new apartments. We are committed to the principles of the social market economy and economic efficiency and take responsibility for providing good-quality housing that is safe and affordable.

The compensation system for the Management Board of Vonovia SE described below is an effective instrument for ensuring that Vonovia fulfils this role model function while also successfully implementing its corporate strategy. In addition to the key financial performance indicators used in Group controlling, the compensation paid to the members of the Management Board therefore takes particular account of environment, social, governance and sustainability performance aspects.

The performance criteria applied in measuring Management Board compensation reflects the corporate strategy and, in particular, provides incentives for ensuring the Company's long-term, sustainable growth. This is emphasised by the implementation of the Sustainability Performance Index (SPI). The compensation system for the Management Board reflects the key performance indicators used in corporate controlling with a view to the corporate strategy. They serve as an incentive for the Management Board to ensure that its interests are aligned with the interests of the Company's shareholders and other stakeholders, such as customers and employees. In addition to sustainability performance targets, this is achieved through a relative comparison with relevant market participants.

The aim of this compensation system is to appropriately remunerate the members of the Management Board according to their performance and their respective areas of activity and responsibility and to allow them to participate in Vonovia's success as regards successful business development. A consistent compensation system for the Management Board and senior management serves to ensure a consistent incentive effect and hence successful strategic development.

The compensation system forms the basis for determining the compensation paid to the members of the Management Board of Vonovia SE.

In designing the compensation system for the Management Board, the Supervisory Board takes into account the following principles:

Principles of Management Board compensation

The compensation system plays a significant role in the Company's business success by **incentivising the implementation of the corporate strategy in the form of performance criteria relating to business success** and setting ambitious annual and multi-year targets.

The compensation system makes an important contribution to ensuring that **the interests of the Management Board are aligned with the interests of the shareholders**. The vast majority of the variable compensation paid to the Management Board is granted in the form of shares. Furthermore, provisions on shareholding oblige the Management Board members to purchase Vonovia shares and hold them for the duration of their appointment.

A multi-year basis of assessment is applied for the vast majority of the variable compensation. Management Board compensation also takes into account non-financial targets and Vonovia's sustainability strategy. This ensures that the compensation system promotes **Vonovia's long-term, sustainable development**.

The **performance of the Management Board members is appropriately reflected** in the variable compensation in the form of adequate and ambitious performance criteria (pay-for-performance). The variable compensation is capped and can amount to zero.

The compensation paid to the members of the Management Board is **commensurate with their tasks and performance** and the **position of the Company**. The customariness of the compensation compared with other similar companies and vertical appropriateness compared with the compensation paid to senior management and the workforce as a whole are also ensured.

The Supervisory Board takes care to ensure the consistency of the compensation system for the Management Board and senior management. **Equivalent incentives and uniform targets** are applied in order to ensure the common pursuit of the long-term Group strategy.

Relative performance measurement compared with relevant market participants as part of the long-term variable compensation serves to incentivise long-term outperformance on the capital markets.

2. Procedure for the definition, implementation and review of the compensation system, first-time application, conflicts of interest

In accordance with the provisions of sections 87(1) and 87a (1) of the German Stock Corporation Act (AktG), the Supervisory Board decides on the compensation system for the members of the Management Board of Vonovia SE. The Supervisory Board is supported by the Executive and Nomination Committee ("Executive Committee"), which develops recommendations for the Management Board compensation system. The Supervisory Board discusses and decides on these recommendations. If required, the Supervisory Board may consult external advisers providing they are independent of the Management Board and the Company. The definition, implementation and review of the compensation system for the Management Board also takes into account the general provisions of the AktG and the German Corporate Governance Code (GCGC) concerning handling conflicts of interest. In the event of conflicts of interest, the Supervisory Board members do not participate in the resolutions on the affected agenda items at meetings of the Supervisory Board and the respective committees.

The remuneration conditions of the employees are taken into account in defining the final amount of Management Board compensation by way of a vertical comparison (see 3.2 below). In addition, the performance criteria for the variable compensation of the Management Board are designed so as to be broadly equivalent to the performance incentives for senior management.

The Supervisory Board presents the compensation system to the Annual General Meeting for approval. The Supervisory Board determines the target total compensation of the members of the Management Board in accordance with the compensation system presented to the Annual General Meeting for approval. Furthermore, the Supervisory Board determines the performance criteria for the variable compensation elements defined in the compensation system for the forthcoming financial year.

The regular review of the Management Board compensation system by the Supervisory Board is prepared by the Executive Committee, which recommends changes to the system to the Supervisory Board where it considers this to be necessary. If significant changes are made to the compensation system, it is presented to the Annual General Meeting for approval again. The compensation system is also presented for approval at least every four years regardless of whether any significant changes have been made.

If the Annual General Meeting does not approve the compensation system presented to it, the compensation system is reviewed and presented to the next ordinary general meeting for approval at the latest.

The current Management Board compensation system applies with effect from 1 January 2021 for all members of the Management Board of Vonovia SE. Claims for compensation for periods prior to 1 January 2021, including those arising from prior provisions on variable compensation, continue to be governed by the respective underlying contractual provisions.

3. Definition of specific target total compensation by the Supervisory Board, appropriateness of Management Board compensation

In defining the specific target total compensation for the members of the Management Board, the Supervisory Board takes care to ensure that, in accordance with the provisions of the AktG and the GCGC, the specific target total compensation is commensurate with the tasks and performance of the Management Board members and the position of the Company, that it is geared towards the long-term, sustainable development of Vonovia SE, and that it does not exceed the customary compensation without special reasons for doing so. External and internal comparisons are used for this purpose.

A comparison with Vonovia SE's peer group (horizontal, external comparison) and the internal compensation structure (vertical, internal comparison) are applied in assessing the appropriateness of the compensation.

3.1 Horizontal comparison

In the horizontal – external – comparison, a group of companies that is suitable with regard to Vonovia SE's market position (particularly in terms of industry, size and country) is examined in order to assess the appropriateness and customariness of the amount and structure of the target total compensation. The companies in question are other DAX companies as well as a peer group of listed national and international companies from the real estate industry and from industries with comparable business models.

3.2 Vertical comparison

In addition to the horizontal – external – comparison, a vertical – internal – comparison of the Management Board compensation is performed. This involves comparing the Management Board compensation with the compensation paid to senior management, i.e. the first level of management below the Management Board, the other managers and – so that the workforce as a whole is taken into account – the other Vonovia employees working in real estate roles (Group-wide). In addition to the relationship between current compensation at the various levels, the Supervisory Board looks in particular at how the compensation of the aforementioned groups has developed over time. This comparison is also performed in the course of the regular review of the appropriateness of the compensation of Management Board members and thus also in the case of corresponding salary adjustments.

3.3 Differentiation based on job profile

The compensation system allows the Supervisory Board to take into account the function and area of responsibility of the individual Management Board members in determining the target total compensation. This means that the Supervisory Board may, at its discretion, differentiate by function on the basis of criteria such as standard market compensation, the experience of the respective Management Board member, the duration of their membership of the Management Board and their area of responsibility on the Management Board.

3.4 The compensation system at a glance

		Basis of assessment/Parameter				Basis of assessment/Parameter			
Fixed compensation	Basic salary ("fixed salary")	<ul style="list-style-type: none"> Contractually agreed fixed compensation paid in twelve monthly instalments 		Fixed compensation	Benefits in kind and other ancillary benefits	<ul style="list-style-type: none"> Private use of a company car or payment of a company car allowance and provision of equipment (especially communication equipment) 50% of the contributions to private health and long-term care insurance, limited to the maximum employer contribution to statutory health and long-term care insurance D&O insurance including legal protection Term life insurance in individual cases 			
	Pension provision	Management Board members appointed prior to 2021	<ul style="list-style-type: none"> Option of paying the annual pension contribution received in addition to the fixed salary into the existing deferred compensation model with guaranteed interest, which is also available for other employees; alternatively: payment of a defined fixed amount as additional cash compensation (pension payment) Possibility to switch to system for Management Board members appointed from 2021 onwards One Management Board member who is additionally employed by a foreign Group subsidiary receives a pension commitment (premium payments to a pension fund and additional pension payment) from that Group subsidiary 			Short-term incentive (STI)	Type:	<ul style="list-style-type: none"> Target STI 	
		Management Board members appointed from 2021 onwards	<ul style="list-style-type: none"> No option of participating in the existing deferred compensation model Granting of an annual pension compensation (pension payment) in addition to the fixed salary in cash Option of contributing the pension payment to investment funds managed by an external service provider (no regular company pension scheme) Accumulated capital plus income paid out when benefits fall due 				Limit I cap:	<ul style="list-style-type: none"> 125% of target STI 	
Variable compensation	Long-term incentive plan (LTIP)			Variable compensation	Long-term incentive plan (LTIP)	Plan type:	<ul style="list-style-type: none"> Performance share plan 		
						Limit I cap:	<ul style="list-style-type: none"> 250% of the award value 		
		Performance criteria:	<ul style="list-style-type: none"> Relative total shareholder return (relative TSR) NTA per share Group FFO per share Sustainability Performance Index (SPI) 						
						Payout:	<ul style="list-style-type: none"> As part of the next salary payment after the Company's annual financial statements are adopted following the end of the four-year performance period Paid in cash 		

Basis of assessment/Parameter	
Additional compensation conditions	<p>Maximum total compensation</p> <ul style="list-style-type: none"> The maximum total compensation is EUR 11 million p.a. (gross) for the Chairman of the Management Board and EUR 5.5 million p.a. (gross) for each of the other Management Board members.
	<p>Malus/Clawback</p> <ul style="list-style-type: none"> Partial or full reduction in payment/ demand for repayment of variable compensation May apply in the event of significant breaches of duty (for the year in which the breach occurs) and payments based on incorrect data Clawback period of one year after payout
	<p>Change of control</p> <ul style="list-style-type: none"> Special right of termination of the Management Board member in the event of a change of control, upon exercise triggering compensation typically amounting to two years (in individual cases: three years) total annual compensation calculated on the basis of the total compensation of the last financial year, if applicable, of the current financial year less compensation during the notice period, but in any case limited to a maximum of the compensation for the remaining term of the respective service contract
	<p>Provisions on shareholding</p> <ul style="list-style-type: none"> Obligation for the members of the Management Board to purchase shares of Vonovia SE with a value equivalent to 100% of their fixed salary, or 150% of their fixed salary in the case of the Chairman of the Management Board (shareholding to be built up within the first four financial years after appointment); on reappointment, the shareholding obligation increases to a value equivalent to 150% of the fixed salary, or 200% in the case of the Chairman Obligation to hold the purchased shares for the duration of the Management Board activity
	<p>Benefits on early termination of contract</p> <ul style="list-style-type: none"> In case of revocation of appointment severance pay amounting to two years total annual compensation calculated on the basis of the total compensation of the last financial year, if applicable, of the current financial year less compensation during the notice period, but in any case limited to a maximum of the compensation for the remaining term of the respective service contract; no severance pay in the event of extraordinary termination of the service contract by the Company for good cause In the event of death, continued payment of the fixed salary to surviving dependents for the month of death and the six following months as well as the STI on a pro rata basis until the end of the month of death

3.5 Components of the compensation system, weighting as part of total target compensation

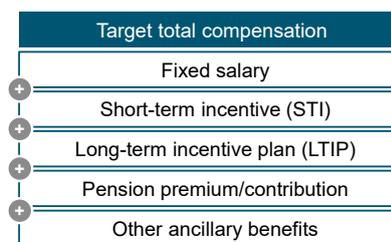
3.5.1 Components of the compensation system

The compensation system consists of fixed and variable components which make up the total compensation paid to each Management Board member.

The fixed compensation components are paid irrespective of the performance of the Company and comprise the fixed salary, benefits in kind and other ancillary benefits, and an annual pension contribution/pension payment.

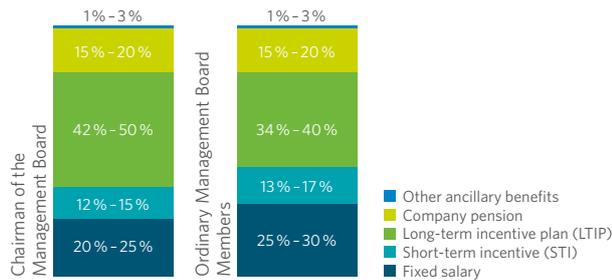
The variable compensation components are tied to the attainment of performance targets defined in advance and comprise a short-term incentive (STI) and a long-term variable component in accordance with the conditions of a long-term incentive plan (LTIP).

If the Management Board member achieves a target attainment level of 100% for both the STI and the LTIP, the total of these variable payments and the fixed salary plus the annual pension contribution/pension payment and other ancillary benefits make up the total target compensation of the respective Management Board member.



3.5.2 Relative weighting of the compensation components as part of total target compensation

The individual compensation components are weighted differently as part of the total target compensation. In the case of 100% target achievement, the STI is between 45% and 60% of the fixed salary, while the LTIP is between 120% and 200% of the fixed salary. As additional non-performance-related components of the compensation system, (i) an annual pension payment (including contributions to an external pension fund by a Group subsidiary for one Management Board member) is granted or (in case of participation in the deferred compensation model) an annual pension expense of between 60% and 80% of the fixed salary and (ii) ancillary benefits of between 3% and 8% of the fixed salary on average are granted.



These relative weightings may change by a few percentage points depending on fluctuations in valuation and the extent to which other ancillary benefits are utilised by the respective Management Board member (a flat-rate amount based on past experience is applied for the purposes of the percentage weightings shown here).

The target compensation structure described above ensures that compensation is geared towards the long-term, sustainable development of Vonovia SE. The high weighting of the LTIP ensures that the variable compensation resulting from the attainment of targets with a long-term focus exceeds the share of compensation attributable to targets with a short-term focus. At the same time, the weighting of the variable compensation and the STI serves to incentivise the achievement of the annual operating targets.

3.6 Maximum compensation

There is an upper limit on the amount of each of the variable compensation components. The STI payout is capped at 125% of the target STI. The LTIP payout may not exceed 250% of the award value.

In accordance with section 87a (1) sentence 2 no. 1 AktG, the Supervisory Board has also set an upper limit for the total of all component elements for one year (maximum compensation). This currently comprises the fixed salary, other ancillary benefits, annual pension cost in accordance with IAS 19 (or annual pension payment) and short-term variable and long-term variable compensation components. The maximum compensation serves to further limit the maximum total compensation that can be earned (total of the individual components in the event of maximum target attainment). It amounts to EUR 11 million p.a. (gross) for the Chairman of the Management Board and EUR 5.5 million p.a. (gross) for each of the other Management Board members (Including compensation for mandates at other Group companies. Due to the new regulations following ARUG II, the pension costs according to IAS 19 (or the annual pension payment) must be included in the calculation of the maximum compensation.).

This upper limit relates to the total payments made to a member of the Management Board for their Management Board activity for the respective financial year. Payouts of long-term variable compensation components under

the respective LTIP are allocated to the year in which the underlying LTIP tranche was granted. Other ancillary benefits are recognised in the amount of their cash value for tax purposes. If the total of the payments made for a given financial year exceeds the defined maximum compensation, the payout under the LTIP granted for that financial year is reduced by the exceeding amount.

Any severance payments on early termination of the Management Board activity and other one-off payments not granted as consideration for performance by the Management Board member (e.g. relocation costs, compensation for loss of bonuses from the member’s previous employer) do not count towards and are not limited by the maximum compensation.

4. Individual components of the compensation system

4.1 Fixed compensation

4.1.1 Fixed salary

Each Management Board member receives an annual basic salary (“fixed salary”) for their Management Board activity. As a matter of principle, this also covers all activities at Vonovia Group companies, subsidiaries and affiliated companies and is paid in twelve equal monthly instalments. As a rule, the fixed salary also serves to compensate the respective Management Board member for any other activities within the Group. In individual cases, Management Board members may receive compensation from a Group company under the terms of an additional contract of employment for management activities performed for that Group company; however, this counts towards the target total compensation and maximum total compensation in accordance with this compensation system. The amount of the fixed salary paid by Vonovia reflects the role of the respective member within the Management Board (including the time involved in performing the Management Board activity if a management activity within the Group is remunerated separately), their experience and their area of responsibility, and the market conditions.

4.1.2 Other ancillary benefits

Each Management Board member also receives benefits in kind and other ancillary benefits (Where a Management Board member is additionally employed by a Group subsidiary for a management activity within the Group that is remunerated by that company, the other ancillary benefits may be provided by the Group subsidiary in part or in full). This includes the private use of a company car or, if the Management Board member prefers, the payment of a company car allowance as well as the provision of the equipment required for the performance of the Management Board activity (e.g. communication equipment). The private use of a company car is taxed as a non-cash benefit, with the tax being borne by the Management Board member. The operating costs for the company car are borne by Vonovia SE.

Vonovia SE also pays 50% of the contributions to private health and long-term care insurance, limited to the maximum employer contribution to statutory health and long-term care insurance. In individual cases, term life insurance may be concluded for a Management Board member. In addition, D&O insurance including legal protection is concluded for the Management Board members. In accordance with section 93(2) sentence 3 AktG, the deductible for the Management Board members under the D&O insurance amounts to 10% of the loss or one and a half times the respective annual fixed salary. Business and travel expenses are reimbursed in accordance with the applicable reimbursement policies.

All Management Board members are entitled to the same ancillary benefits as a matter of principle; however, the individual benefits and, in particular, the amount may vary depending on the personal situation of the respective member and the extent to which the benefits are utilised. The Supervisory Board may grant different or additional ancillary benefits in line with standard market conditions.

4.1.3 Pension provisions

Management Board members appointed prior to 1 January 2021 may participate in Vonovia's company pension system providing they do not have a pension commitment resulting from another contract of employment within the Group. Vonovia's pension system includes the option of paying the annual pension amount into the "Pension contributions instead of cash compensation" deferred compensation model in its current version. Other employees also participate in this pension system. Management Board members receive the pension contribution in addition to their fixed salary. The pension contributions paid in are converted into a pension entitlement with a fixed interest rate and paid out as an annuity based on actuarial principles depending on the age of the respective member. Additional insolvency cover is provided from the date on which the total of the pension components financed through deferred compensation exceeds the limits of the cover provided by the Pensionsversicherungsverein (pension guarantee association) in accordance with section 7(3) of the German Company Pensions Act (BetrAVG). As an alternative to paying the pension contribution into the deferred compensation model, Management Board members may opt to receive a defined fixed amount as additional cash compensation. The present compensation system provides for the possibility that the Management Board members may also choose to be granted a higher pension payment in accordance with the provision under 4.1.4 for Management Board members newly appointed as of 1 January 2021 instead of the pension contributions under the current deferred scheme. The option of participating in the existing deferred scheme shall cease to apply with effect for the future (one-time option) after choosing the pension payment. One Management Board member is granted a company pension by a

Group subsidiary under the terms of an additional employment relationship for a management activity at that company in the form of contributions to a foreign pension fund and a defined pension payment as additional fixed compensation; under certain circumstances, the pension payment may also be paid into the pension fund at the request of the Management Board member.

4.1.4 Pension payment

Management Board members appointed for the first time after 1 January 2021 may not participate in the current "Pension contributions instead of cash compensation" deferred compensation model. They receive a non-performance-based fixed amount (pension payment) in addition to their fixed salary in cash. They have the option of contributing this pension payment to selected investment funds via an external service provider and receiving the accumulated capital plus income as a one-off payment when benefits fall due. Benefits under the new pension system do not constitute a company pension within the meaning of the BetrAVG and hence are not accounted for as such in the Company's financial statements.

4.2 Variable compensation

The variable compensation components for Management Board activity are geared towards the attainment of annual operating targets as well as the long-term, sustainable development of Vonovia SE. The short-term variable compensation components (STI) and the long-term variable compensation components - the performance share plan (LTIP) - are used to assess the performance of the Management Board members from different perspectives and over different periods of time (performance periods). In particular, they differ in terms of the financial and non-financial performance indicators applied in measuring the respective payment. The selection of the performance criteria focuses in particular on the implementation of the strategy, i.e. the performance criteria support Vonovia SE's growth strategy while also incentivising increased profitability and competitiveness. The inclusion of different transparent performance criteria allows the success of Vonovia SE to be reflected multidimensionally and in its entirety.

4.2.1 STI

a. STI - principles and performance criteria

The Management Board members are entitled to short-term variable compensation in the form of an STI for each financial year of the Company. The amount of the STI depends on the attainment of certain business targets that are mutually agreed by the Supervisory Board and the Management Board member in the previous year for the following financial year. In addition, the Supervisory Board can set individual performance targets with individual or all Management Board members before the beginning of the financial year,

which are included in the target achievement in the form of an individual performance factor (ILF) as a multiplier with a value of 0.8 to 1.2. Individual performance targets can also be set jointly for several Management Board members.

Target attainment for the payment of the STI is determined on the basis of the following performance criteria:

- Group funds from operations (Group FFO)
- Adjusted earnings before interest, taxes, depreciation and amortisation (adjusted EBITDA)
- If applicable individual performance targets

The two financial performance criteria (Group FFO and adjusted EBITDA) are significant operational business targets that reflect the Company's financial success. Group FFO reflects the earnings contributions of all four segments (Rental, Value-add, Recurring Sales and Development) and, together with adjusted EBITDA, is one of the most important performance indicators at overall Group level. In respect of the STI, Group FFO represents the performance criterion for the ability to pay dividends. Adjusted EBITDA constitutes EBITDA adjusted for prior-period, irregularly occurring and atypical items. A distinction is made between adjusted EBITDA for the four segments and total adjusted EBITDA, which represents the total of the adjusted EBITDA for the four segments. Adjusted EBITDA expresses the overall performance of Vonovia SE's sustainable operating business before interest, taxes, depreciation and amortisation. The calculation of overall target attainment for the purposes of the STI is based either on total adjusted EBITDA or on the adjusted EBITDA of the segments for which the respective Management Board members are responsible.

Group FFO, which describes Vonovia SE's sustainable operating earnings strength, is calculated by adjusting total adjusted EBITDA for current interest expenses and eliminating extraordinary items, current income taxes and consolidation effects. Group FFO is a key performance indicator in particular because financing is central to the success of Vonovia SE's business activities. Accordingly, incentivising Group FFO and adjusted EBITDA are extremely important for Vonovia SE's business success.

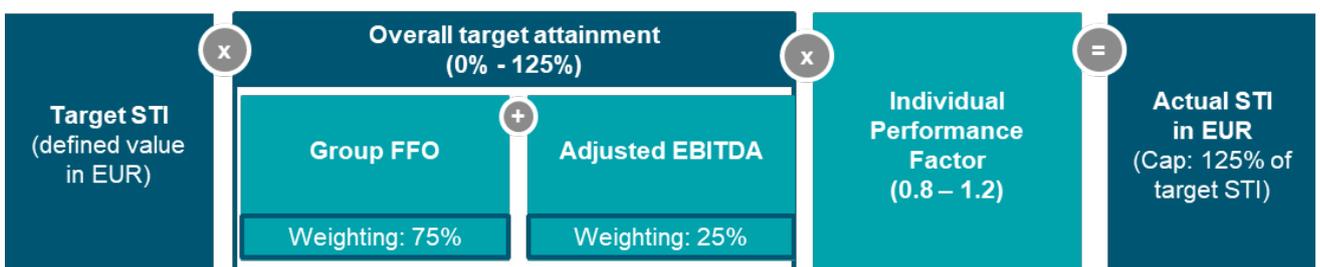
Individual performance targets and/or expectations for the Management Board members are derived in particular from the respective departmental responsibilities, support the corporate strategy and should also take into account the interests of the relevant stakeholders. Together with the performance targets, performance criteria are set, based on which the Supervisory Board determines an individual performance factor of 0.8 to 1.2 for each Management Board member after the end of the financial year.

The possibility of extraordinary developments within the meaning of section 87 (1) sentence 3 AktG must be taken into account to an appropriate extent in defining all targets. In the event of extraordinary circumstances (e.g. a severe economic or financial crisis, terrorist attacks or expropriation), the Supervisory Board has the option of adjusting the notional STI entitlement at its own discretion (up to the limit of the STI cap). If the service contract is not in place for the full financial year, the STI is paid on a pro rata basis for the portion of the respective financial year for which the service relationship was in place. Any STI is payable one month after the Company's annual financial statements are adopted.

In individual cases, Management Board members may, under the terms of an additional contract of employment with a Group subsidiary, receive variable compensation from that Group subsidiary in the form of an annual bonus whose amount depends on the attainment of certain qualitative and quantitative targets for the subsidiary's business. Variable compensation components from a Group subsidiary count towards the total target compensation and maximum compensation in accordance with this compensation system.

b. STI – how it works and weighting

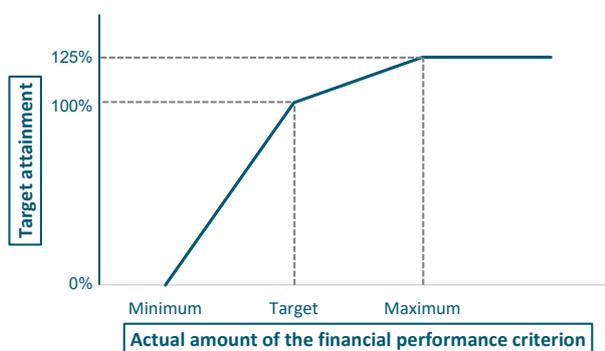
The STI granted by Vonovia takes the form of a target bonus system. The target STI is defined for each Management Board member in the respective service contract. An individual actual STI is determined at the end of the financial year depending on the attainment of the financial performance criteria and – if applicable – the set individual performance targets described in section 4.2.1.a. This actual STI is capped at 125% of the target STI. The performance criteria are linked additively and weighted differently depending on their relevance. Group FFO is included in the calculation with a weighting of 75%, while adjusted EBITDA is weighted at 25%.



An ambitious target attainment curve is applied for the financial performance criteria of adjusted EBITDA and Group FFO. Every year, the Supervisory Board defines a target and a minimum and maximum value for each of these performance criteria based on annual planning. If the performance criterion reaches the target exactly, this corresponds to target attainment of 100%. If the actual value amounts to the minimum value or lower, this corresponds to target attainment of 0%. If the actual value amounts to the maximum value or higher, this corresponds to target attainment of 125%.

Between these values, target attainment is calculated by way of linear interpolation.

The individual performance of a Management Board member is evaluated on the basis of the individual performance criteria. If the Supervisory Board has not set any individual performance targets for a Management Board member for a financial year, the individual performance factor shall be 1.0.



The target attainment curve reflects the strict pay-for-performance principle underlying the Management Board compensation system at Vonovia SE. The target and the minimum and maximum value for the respective financial year, the actual value achieved and the resulting target attainment are published ex post in the compensation report. A comparable approach is taken with respect to the individual performance factor.

4.2.2 Long-term incentive plan (LTIP)

a. LTIP – principles and performance criteria

In addition to the STI, the members of Vonovia’s Management Board are granted an annual compensation component with a long-term incentive effect and a balanced risk-reward profile in the form of virtual shares (“performance shares”) in accordance with the provisions of the applicable LTIP. The share-based model ensures that the performance shares of the Management Board members are subject to the development of the share price over the performance period of four years and are thus dependent on it. Through the contractually agreed shareholding provisions, the Management Board members remain invested in the company and thus follow the equally aligned interests of the shareholders in a positive corporate development.

The actual amount paid out is calculated on the basis of the number of performance shares initially allocated, target attainment during the performance period and the development of Vonovia SE’s share price including dividends paid during the performance period. Target attainment is determined using the following performance criteria:

- Relative total shareholder return (relative TSR)
- NTA (net tangible assets) per share
- Group FFO (funds from operations) per share
- Sustainability Performance Index (SPI)

The three financial performance criteria - relative TSR, NTA per share and Group FFO per share - incentivise the Company’s long-term value appreciation. This ensures that the interests of the Management Board are even more closely aligned with the interests of the shareholders. At the same time, the interests of stakeholders are specifically taken into account through the use of the SPI. This serves to incentivise the long-term and sustainable growth of Vonovia SE.

Total shareholder return (TSR) describes the share price performance of Vonovia SE during the performance period plus the gross dividends per share paid and notionally re-invested during the same period. To reduce distorting effects at the reporting date, the TSR is calculated on the basis of the Company’s closing price on the last 60 trading days prior to the start and end of the performance period. Including the share price and dividends is the best way of reflecting the Company’s value appreciation on the capital markets. The LTIP applies the relative TSR as a performance criterion in order to additionally incentivise outperformance compared with relevant market participants. This involves comparing the TSR of Vonovia SE with the TSR of relevant market participants. The comparison is performed using the out-performance method: The relative TSR is calculated as the difference between the TSR of Vonovia SE and the TSR of the benchmark index in percentage points. Due to the size, industry and portfolio of Vonovia SE, the benchmark index

consists of the companies in the FTSE EPRA/NAREIT Germany Index. However, the peer group applied in determining the relative TSR could be redefined in future in the event of relevant changes.

The second financial performance criterion, NTA per share, is also one of Vonovia SE's key performance indicators. It reflects the value of the Company's real estate assets and modernisation and construction activity and hence is significant for the Company's value development. As a matter of principle, NTA per share is calculated on the basis of the NTA in accordance with the ERPA Best Practice Recommendations. The NTA calculated in line with these criteria is divided by the number of shares at the reporting date (NTA at reporting date to number of shares (non-diluted) at reporting date).

Group FFO is another highly relevant controlling parameter for Vonovia SE (see section 4.2.1.a.). In addition to ensuring operational earnings strength on an annual basis, it is important to incentivise long-term, sustainable earnings growth, which is why Group FFO per share is included in the LTIP as a performance criterion. The four-year performance analysis focuses on the long-term development of Group FFO.

Alongside the three financial targets, non-financial performance criteria are included in calculating the LTIP payout in the form of the SPI. This ensures that additional important non-financial objectives forming a key part of the Company's corporate philosophy are taken into account to an appropriate extent. The SPI includes environmental, social and governance targets that are of fundamental importance to Vonovia AG's long-term, sustainable growth.

The targets included in calculating the SPI are determined by the Supervisory Board at the start of each performance period. To enable specific incentives to be set, they may vary from one performance period to the next. Particular attention is paid to ensuring that the targets are strategically relevant, transparent and measurable. To this end, the targets are also published ex post in the compensation report. Potential targets include reducing CO2 intensity in the portfolio, energy-efficient new construction, the number of accessible (partially) modernised apartments, increasing customer satisfaction, increasing employee satisfaction, and management diversity. With the introduction of the SPI as a performance criterion, input factors for sustainable corporate development are now also taken into account.

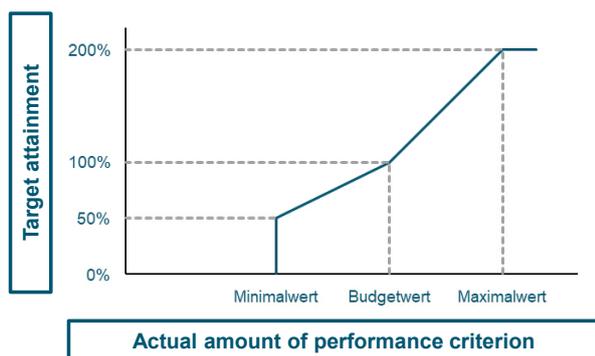
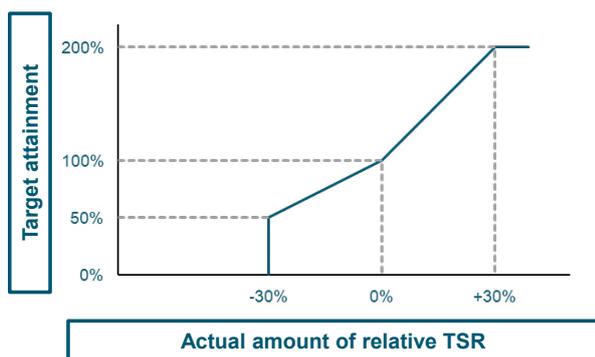
b. LTIP - how it works and weightings

In order to come as close as possible to a purely share-based system, a contractually agreed award value is transferred into an initial number of virtual shares ("performance shares") at the beginning of each year on the basis of the present share value. The initial number of performance shares corresponds to the award value divided by the average closing price on the last 60 trading days prior to the start of the performance period ("initial share price"), rounded up to the next whole share. The final number of performance shares at the end of the four-year performance period depends on the attainment of the financial and non-financial performance criteria described in section 4.2.2.a. These performance criteria are linked additively and each weighted at 25%.



Equally ambitious target attainment curves ranging from 0% to 200% are applied for all four performance criteria. Before the start of each performance period, the Supervisory Board defines a target corresponding to target attainment of 100% for each performance criterion. A minimum and maximum value are also defined. If the actual value amounts to the minimum value, this corresponds to target attainment of 50%; if the actual value is lower, this corresponds to target attainment of 0%. From the maximum value upwards, target attainment is capped at 200%. Between these values, target attainment is calculated by way of linear interpolation.

Example of a target attainment curve:



After the end of the respective performance period, the initial number of performance shares is multiplied by the overall target attainment and rounded up to the next whole share to determine the final number of performance shares.

The final number of performance shares is multiplied by the average closing price on the last 60 trading days prior to the end of the performance period ("final share price") (including the total of the dividends per share paid during the performance period based on the final number of performance shares). The result is the gross payout in cash.

The amount paid out for each tranche of performance shares as part of the LTIP may not exceed 250% of the award value of the respective LTIP tranche at the start of the relevant performance period for the LTIP tranche (cap).

In accordance with recommendation G.11 S. 1 of the GCGC 2020, the Supervisory Board has the option to take into account extraordinary developments to an appropriate extent in order to maintain or restore the original value ratios. The payment for the respective performance period is due as part of the next salary payment after the Company's annual financial statements are adopted following the end of the respective performance period, and in any case no later than 31 December of the financial year following the end of the performance period.

4.3 Shareholding obligation

To ensure that the interests of the Management Board and the shareholders remain aligned and to reinforce the Company's sustainable development, the compensation system requires the Management Board members to purchase and hold shares in the Company. Accordingly, each Management Board member is obliged to purchase shares of Vonovia SE until the end of the first four years of their Management Board activity and to hold them until the end of their appointment ("restricted shares"). As a matter of principle, the number of shares to be held is calculated as the respective member's annual gross fixed salary divided by the arithmetic mean (rounded to two decimal places) of the Company's closing share price on the last 60 trading days prior to the member being appointed to the Management Board (rounded to whole numbers). If the member already owns Vonovia SE shares, these are taken into account in calculating the number of shares to be held. In the event of a change in the member's annual fixed salary or a share split, the number of restricted shares subject to the holding period must be recalculated according to the same formula. When a Management Board member is reappointed for the first time, the minimum number of restricted shares to be held increases to 150% of their annual fixed salary. The increased number of restricted shares must be acquired and held after eight years at the latest. The Chairman of the Management Board is obliged to purchase restricted shares with a value equivalent to 150% of his annual gross fixed salary according to the above formula. When the Chairman of the Management Board is reappointed for the first time, the minimum number of restricted shares increases to 200% of his annual fixed salary.

4.4 Malus/Clawback

The service contracts of the Management Board members of Vonovia SE contain malus and clawback clauses that allow the Supervisory Board to reduce the payment or demand the repayment of variable compensation components at its discretion in certain cases. This option exists when a Management Board member demonstrably breaches their obligations in a way that allows for their legally effective extraordinary termination or demonstrably breaches their significant duties of care in accordance with section 93 AktG through wilful intent or gross negligence.

If variable compensation components are determined or paid out on the basis of incorrect data, e.g. inaccurate consolidated financial statements, the Supervisory Board may correct the level of compensation to be paid or demand the repayment of compensation components that have already been paid out.

A reduction or demand for repayment in the cases described above is possible until one year after the payment of the respective variable compensation component. As a matter of principle, the reduction or demand for repayment is recognised for the year in which the breach occurred.

The malus and clawback clauses do not affect any liability for damages to the Company on the part of the Management Board member.

Corresponding malus and clawback clauses also apply for variable compensation payments by a Group subsidiary for separately remunerated management activities at that company.

5. Termination of Management Board activity

5.1 Contract duration, termination options

Service contracts of Management Board members are concluded for the duration of the respective appointment. This is typically three years for the initial appointment and five years for each subsequent reappointment. In accordance with the AktG, the service contracts do not provide for ordinary termination; this does not affect the mutual right to immediately terminate the service contract for good cause. Service contracts of Management Board members expire automatically when the member reaches the age of 67 or if the member is incapacitated or becomes unable to work due to illness for the foreseeable future. Furthermore, they expire at the end of the statutory termination period in accordance with section 622(2) of the German Civil Code (BGB) if the member's appointment is revoked by the Supervisory Board ("connection clause").

5.2 Early termination

5.2.1 Severance payments

If a service contract of a Management Board member is terminated early due to their appointment being revoked, the member has a contractual right to receive severance pay. In line with the recommendations of the GCGC, the amount of this severance pay is limited to a maximum of twice the total annual compensation (i.e. fixed salary, ancillary benefits, pension, contribution/pension payment, STI and LTI) (severance cap) less the payments for any notice period and may not exceed the compensation for the remaining term of the service contract. The contractual severance pay and the contractual severance cap are calculated on the basis of the total compensation for the financial year preceding the early termination of the Management Board activity and, where applicable, on the basis of the expected total compensation for the current financial year. No severance is paid when a service contract of a Management Board member is terminated by the Company for good cause.

In individual cases, an additional contract of employment with a Group subsidiary relating to a management activity that is remunerated separately by that company may provide for a severance payment by the Group subsidiary in the event of the early termination of the management activity (other than for good cause). In line with the recommendations of the GCGC, the amount of any severance pay under a contract of employment with a Group subsidiary is also limited to a maximum of twice the total annual compensation (severance cap) less the payments for any notice period and may not exceed the compensation for the remaining term of the contract of employment. However, any claim to severance pay does not apply if the contract of employment with Vonovia remains in place (in amended form).

5.2.2 Compensation for resignation due to change of control

In the event of a change of control resulting in defined instances of interference in the independence of the Management Board or significant changes to the composition of the Management Board or Supervisory Board, the members of the Management Board have the right to resign from their position and terminate their service contract. If a Management Board member exercises this right, this gives rise to a contractual right to severance pay in the amount of the severance cap mentioned in 5.2.1, providing this does not exceed the compensation for the remaining term of the respective service contract; one Management Board member may receive severance pay due to a change of control in the amount of 150% of the aforementioned severance cap (i.e. of up to three total annual compensations) in accordance with the preceding recommendation in section 4.2.3 paragraph 5 GCGC 2017, providing this does not exceed the compensation for the remaining term of the respective service contract. In the interest of flexibility and the preservation of existing rights, corresponding severance payment regulations can also be agreed upon or continued in the future in accordance with the previous Code recommendation from section 4.2.3 paragraph 5 GCGC 2017.

5.2.3 LTIP on early termination

If a service contract of a member of the Management Board ends due to expiry, death or revocation of appointment, the initial number of performance shares granted for the year in which the service contract ends is reduced by one-twelfth for each month in which the service relationship ends prior to the end of the respective calendar year. The other tranches are not reduced. If the service contract of the Management Board member is subject to extraordinary termination by Vonovia for good cause in accordance with section 626(1) BGB before the end of the performance period or the Management Board member resigns from their position without the Company establishing good cause for them doing so, all the member's rights and claims under the LTIP shall be forfeited with immediate effect and without compensation.

This does not apply to claims in connection with performance shares for which the performance period has expired when the service contract ends.

If the service contract continues in the event of a change of control, the LTIP is amended while preserving the value ratios that were in place when the change of control became effective or is replaced by a new form of long-term variable compensation with a comparable value and economic effect. If the service contract of a Management Board member ends due to a change of control, all current performance periods end on the date on which the service contract ends. Target attainment of 100% is assumed for all performance targets, and the last asking price when the change of control became effective is applied as the final share price in determining the amount to be paid out. Payment is made within one month following the end of the service contract.

5.2.4 Incapacity/Surviving dependents' benefits

If a Management Board member is temporarily or permanently incapacitated due to illness, the Company shall pay the fixed salary for up to twelve months from the start of such incapacity, and in any case only up until the end of the service relationship. The Supervisory Board may reduce the STI on a pro rata basis if the Management Board member is incapacitated for more than six months of the financial year (not necessarily continuously).

If the Management Board member dies, their surviving dependents are entitled to the continued payment of the fixed salary for the month of death and the six following calendar months. The STI is paid on a pro rata basis until the end of the month of death, with the expected attainment of the business targets being determined by the Supervisory Board at its discretion and taking into account the past and expected future course of business in the respective calendar year.

5.3 No further provisions on severance payments

With the exception of the provisions described in section 5.2, the Management Board compensation system does not provide for any severance payments.

5.4 Post-contractual restraint on competition

The Supervisory Board may impose a post-contractual restraint on competition for a period of up to 24 months. Appropriate compensation is to be determined on a case-by-case basis taking the statutory provisions in sections 74 et seq. German Commercial Code (HGB) for employees into careful consideration and is granted for this period (compensation for non-competition). This is paid in instalments at the end of each month. Any statutory fees on this amount are borne by the Management Board member. The Supervisory Board decides whether any severance payments due to early termination of Management Board activity (see section 5.2) count towards the compensation for non-competition on a case-by-case basis when resolving the respective restraint on competition.

6. Ancillary activities of Management Board members

As a matter of principle, the fixed salary compensates the respective Management Board member for all activities performed on behalf of the Company and its affiliated companies. In particular, this includes positions on the supervisory boards of other Group companies. If claims for compensation arise in respect of affiliated companies, these are generally counted towards the fixed salary; in one individual case, compensation components for management activity at a Group company are paid under the terms of an additional service contract with that company. With regard to compensation for positions on the supervisory boards of non-Group companies, the Supervisory Board decides whether and to what extent this compensation is counted towards the fixed salary on a case-by-case basis. The service contract may require a Management Board member to donate any income earned from other activities performed in the interests of the Company (e.g. from positions in associations) to the Vonovia Foundation (unless otherwise specified by the Supervisory Board of the Vonovia Foundation).

7. Temporary deviations

In exceptional circumstances, the Supervisory Board may temporarily deviate from the compensation system if this is necessary for the long-term good of the Company. Generally unfavourable market conditions are expressly deemed not to constitute exceptional circumstances for the purposes of this provision. Far-reaching and extraordinary changes in the economic situation, e.g. due to a severe economic crisis, may constitute exceptional circumstances for the purposes of this provision. Exceptional circumstances may also include the adjustment of the compensation system to reflect a significant change in the corporate strategy in order to ensure suitable incentivisation. Even in the event of a deviation from the existing compensation system, compensation must continue to be geared towards the long-term, sustainable development of the Company and may not overburden the Company's financial capacity. Any deviation from the compensation system is permitted only on the basis of a corresponding Supervisory Board resolution proposed by the Executive Committee, which identifies the exceptional circumstances and the need for a deviation.

The option of temporarily deviating from the compensation system for the Management Board is limited to the following elements: performance criteria for short-term and long-term variable compensation, potential target attainment ranges for the individual elements of variable compensation, the relative shares of the fixed and variable compensation components, and occasional expenses for extraordinary ancillary benefits. If the adjustment of the existing compensation components is not sufficient to restore the incentive effect of the Management Board compensation, the Supervisory Board has the option of responding to exceptional circumstances by temporarily granting additional compensation components under the same conditions.

7. Confirmation of the compensation of the members of the Supervisory Board

Pursuant to section 113(3) sentences 1 and 2 AktG, as amended by ARUG II, the Annual General Meeting of listed companies must pass a resolution on the compensation of the members of the Supervisory Board at least every four years, whereby a resolution confirming the compensation is permissible.

The current compensation of the members of the Supervisory Board is set out in Section 13 of the Articles of Association. According to this, the amount of compensation is based on the duties performed on the Supervisory Board or its committees by the respective member. In the opinion of the Management Board and Supervisory Board, this compensation is still appropriate and should remain unchanged.

The Management Board and Supervisory Board propose that the compensation of the members of the Supervisory Board described below be confirmed.

Description of the compensation of the members of the Supervisory Board:

At present, the members of the Supervisory Board receive only the fixed compensation set out in Section 13 of the Company's Articles of Association. The amount of the compensation depends on the tasks performed by the respective Supervisory Board member on the Supervisory Board and its committees. The Company reimburses the Supervisory Board members for VAT incurred on the compensation to the extent that they are eligible to separately invoice VAT in respect of the Company and have exercised this right. The Company also reimburses the Supervisory Board for expenses incurred due to the exercising of their office and concludes D&O liability insurance for the Supervisory Board members with a reasonable maximum liability.

The wording of Section 13 of the Company's Articles of association is as follows:

“Section 13 Compensation of the Supervisory Board

- 13.1 Each Supervisory Board member shall receive annual fixed compensation in the amount of € 100,000.00.
- 13.2 The Chairperson of the Supervisory Board shall receive twice this amount, while the Deputy Chairperson shall receive one and a half times this amount. The members of the Audit Committee shall receive additional annual fixed compensation in the amount of € 40,000.00; the Chairperson of the Audit Committee shall receive twice this amount.
- 13.3 Supervisory Board members who are members of one or more other Supervisory Board committees that have met at least once in the respective year shall receive additional annual fixed compensation in the amount of € 20,000.00 or, in the case of the Chairperson of the committee, € 40,000.00 for each such committee.

- 13.4 The total of all compensation in accordance with this Section 13 plus any compensation for membership of supervisory boards and similar controlling bodies of Group companies may not exceed € 300,000.00 per calendar year for each Supervisory Board member, irrespective of the number of committee memberships and functions.
- 13.5 All of the compensation described above is payable after the end of the respective financial year. Supervisory Board members who are members of the Supervisory Board or a Supervisory Board committee for only part of a financial year shall receive corresponding pro rata compensation for that financial year, rounded up to whole months.
- 13.6 The Company shall reimburse the Supervisory Board members for appropriate expenses incurred due to the exercising of their office. VAT is reimbursed by the Company to the extent that the Supervisory Board members are eligible to separately invoice VAT in respect of the Company and have exercised this right.
- 13.7 The Company shall conclude D&O liability insurance for the Supervisory Board members with a reasonable maximum liability.”

The Supervisory Board monitors the management activity of the Management Board and assists the Management Board in an advisory capacity. Granting fixed compensation that is non-performance-based helps to enable the Supervisory Board to perform these activities in the objective interest of the Company. In this respect, the established compensation system for the Supervisory Board supports the business strategy with its long-term focus and the Company's long-term development.

In accordance with the new statutory provision set out in section 113(3) sentence 1 AktG, the compensation of the Supervisory Board members must be reviewed at least every four years and a resolution on the compensation must be passed by the Annual General Meeting. Section 113(3) sentence 2 clause 1 AktG states that this can also be a confirmatory resolution. The review is performed on the basis of a comparison with other large listed and unlisted companies. An external compensation consultant who is independent of the Management Board and the Supervisory Board may be consulted in preparing the comparison as required. Proposals for the adjustment or confirmation of the compensation paid to the Supervisory Board members are submitted jointly by the Management Board and the Supervisory Board, with the Supervisory Board being supported by its Executive Committee.

The members of the Management Board and Supervisory Board and of the Executive and Nominating Committee are required by law and the German Corporate Governance Code to disclose immediately any conflicts of interest that

may arise. In such cases, the corporate bodies take appropriate measures to take account of the conflict of interest. For example, the members concerned do not take part in deliberations and resolutions.

8. Renewal of the authorized capital and amendment of section 5 of the Articles of Association

The Management Board made partial use of the authorization granted by the Annual General Meeting on 9 May 2018 to increase, with the approval of the Supervisory Board, the Company's share capital by up to a total of EUR 242,550,413.00 during the period up to 8 May 2023 by issuing up to 242,550,413 new no-par-value registered shares against contributions in cash and/or in kind on one or several occasions (Authorized Capital 2018), by increasing the share capital through multiple capital increases by a total of EUR 47,809,365.00.

Section 5 of the Articles of Association therefore currently contains Authorized Capital 2018 that permits the Management Board, with the approval of the Supervisory Board, to increase the Company's share capital by up to a total of EUR 194,741,048.00 by issuing up to 194,741,048 new no-par-value registered shares against contributions in cash and/or in kind on one or several occasions.

The Management Board and the Supervisory Board intend to use an amount of up to EUR 19,000,000.00 of the Authorized Capital 2018 to create new shares intended to be offered to the shareholders in the context of the share dividend announced in Item 2 of the Agenda.

A new authorized capital (Authorized Capital 2021) shall allow the Company in the future to comprehensively strengthen its capital resources in a flexible manner as and when necessary. To achieve these objectives, a corresponding resolution on the Authorized Capital 2021 shall be adopted by amending the Articles of Association accordingly. In this context, it is intended to cancel the Authorized Capital 2018. The cancellation of the Authorized Capital 2018 and the creation of the Authorized Capital 2021 are intended to become effective only after the use of the Authorized Capital 2018 for the share dividend, but no later than early June 2021.

Therefore, the Management Board and the Supervisory Board propose to resolve as follows:

a) Cancellation of the existing Authorized Capital 2018

The current authorization to increase the share capital pursuant to section 5 of the Articles of Association (Authorized Capital 2018) as granted by the Annual General Meeting on 9 May 2018, and valid until 8 May 2023, and Section 5 of the Articles of Association shall be cancelled.

b) Creation of Authorized Capital 2021 with the possibility of excluding shareholders' subscription rights

A new authorized capital in the amount of EUR 282,943,649.00 will be created with the possibility of excluding shareholders' subscription rights ("**Authorized Capital 2021**").

Section 5 of the Articles of Association shall be restated as follows:

"Section 5 Authorized Capital

- 5.1 The Management Board is authorized to increase the Company's share capital by up to EUR 282,943,649.00 in the period up to 15 April 2026 with the consent of the Supervisory Board by issuing up to 282,943,649 new no-par-value registered shares against cash and/or in kind contributions on one or several occasions ("**Authorized Capital 2021**").
- 5.2 The Management Board shall only be entitled to use the Authorized Capital 2021 in an amount of no more than 50% of the share capital at the time said authorization comes into effect or - if such amount is lower - at the time it is exercised. Any shares already issued or to be issued to satisfy bonds with conversion or option rights or obligations from a conditional capital are to be included in this 50% cap on the share capital, provided these bonds were issued during the term of this authorization. The cap, decreased under the preceding sentences of this paragraph, shall be increased again when a new authorization pursuant to section 202 or section 221 (in conjunction with a conditional capital pursuant to section 192 AktG) approved by the Annual General Meeting after the decrease becomes effective, to the extent of the reach of the new authorization, but up to a maximum of 50% of the share capital in accordance with the stipulations of sentence 1 of this paragraph.
- 5.3 The shareholders must in principle be granted subscription rights. As part of this, the shares pursuant to section 186(5) AktG may also be acquired by one or several credit institution(s) or one or several enterprise(s) operating pursuant to section 53(1) sentence 1 or section 53b(1) sentence 1 or (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).
- 5.4 The Management Board is, however, authorized, with the approval of the Supervisory Board, to exclude shareholders' subscription rights for one or several 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 amount 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(1) and (2), section 186(3) sentence 4 AktG and the proportion of the share capital attributable to the new shares issued subject to the exclusion of subscription rights in line with section 186(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 – in the event that this amount is lower – at the time at which it is exercised. This cap of 10% of the share capital is to include (i) any shares issued or disposed during the term of this authorization without subscription rights in direct or analogous application of section 186(3) sentence 4 AktG and (ii) any shares issued or to be issued to satisfy bonds with conversion or option rights or obligations, provided these bonds were issued during the term of this authorization without subscription rights pursuant to section 186(3) sentence 4 AktG. The cap, decreased under the preceding sentences of this paragraph, shall be increased again when a new authorization to exclude shareholders' subscription rights in line with section 186(3) sentence 4 AktG approved by the Annual General Meeting
- after the decrease becomes effective, 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;
- (iv) to issue shares against contributions in kind in particular – but not solely – for the purpose of the acquisition (including the indirect acquisition) of companies, parts of companies, shareholdings in companies and other assets relating to an intended acquisition (including receivables), properties and property portfolios, or to satisfy bonds referred to in section 5.4(ii) issued against contributions in kind;
- (v) to issue a share dividend under which shares of the Company are issued (including partially and/or optionally) against contribution of shareholder dividend claims (*scrip dividend*); 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(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.

- 5.5 The authorizations to exclude subscription rights in the event of capital increases against cash and/or in kind contributions as mentioned in the paragraphs above are limited in total to an amount not exceeding 10% of the share capital, either at the time at which this authorization becomes effective or – in the event that this amount is lower – at the time at which it is exercised. This cap of 10% of the share capital is to include (i) any shares issued during the term of this authorization from other authorizations without subscription rights and (ii) any shares issued or to be issued to satisfy bonds, provided the bonds were also issued without subscription rights during the term of this authorization. The cap, decreased under the preceding sentences of this paragraph, shall be increased again when a new authorization to exclude shareholders' subscription rights approved by the Annual General Meeting after the decrease becomes effective, 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.
- 5.6 The new shares created on the basis of the Authorized Capital 2021 shall bear dividend rights from the beginning of the financial year in which they come into existence and continue to do so in the financial years that follow; by way of derogation, subject to the approval of the Supervisory Board and insofar as is legally permissible, the Management Board may stipulate that the new shares shall bear dividend rights from the beginning of the financial year for which no resolution of the Annual General Meeting regarding the appropriation of the net profit had been passed at the time of the capital increase.
- 5.7 The Management Board is furthermore authorized, with the approval of the Supervisory Board, to stipulate the further details of the rights and the conditions of the share issuance.
- 5.8 The Supervisory Board shall be authorized to amend sections 4.1 and 5 of the Articles of Association to reflect the utilization of the Authorized Capital 2021 and once the authorization period has expired."

c) Application for registration in the commercial register

The Management Board is instructed to apply for the registration of this resolution in the commercial register only on 1 June 2021 or immediately thereafter. The time schedule fixed for the registration shall allow the Company to effect the capital increase required for the share dividend announced in Item 2 from the existing Authorized Capital 2018. The application for registration shall be made subject to the requirement that the cancellation of the Authorized Capital 2018 shall be registered first, albeit only if the registration of the new Authorized Capital 2021 follows immediately.

Subject to the preceding paragraph, the Management Board is authorized to apply for the registration in the commercial register of the approved cancellation of the Authorized Capital 2018 and the approved creation of the Authorized Capital 2021, including the amendment to section 5 of the Articles of Association irrespective of the Annual General Meeting's other resolutions.

Should the Company's share capital change up until the date of the Annual General Meeting, the Management Board and Supervisory Board reserve the right to submit an appropriately adapted resolution proposal to the Annual General Meeting that provides for a nominal amount for the Authorized Capital 2021 which will correspond to 50% of the share capital of the Company on the day of the Annual General Meeting.

The Management Board has prepared a report on the reasons for the authorization to exclude subscription rights. This report is attached to this invitation to the Annual General Meeting as **Annex (no. 1)**. In addition, the Management Board has prepared a report on the utilization of the Authorized Capital 2018 in the amount of EUR 17,000,000.00 in connection with a cash capital increase by way of an accelerated bookbinding without subscription rights. This report is attached to this invitation to the Annual General Meeting as **Annex (no. 2)**.

9. Renewal of the authorization to issue convertible bonds, warrant bonds, profit participation rights and/or participating bonds (or combinations thereof) and of the conditional capital; amendment of section 6 of the Articles of Association

By resolution of the Annual General Meeting held on 9 May 2018, the Management Board was authorized, with the approval of the Supervisory Board, to issue bearer or registered convertible bonds, warrant bonds, profit participation rights and/or participating bonds (or combinations thereof) (hereinafter collectively "**bonds**") on one or several occasions up to 8 May 2023, with a total nominal amount

of up to EUR 9,702,016,520.00 with or without a limited maturity period and to grant the bond creditors/holders conversion or option rights for shares in the Company with a proportionate amount of up to EUR 242,550,413.00 of the share capital subject to the more detailed conditions of the warrant or convertible bonds or profit participation rights in question (hereinafter individually "**conditions**"). The Conditional Capital 2018 of EUR 242,550,413.00 was created to satisfy the 2018 bonds (section 6.2 of the Articles of Association); this sum remains unchanged up to the day on which the invitation to this Annual General Meeting is published.

The existing authorization granted by the resolution of the Annual General Meeting on 9 May 2018 will only end on 8 May 2023. However, due to capital increases without subscription rights which had to be taken into account for the limitations of the existing authorization the possibility to utilize the existing authorization is reduced. In order to maintain the Company's comprehensive ability to issue convertible bonds, warrant bonds, profit participation rights and/or participating bonds (or combinations thereof) with or without subscription rights as and when necessary, the existing authorization and the existing conditional capital (Conditional Capital 2018) are to be cancelled and to be replaced by a new authorization and new conditional capital (Conditional Capital 2021).

Therefore, the Management Board and the Supervisory Board propose to resolve as follows:

a) Cancellation of the authorization dated 9 May 2018 and corresponding cancellation of the Conditional Capital 2018

The Management Board's authorization to issue convertible bonds, warrant bonds, profit participation rights and/or participating bonds or combinations thereof dated 9 May 2018 and the conditional capital pursuant to section 6 of the Articles of Association shall be cancelled upon the amendment of the Articles of Association proposed in lit. c) of this Item 9 becoming effective.

b) Authorization to issue convertible bonds, warrant bonds, profit participation rights and/or participating bonds (or combinations thereof) and to exclude subscription rights

The following authorization of the Management Board to issue convertible bonds, warrant bonds, profit participation rights and/or participating bonds or combinations thereof shall take effect upon the registration of the amendment to the Articles of Association proposed in lit. c) of this Item 9.

aa) Nominal amount, authorization period, number of shares

With the approval of the Supervisory Board, the Management Board is authorized to issue bearer or registered convertible bonds, warrant bonds, profit participation rights and/or participating bonds (or combinations thereof) (hereinafter collectively "**bonds**") on one or several occasions up to 15 April 2026, with a total nominal amount of up to EUR 12,000,000,000.00 with or without a limited maturity period and to grant the creditors/holders of bonds, at the time of their creation, conversion or option rights for shares in the Company with a proportionate amount of up to EUR 282,943,649.00 of the share capital subject to the more detailed conditions of the warrant or convertible bonds or profit participation rights in question (hereinafter individually "**conditions**"). The relevant conditions may also include mandatory conversions at the end of the time to maturity or at other points in time, including the obligation to exercise the conversion or option right. Bonds may also be issued entirely or partially against contributions in kind.

Bonds may be issued in euros or in the legal currency of a member state of the Organization for Economic Co-operation and Development, subject to limitation to the corresponding value in euros. Bonds may also be issued by companies which are dependent on the Company or in which the Company has a direct or indirect majority shareholding; in this case, the Management Board is authorized to take on the guarantee for the bonds in lieu of the dependent company or company in which the Company has a majority shareholding and to grant the creditors of such bonds conversion or option rights for shares of the Company, with these possibly also containing the obligation to exercise the conversion or option rights. When bonds are issued, these can (and will generally) be divided into partial bonds bearing identical rights.

The Company's Management Board shall only be entitled to issue bonds if and to the extent the number of shares which were issued or are to be issued to satisfy bonds with conversion or option rights or obligations from conditional capital does not exceed 50% of the share capital at the time said authorization comes into effect or - if such amount is lower - at the time it is exercised. Shares issued during the term of this authorization from conditional capital

are to be included in this 50% cap of the share capital. The cap, decreased under the preceding sentences of this paragraph, shall be increased again when a new authorization approved by the Annual General Meeting after the decrease pursuant to section 202 or section 221 AktG (in conjunction with a conditional capital pursuant to section 192 AktG) becomes effective, to the extent of the reach of the new authorization, but up to a maximum of 50% of the share capital in accordance with the stipulations of sentence 1 of this paragraph.

bb) Granting of subscription rights, exclusion of subscription rights

The shareholders must in principle be granted subscription rights to the bonds. The bonds may also be assumed by one or several credit institution(s) or one or several enterprise(s) operating pursuant to section 53(1) sentence 1 or section 53b(1) sentence 1 or (7) of the German Banking Act (*Kreditwesengesetz*) with the obligation to offer them to the shareholders indirectly for subscription within the meaning of section 186(5) AktG (known as an indirect subscription right). The Management Board is, however, authorized to exclude shareholders' subscription rights to the bonds with the approval of the Supervisory Board:

- (1) to exclude fractional amounts from the subscription right;
- (2) insofar as is necessary to grant the holders of bonds already issued or to be issued by the Company, by a dependent company or by a company in which the Company directly or indirectly has a majority shareholding a subscription right in the same volume as said holders would be entitled to upon exercising their conversion or option rights or fulfilling their conversion or option obligations as shareholders;
- (3) insofar as the bonds are issued with conversion or option rights or obligations against a cash contribution and the issue price does not significantly undercut the value of the partial bonds within the meaning of section 221(4) sentence 2 and section 186(3) sentence 4 AktG as calculated on the basis of recognized valuation techniques. However, this authorization to exclude subscription rights only applies to bonds with rights to shares to which no more than 10%

of the share capital is apportioned, either at the time at which this authorization becomes effective or – in the event that this amount is lower – at the time at which it is exercised. This cap of 10% of the share capital is to include (i) any shares issued or disposed during the term of this authorization without subscription rights in direct or analogous application of section 186(3) sentence 4 AktG and (ii) any shares issued or to be issued to satisfy bonds with conversion or option rights or obligations, provided these bonds were issued during the term of this authorization without subscription rights pursuant to section 186(3) sentence 4 AktG. The cap, decreased under the preceding sentences of this paragraph, shall be increased again when a new authorization to exclude shareholders' subscription rights in line with section 186(3) sentence 4 AktG approved by the Annual General Meeting after the decrease becomes effective, 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;

- (4) in the event that they are issued against contributions in kind, in particular – but not solely – for the purpose of the acquisition (including the indirect acquisition) of companies, parts of companies, shareholdings in companies and other assets relating to an intended acquisition (including receivables), properties and property portfolios insofar as the value of the contribution in kind is commensurate to the fair value of the bonds to be calculated pursuant to lit. b), bb), (3) above.

The above authorizations to exclude subscription rights are limited in total to an amount not exceeding 10% of the share capital, either at the time at which this authorization becomes effective or – in the event that this amount is lower – at the time at which it is exercised. This cap of 10% of the share capital is to include (i) any shares issued during the term of this authorization from other authorizations without subscription rights and (ii) any shares issued or to be issued to satisfy bonds, provided the bonds were also issued without subscription rights during the term of this authorization.

The cap, decreased under the preceding sentences of this paragraph, shall be increased again when a new authorization to exclude shareholders' subscription rights approved by the Annual General Meeting after the decrease becomes effective, 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.

cc) Conversion and option rights

If bonds with conversion rights are issued, the creditors may, subject to the conditions, convert their bonds into Company shares. The conversion ratio is calculated by dividing the nominal amount of a partial bond by the stipulated conversion price for a Company share. The conversion ratio can also be calculated by dividing the issue price of a partial bond, which is below its nominal amount, by the stipulated conversion price for a Company share. The conversion ratio may be rounded to a whole number; an additional cash payment may also be stipulated. The conditions may also provide for fractional amounts being combined and/or settled in cash. The conditions may also allow for a variable conversion ratio. The proportion of the share capital attributable to the shares received per partial bond must not exceed the nominal amount of each partial bond.

If warrant bonds are issued, one or more warrants are attached to each partial bond, which entitle the holder to receive Company shares subject to the detailed conditions to be determined by the Management Board. The option conditions also allow for the option price being paid either wholly or in part by the transfer of partial bonds. The subscription ratio is calculated by dividing the nominal amount of a partial bond by the option price for a Company share. The subscription ratio may be rounded to a whole number; an additional cash payment may also be stipulated. The conditions may also provide for fractional amounts being combined and/or settled in cash. The conditions may also allow for a variable subscription ratio. The proportion of the share capital attributable to the shares received per partial bond must not exceed the nominal amount of each partial bond.

dd) Conversion and option obligations

The bond conditions may also include a conversion or option obligation at the end of the time to maturity or at some other point in time (both also "**final maturity date**") or may afford the Company the right to grant bond holders Company shares as a full or partial replacement for the payment of the sum due upon final maturity. In such cases, the conversion or option price for a share can equal the arithmetic mean of the share's closing prices in Xetra trading (or a comparable successor system) on the Frankfurt Stock Exchange on the ten consecutive trading days prior to or following the final maturity date, even if this is below the minimum price stipulated below in lit. b) ee).

The proportion of the share capital attributable to the shares issued per partial bond upon final maturity must not exceed the nominal amount of each partial bond. Section 9(1) AktG in conjunction with section 199(2) AktG is to be observed.

ee) Conversion or option price

With the exception of instances involving an option or conversion obligation, the conversion or option price to be determined for a share must equate either to at least 80% of the arithmetic mean of the closing prices of the Company's share in Xetra trading (or a comparable successor system) on the Frankfurt Stock Exchange on the ten trading days prior to the day on which the Management Board makes its definitive decision regarding the issuing of bonds or regarding the Company's acceptance or allocation in relation to the issuing of bonds or - in the event that subscription rights are granted - to at least 80% of the arithmetic mean of the closing prices of the Company's share in Xetra trading (or a comparable successor system) in the course of (i) the days on which the subscription rights are traded on the Frankfurt Stock Exchange, with the exception of the final two days of subscription rights trading, or (ii) the days from the start of the subscription period up to the point in time at which the subscription price is definitively determined. Section 9(1) AktG and section 199 AktG remain unaffected.

In the case of bonds involving conversion or option rights or obligations, notwithstanding section 9(1) AktG, the conversion or option price may be reduced by virtue of an anti-dilution provision following more detailed specification

of the conditions if the Company increases the share capital during the conversion or option period while granting its shareholders subscription rights or if the Company issues other bonds or grants or guarantees any other option rights without granting the holders of bonds with conversion or option rights or obligations subscription rights in the same volume as said holders would be entitled to upon exercising their conversion or option rights or fulfilling their conversion or option obligations. Subject to the details of the conditions of the bonds, the option or conversion price may also be reduced by virtue of a cash payment when exercising the option or conversion right or fulfilling the conversion or option obligations. The conditions may also allow for a value-preserving adjustment of the conversion or option price in relation to other measures which may lead to the dilution of the value of the conversion or option rights (e.g. including the payment of a dividend). In any case, the proportion of the share capital attributable to the shares received per partial bond must not exceed the nominal amount of each partial bond.

ff) Other possible structures

The conditions may stipulate that, in the event of conversion or the exercising of an option or in the event that the option or conversion obligations are fulfilled, the Company may choose to also grant treasury shares, shares from the authorized capital or other consideration. The conditions may additionally stipulate that, in the event of conversion or the exercising of an option or in the event that the option and conversion obligations are fulfilled, instead of granting Company shares, the Company may pay the bond holders the equivalent sum in cash or may grant them the listed shares of another company.

The conditions may also provide for a right of the Company to grant the bond holders Company shares or the listed shares of another company as a full or partial replacement for the payment of the sum due upon final maturity of the bonds.

The bond conditions may also stipulate that the number of shares received upon exercising the conversion or option rights or upon fulfilling the conversion or option obligations is variable and/or that the conversion or option price may be adjusted during the time to maturity within a range stipulated by the Management Board dependent on the share price developments or as a result of anti-dilution provisions.

gg) Authorization to stipulate additional bond conditions

The Management Board is authorized to stipulate the additional details of the issuance and structure of the bonds, in particular the interest rate, issue price, time to maturity and denomination, conversion or option price and conversion or option period, or to do so in consultation with the management bodies of the dependent company or company in which the Company directly or indirectly has a majority shareholding issuing the bonds.

c) **Amendment to the Articles of Association; new conditional capital**

A conditional capital is created in order to satisfy the bonds that are issuable pursuant to authorization in lit. b) which is to be approved by the Annual General Meeting.

Section 6 (Conditional capital) of the Company's Articles of Association shall be therefor be reinstated as follows:

“Section 6 Conditional capital

- 6.1 Conditional capital is created in order to satisfy the convertible bonds, warrant bonds, profit participation rights and/or participating bonds (or combinations thereof) (hereinafter collectively **“bonds”**) issuable pursuant to the authorization resolution passed by the Annual General Meeting under Item 9 on 16 April 2021.
- 6.2 The share capital is conditionally increased by up to EUR 282,943,649.00 through the issuance of up to 282,943,649 new no-par-value registered shares with dividend rights (**“Conditional Capital 2021”**).
- 6.3 The conditional capital increase shall only be effected insofar as the holders/creditors of bonds issued or guaranteed by the Company, by a dependent company or by a company in which the Company directly or indirectly has a majority shareholding by virtue of the aforementioned authorization resolution of the Annual General Meeting exercise their conversion or option rights or fulfil the conversion or option obligations inherent to such bonds, or insofar as the Company grants Company shares as a replacement for the payment of the sum due and insofar as the conversion or option rights or obligations are not satisfied by treasury shares, shares from authorized capital or other consideration.

- 6.4 The new shares are issued at the conversion or option price to be determined subject to the aforementioned authorization resolution passed by the Annual General Meeting.
- 6.5 The new shares bear dividend rights from the beginning of the financial year in which they are created due to the exercising of conversion or option rights, the fulfilling of conversion or option obligations or their granting in replacement of the payment of the sum due and continue to do so in the financial years that follow; by way of derogation, with the approval of the Supervisory Board and insofar as is legally permissible, the Management Board may stipulate that the new shares shall bear dividend rights from the beginning of the financial year for which no resolution of the Annual General Meeting regarding the appropriation of the net profit has been passed at the time at which the conversion or option rights are exercised, the conversion or option obligations are fulfilled or the shares are granted in replacement of the sum due.
- 6.6 With the approval of the Supervisory Board, the Management Board is authorized to stipulate the further details of effecting the conditional capital increase.
- 6.7 The Supervisory Board is authorized to amend section 4.1 and section 6.2 of the Articles of Association to reflect the utilization of the conditional capital and once all the option and conversion periods have expired."

d) Application for registration in the commercial register

The Management Board is instructed to apply for the registration of the amendment of the Articles of Association referred to in lit. c) of this Item 9 in the commercial register only on 1 June 2021 or immediately thereafter. The time schedule fixed for the registration shall enable a timing synchronization between the new Authorized Capital 2021 and the authorization granted in this resolution.

Subject to the preceding paragraph, the Management Board is authorized to apply for the registration in the commercial register of the approved cancellation of the Conditional Capital 2018 and the approved creation of the Conditional Capital 2021, including the amendment to section 6 of the Articles of Association irrespective of the Annual General Meeting's other resolutions.

Should the Company's share capital change up until the date of the Annual General Meeting, the Management Board and Supervisory Board reserve the right to submit an adjusted resolution proposal to the Annual General Meeting that provides for a nominal amount for the Conditional Capital 2021 which will correspond to 50% of the share capital of the Company and correspondingly adjusted amounts for the authorization to issue bonds.

The Management Board has prepared a report on the reasons for the authorization to exclude subscription rights. This report is attached to this invitation to the Annual General Meeting as **Annex (no. 3)**.

II. Company's website and documents and information accessible there

This invitation to the Annual General Meeting, the documents to be made available to the Annual General Meeting and other information in connection with the Annual General Meeting are available on the Company's website at <https://investors.vonovia.de/agm> from the time the Annual General Meeting is convened.

Any shareholders' countermotions, appointment proposals or requests to add items to the Agenda subject to mandatory publication and received by the Company shall likewise be published on the above-mentioned website. The InvestorPortal can also be accessed via the website (see III). After the Annual General Meeting the voting results will also be published on this website.

III. Conducting the Annual General Meeting as a Virtual Annual General Meeting without physical presence of the shareholders and their appointed representatives, audio and visual broadcast on the InvestorPortal

In view of the ongoing COVID-19 pandemic, the Annual General Meeting on 16 April 2021 will be held on the basis of the C-19 AuswBekG as a Virtual General Meeting without the physical presence of shareholders and their appointed representatives, with the possibility of following the Virtual Annual General Meeting and exercising voting rights by means of electronic connection (**Connection**) on the InvestorPortal (see below).

Shareholders and their appointed representatives can therefore not physically participate in the Annual General Meeting. For technical reasons, it was also not possible to offer the option provided under C-19 AuswBekG to participate in the General Meeting by means of electronic communication within the meaning of section 118(1) sentence 2 AktG.

Internet-based, password-protected InvestorPortal

The Company will maintain an internet-based, password-protected online portal (**InvestorPortal**) at the Internet address <https://investors.vonovia.de/agm>. Via this system, duly registered shareholders (and their proxies, if applicable) can, among other things, follow the Annual General Meeting in sound and vision, exercise their voting rights, grant powers of attorney, submit questions register objections to the minutes as well as issue statements in text, audio or video format. To be able to use the InvestorPortal, you must log in with the individual access code you receive either with the invitation to the Annual General Meeting or that you have already assigned to yourself after first accessing the InvestorPortal.

Shareholders will receive further details regarding the InvestorPortal and the registration and usage conditions with their invitation to the General Meeting or on the internet at <https://investors.vonovia.de/agm>. Please also note the technical information at the end of this invitation notice.

IV. Further Details on the Invitation

The relevant provisions for stock corporations with registered office in Germany, in particular those of the HGB and AktG, apply to Vonovia SE in accordance with the referring statutes of article 5, article 9 (1)(c) ii), article 53 and article 61 of Regulation (EC) No. 2157/2001 of the Council of 8 October 2001 on the Statute for a European company (SE) (**SE Regulation**), to the extent that the provisions of the SE Regulation do not provide otherwise.

1. Total number of shares and voting rights on the date on which the General Meeting is convened

On the date on which the Annual General Meeting is convened, the Company's share capital totals EUR 565,887,299.00 and is divided into 565,887,299 no-par-value shares. Each no-par-value share corresponds to one vote in the Annual General Meeting. The total number of shares entitled to participate and vote at the time of convening the General Meeting, therefore, is 565,887,299. On the date on which the Annual General Meeting is convened, the Company or persons attributable to it in accordance with sections 71a et seqq. AktG does not hold any of its own shares.

2. Requirements for connecting to the Annual General Meeting and exercising shareholder rights, in particular voting rights

Only those shareholders – in person or by appointed representatives – who are entered in the share register and have registered with the Company in such good time that the Company receives the registration by **Friday, 9 April 2021, 24:00 hours** at the latest, via the InvestorPortal at <https://investors.vonovia.de/agm> or at one of the following addresses (the **Registration Addresses**)

under the Address:
Vonovia SE
c/o Computershare Operations Center
80249 Munich

or

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

or

to the email address:
anmeldestelle@computershare.de

in text form (section 126b German Civil Code, **BGB**) in either German or English (**duly registered shareholders**) are entitled to attend the Annual General Meeting.

Pursuant to section 67(2) sentence 1 AktG in the version applicable under section 26j(4) Introductory Act of the Stock Corporation Act (*Einführungsgesetz zum Aktiengesetz – EGAktG*), in relation to the Company, only a person who has been registered as such in the share register shall be deemed a shareholder. The number of shares entered in the

share register on **Friday, 9 April 2021, 24:00 hours** (*Technical Record Date*) is decisive for the connection to the Annual General Meeting and the exercise of shareholder rights. Applications for the transfer of ownership in the share register that are received by the Company in the period from Saturday, 10 April 2021, at 00:00 hours to Friday, 16 April 2021, at 24:00 hours inclusively, shall only be processed and taken into consideration following the Annual General Meeting on Friday, 16 April 2021.

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.

The convening of the General Meeting including the Agenda along with the documents concerning registration and/or granting of proxy will be transmitted by the Company unsolicited to all shareholders who are listed in the share register at the latest at the beginning of the 21st day prior to the day of the General Meeting as well as to the shareholders and intermediaries who requested the notification and the shareholders' associations who requested the notification or who exercised voting rights at the last Annual General Meeting.

Intermediaries (in particular credit institutions), shareholders' associations, voting rights advisors and persons who offer to exercise voting rights in the Annual General Meeting in a businesslike manner vis-à-vis shareholders may only exercise the voting right for shares which do not belong to them, but as the owner of which they are entered in the share register, on the basis of an authorization by the shareholder. Details on these authorizations 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 <https://investors.vonovia.de/agm>.

3. Authorization of third parties to exercise voting and other rights

Duly registered 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 and other rights at the Annual General Meeting. Authorized third parties may in turn exercise the voting right by postal vote or by granting power of attorney and instructions to the proxy representative of the Company (see below). If a shareholder appoints more than one person as proxy, the Company may reject one or more of said persons.

Conferment and revocation of authority and evidence of such authorization to the Company must be made in text form (as defined by section 126b BGB) unless a power of attorney is conferred under section 135 AktG.

When authorizing the exercise of voting rights in accordance with section 135 AktG (granting of power of attorney to intermediaries (in particular credit institutions), shareholders' associations, voting rights advisors or persons who offer to exercise voting rights at the Annual General Meeting in a businesslike manner vis-à-vis shareholders), special features must generally be taken into account. Shareholders who wish to grant a power of attorney to exercise voting rights in accordance with section 135 AktG are requested to enquire about any special features of the granting of a proxy from the respective proxies and to coordinate with them.

Intermediaries (in particular credit institutions), shareholders' associations, voting rights advisors and persons who offer to exercise voting rights in the Annual General Meeting in a businesslike manner vis-à-vis shareholders are recommended, if they represent several shareholders, to contact the following email address in advance of the Annual General Meeting with regard to the exercise of voting rights: anmeldestelle@computershare.de.

If neither an intermediary (in particular a credit institution), nor a shareholders' association, a voting rights advisor or a person offering to exercise voting rights in the Annual General Meeting in a businesslike manner vis-à-vis shareholders is authorized pursuant to section 135 AktG, the power of attorney may be granted either to the Company or directly to the proxy (in this case, evidence of the authorization to the Company in text form is required).

The authorization vis-à-vis the Company or proof of authorization vis-à-vis the Company must be sent to the Company at the InvestorPortal or one of the registration addresses listed under section 2 above. The same applies to the revocation of the power of attorney.

If the granting or proof of a power of attorney or its revocation is made by means of a declaration to the Company by post, by email or by fax, for organizational reasons this must be received by the Company by no later than **Thursday, 15 April 2021 24:00 hours**. Proof of a proxy granted in this way may be furnished by sending the proof (e.g. copy or scan of the power of attorney) to the address, fax number or email address stated above.

Duly registered shareholders may use the registration form sent to them with the letter of invitation to the Annual General Meeting in order to grant a power of attorney. However, it is also possible for shareholders to issue a separate power of attorney. In addition to this, a proxy form can also be downloaded from the Company's website at <https://investors.vonovia.de/agm>.

Irrespective of any other method of transmitting the power of attorney or proof of the appointment of a proxy to the Company permitted by law, registered shareholders who wish to authorize a representative may also authorize the proxy electronically via the password-protected Investor-

Portal of the Vonovia SE at <https://investors.vonovia.de/agm> until the day of the Annual General Meeting (including) until the start of voting. The connection of the proxy via the InvestorPortal requires that the proxy receives the access data sent to the proxy by the person granting the power of attorney upon registration in good time. If the authorization is granted via the InvestorPortal, a confirmation of registration with new access data will be generated and the shareholder can decide whether these are to be sent to the proxy by post or email or whether the shareholder should hand them over to the proxy. Proof of authorization to the Company is required in this case as well. Proof of proxy authorization must be submitted to the Company in the manner described above.

Further information about granting power of attorney to third parties is included in the invitation to the General Meeting sent to all shareholders.

Process of voting by proxies designated by the Company

In addition, as a service to its shareholders, the Company has appointed Company proxies to whom duly registered 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.

Please note that the proxies can only vote on motions for which there are proposals for resolutions by the Management Board and/or Supervisory Board in accordance with section 124(3) AktG or by shareholders in accordance with section 124(1) AktG, or which are made accessible in accordance with sections 126 and 127 AktG, either in this invitation or later announced.

It is possible to grant such power of attorney with instructions to the proxies of the Company prior to the Annual General Meeting using the power of attorney and instructions form provided on the "registration form" sent with the invitation letter to the Annual General Meeting. The form should be sent to one of the registration addresses mentioned in section 2 above. In addition, a power of attorney form is available for download on the Company website at <https://investors.vonovia.de/agm>.

The power of attorney to the Company proxies and the instructions to them must be submitted in text form (section 126b BGB) via the above-mentioned means of transmission

so that they are received by the Company by **Thursday, 15 April 2021, 24:00 hours**. The same applies to changes and the revocation of the power of attorney or instructions. The date of receipt of the power of attorney or instruction by the Company is decisive for the granting, amendment and revocation of the power of attorney or instruction.

Before and during the Annual General Meeting, duly registered shareholders can also use the InvestorPortal of Vonovia SE at <https://investors.vonovia.de/agm> to exercise their voting rights by granting power of attorney to the Company's proxies. Authorization via the InvestorPortal will be possible until the commencement of voting on the day of the Annual General Meeting. Via the InvestorPortal, you can also change or revoke any authorization or instruction issued during the Annual General Meeting until the commencement of voting.

If an individual vote is taken on an Item of 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. Instructions to the proxies appointed by the company shall also apply to any adjustments to the proposed resolutions that are indicated in the invitation to the Annual General Meeting.

Further information on granting power of attorney and issuing instructions to the proxy appointed by the Company will be sent out with the letter of invitation to the Annual General Meeting.

4. Voting by postal vote

Duly registered shareholders may cast their votes in text form (section 126b BGB) or by means of electronic communication (postal vote). Prior to the Annual General Meeting, the registration form sent with the letter of invitation to the Annual General Meeting is available to duly registered shareholders. In addition, a form for postal voting can also be downloaded from the Company's website at <https://investors.vonovia.de/agm>.

When exercising voting rights by postal vote, the following conditions must be observed:

Postal votes can be submitted, changed or revoked in text form (section 126b BGB) to the Company at one of the registration addresses listed under section 2 above until **Thursday, 15 April 2021, 24:00 hours**. In all these cases, the time of receipt of the postal vote by the Company is decisive. Postal votes that cannot be assigned to a proper application without any doubt will not be taken into account.

Before and during the Annual General Meeting, the Company's password-protected InvestorPortal, which can be accessed at <https://investors.vonovia.de/agm>, is also available for exercising voting rights by means of electronic postal vote. Electronic postal voting via the InvestorPortal will be

possible until the commencement of voting on the day of the Annual General Meeting. Via the InvestorPortal, you can also change or revoke any votes previously cast by means of postal vote during the Annual General Meeting until the commencement of voting.

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(3) AktG or from shareholders pursuant to section 124(1) AktG are published together with this Invitation or later, or which are made public in accordance with sections 126 and 127 AktG.

Intermediaries (in particular credit institutions), shareholders' associations, voting rights advisors and persons who offer to exercise voting rights at the Annual General Meeting in a businesslike manner vis-à-vis shareholders may also use postal voting.

If an individual vote is taken on an Item of the Agenda without any notification of such vote prior to the General Meeting, the postal vote cast in relation to said Item of the Agenda shall apply accordingly to each Item of the individual vote. Postal votes shall also apply to any adjustments to the proposed resolutions that are indicated in the invitation to the Annual General Meeting.

Further information about postal voting is included in the invitation to the Annual General Meeting sent to all shareholders.

5. Other shareholders' rights

a) Shareholders' Motions to add Items to the Agenda pursuant to Article 56 SE Regulation, Section 50(2) of the German SE Implementation Act (SEAG) and Section 122(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 article 56 sentence 3 SE Regulation in conjunction with section 50(2) SEAG; section 50(2) SEAG corresponds to the rules stipulated in section 122(2) AktG.

Each new item must be accompanied by a justification or a resolution proposal.

Such requests to add items to the Agenda must be addressed to the Management Board in writing (section 126 BGB) or electronically (section 126a BGB) 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 General Meeting are not to be included in this calculation. The last possible date of receipt is therefore **Tuesday, 16 March 2021, 24:00 hours**.

Any requests to add items to the Agenda which are received after such date will not be taken into account.

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

Vonovia SE
- Management Board -
Universitätsstraße 133
44803 Bochum

If you use the electronic form (section 126a BGB) please send any requests for supplements by email to:

hauptversammlung@vonovia.de

Additions to the Agenda that are to be published shall be published in the Federal Gazette immediately after receipt of the request. They shall also be published on the Company's website at <https://investors.vonovia.de/agm> and shall be notified to the shareholders in accordance with section 125(1) sentence 3, (2) AktG.

b) Shareholders' counter motions and appointment proposals pursuant to Section 126 and Section 127 AktG

Every shareholder has the right to file a counter motion in relation to specific items of the Agenda to contest proposals made by the Management Board and/or Supervisory Board and to make proposals for the election of the auditor (Item 5).

Counter motions and proposals for the election 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 **Thursday, 1 April 2021, 24:00 hours** at the latest, shall be immediately published in accordance with Sections 126, 127 AktG on the Company's website at <https://investors.vonovia.de/agm> together with the shareholder's name, any justification and any statement made by the management.

The reasons named in accordance to sections 126, 127 AktG for which a counter motion or election proposal or any justification not being published on the Company's website, are outlined on the Company's website at <https://investors.vonovia.de/agm>. A justification is, in particular, not required to be published if its total length exceeds 5,000 characters.

Counter motions and election proposals must be submitted to the following address only:

Vonovia SE
- Legal Department -
Universitätsstraße 133
44803 Bochum
Fax: +49 (0) 234 314 2944
Email: hauptversammlung@vonovia.de

Counter motions or election proposals addressed otherwise need not be made available.

Counter motions and election proposals to be made accessible in accordance with sections 126 and 127 AktG are considered to have been made in the Virtual Annual General Meeting if the shareholder making the counter motion or election proposal is duly legitimized and registered for the Annual General Meeting.

c) Opportunity for shareholders to ask questions

Pursuant to section 131(1) AktG, the Management Board must, upon request, provide each shareholder with information 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. The Board of Management may refuse to provide information under certain conditions specified in more detail in section 131(3) AktG. A detailed description of the conditions under which the Management Board may refuse to provide information can be found on the Company's website at <https://investors.vonovia.de/agm>.

The shareholders' right to information is considerably restricted in the case of a Virtual General Meeting pursuant to section 1(2) C-19 AuswBekG. The Management Board and the Supervisory Board have decided to hold this Annual General Meeting in accordance with the C 19 AuswBekG and to grant shareholders who have duly registered the right to ask questions by electronic means only (section 1(2) sentence 1 no. 3 C-19 AuswBekG), with the questions to be submitted no later than one day before the Annual General Meeting. Any questions must therefore be submitted by **Wednesday, 14 April 2021, 24:00 hours** via the Company's InvestorPortal accessible at the internet address <https://investors.vonovia.de/agm>. It is not possible to submit questions by any other means of transmission. In accordance with section 1(2) sentence 2 C-19 AuswBekG, the Management Board will decide on how to answer to questions by employing its due and proper discretion.

d) Lodging objections

Duly registered shareholders who have exercised their voting rights may object to resolutions of the Annual General Meeting by electronic means via the InvestorPortal as of the time of the start of the Annual General Meeting until its end to the records of the Notary.

e) Possibility to submit statements or audio or video messages for publication prior to and/or during the Annual General Meeting

Due to the virtual Annual General Meeting concept that only allows for votes being cast by postal vote or authorized proxies based on the instructions they received without shareholders electronically participating in the meeting, shareholders will not be given the possibility of speaking on the items on the agenda during the Annual General Meeting.

However – going beyond section 1(2) C-19 AuswBekG – shareholders shall be given the opportunity to submit

- written statements relating to the agenda for publication by the Company on its InvestorPortal or
- audio or video messages relating to the agenda for publication by the Company in its InvestorPortal and potentially during the virtual Annual General Meeting

prior to the Annual General Meeting.

Thus, shareholders registering in due time will have the opportunity of submitting statements in text form or audio or video messages no later than **Monday, 12 April 2021, 24:00 hours** via the InvestorPortal. Further information on the technical requirements to be met for submitting audio or video messages will be published on the Company's website.

Written statements may not exceed 10,000 characters and the maximum length of a audio or video message should be 1.5 minutes. Solely video messages in which the shareholder and/or their proxy are making a personal appearance to deliver the statement shall be eligible.

When published, a written statement or audio or video messages will always reveal the name of the shareholder and/or their proxy.

Please note that shareholders have no legal right to assert the publication of a written statement or an audio or video message prior to or during the Annual General Meeting. In particular, the Company reserves the right to refrain from publishing statements or audio or video messages that are abusive or criminally relevant, obviously false or misleading or not pertinent to the agenda of the Annual General Meeting, as well as statements or audio or video messages that exceed 10,000 characters and/or a length of 1.5 minutes or have not been submitted by the above deadline. Furthermore, only one written statement or audio or video message is permitted per shareholder. The Company also reserves the right to publish no more than one written statement or one audio or video message per person. In order to ensure that the Annual General Meeting proceeds in an orderly manner, the Company reserves the right, if necessary, to make an appropriate selection for publication in the Annual General Meeting. Further information and conditions can be found on the Company's InvestorPortal, which is accessible at the Internet address <https://investoren.vonovia.de/agm>.

Please note that questions may only be submitted as outlined in section c). Should a statement submitted pursuant to this section f) contain questions that fail to be also submitted as specified in clause c), these questions shall not be considered. The same applies to motions on individual agenda items and proposals of candidates pursuant to sections 126(1), 127 AktG; in this respect, solely the procedure set out in section b) will be applicable.

f) Further explanations

Further explanations of the rights of shareholders pursuant to article 56 SE Regulation, section 50(2) SEAG, section 122(2) AktG, section 126(1) AktG, section 127 AktG and section 131 AktG in conjunction with section 1(2) sentence 1 no. 3 C-19 AuswBekG are available on the Company's website at <https://investors.vonovia.de/agm>.

6. Confirmation of vote pursuant to section 118(1) sentences 3 to 5, (2) sentence 2 AktG or proof of vote count pursuant to section 129(5) AktG

Pursuant to section 118(1) sentence 3, (2) sentence 2 AktG, if voting rights are exercised electronically (by granting power of attorney and issuing instructions to the proxies of the Company or by issuing postal votes), the person casting the vote must receive electronic confirmation from the company of the receipt of the vote cast in accordance with the requirements set out in article 7(1) and article 9(5) subpara. 1 of the Implementing Regulation (EU) 2018/1212. If the confirmation is given to an intermediary, the intermediary shall immediately transmit the confirmation to the shareholder pursuant to section 118(1) sentence 4 AktG. Furthermore, pursuant to section 129(5) sentence 1 AktG, the person voting may request confirmation from the Company within one month of the day of the Annual General Meeting as to whether and how his/her vote was counted. The company shall issue the confirmation in accordance with the requirements of article 7(2) and article 9(5) subpara. 2 of the Implementing Regulation (EU) 2018/1212. If the confirmation is issued to an intermediary, the intermediary shall send the confirmation to the shareholder without undue delay pursuant to section 129(5) sentence 3 AktG.

7. Information on data protection

When you register for the Virtual General Meeting, grant a proxy, exercise your shareholder rights, use the InvestorPortal or connect to the Virtual Annual General Meeting, we collect personal data (e.g. name, address, email address, number of shares, class of shares, shareholder number, individual access data for the InvestorPortal; in case of submission of a video/audio message, in particular also your video image and/or your voice and statement) about you and/or your proxy. We process this personal data to enable you to connect to and exercise your rights at the Virtual General Meeting. The processing of personal data is always based on the applicable data protection laws.

Data controller for the processing for the processing is the Vonovia SE, Universitätsstraße 133, 44803 Bochum, fax: +49 (0) 234 314 2944, email: hauptversammlung@vonovia.de.

If we use service providers to conduct the general meeting, they process personal data only on our behalf and are otherwise obliged to maintain confidentiality.

If the legal requirements are met, every data subject has the right of access, the right to rectification, restriction, erasure and, if applicable, objection regarding the processing of their personal data at any time, as well as the right to data transmission and to lodge a complaint with a competent supervisory authority. Insofar as the processing is based on your consent, you have the right to revoke your consent at any time. The revocation of consent does not affect the lawfulness of the processing carried out on the basis of the consent until the revocation.

Further information on the processing of personal data as well as on the rights you are entitled to under the EU General Data Protection Regulation can be accessed at any time on our website at <https://investors.vonovia.de/agm> or requested at the following address: Vonovia SE, Legal Department, Universitätsstraße 133, 44803 Bochum, fax: +49 (0) 234 314 2944, email: hauptversammlung@vonovia.de.

8. Technical instructions for the Virtual General Meeting

a) Technical instructions

To follow the Virtual General Meeting and to use the InvestorPortal and exercise shareholder rights, you need an internet connection and an internet-capable terminal. In order to be able to render the video and audio broadcast of the Annual General Meeting optimally, a stable internet connection with a sufficient transmission speed is recommended.

If you use a computer to receive the video and audio broadcast of the Virtual General Meeting, you will need a browser and speakers or headphones.

To access the Company's password-protected InvestorPortal, you need your individual access data, which you received with the Invitation to the General Meeting or which you have already assigned to yourself after initial access. You can register at the InvestorPortal with this access data.

In order to avoid the risk of restrictions in the exercise of shareholder rights due to technical problems during the Virtual General Meeting, it is recommended that shareholder rights (in particular voting rights) be exercised **before the start of the Annual General Meeting** wherever possible.

Shareholders will find further details on the InvestorPortal and the registration and usage conditions in the registration documents sent to them or on the Internet at <https://investors.vonovia.de/agm>.

If you have any technical questions regarding the InvestorPortal or your participation by electronic connection to the Virtual General Meeting, the employees of our Annual General Meeting service provider will be happy to assist you before and during the Annual General Meeting at following telephone number.

Shareholders hotline: +49 89 30903-6357

The shareholders' hotline is available Monday to Friday, from 9:00 hours to 17:00 hours and from 9:00 hours on 16 April 2021, the day of the Annual General Meeting. Excluded from this are Bavarian public holidays.

If you have any technical questions before the start of the Virtual Annual General Meeting, you can also contact our Annual General Meeting service provider by email at email address aktionaeersportal@computershare.de.

b) Transmission of the speech of the management board

All interested parties can follow the speech of the Chairman of the Management Board live on the Internet at <https://investors.vonovia.de/agm>. We will make the speech available as a recording after the Annual General Meeting.

c) Information on availability of the broadcast

Shareholders can follow the entire Annual General Meeting via the InvestorPortal. The video and audio broadcast of the Virtual General Meeting and the availability of the InvestorPortal may be subject to fluctuations in accordance with the current state of the art due to restrictions on the availability of the telecommunications network and limitations on third-party internet services, on which the Company has no influence. The Company can therefore not assume any guarantees or liability for the functionality and constant availability of the internet services used, the third-party network elements used, the video and audio broadcast or access to the InvestorPortal and its general availability. The Company also does not assume any responsibility for errors and defects in the hardware and software used for the online service, including such of the service companies used, unless caused intentionally. For this reason, the Company recommends that the above-mentioned options for exercising rights, in particular voting rights, be exercised at an early stage. The chairman of the Annual General Meeting must reserve the right to interrupt or completely discontinue the possibility of the Virtual General Meeting if this is mandatorily required for data protection or security considerations.

Bochum, March 2021

Vonovia SE
The Management Board

Annex

to the Invitation to the Annual General Meeting of Vonovia SE on 16 April 2021 at 10:00 hours

Vonovia SE, Bochum
ISIN DE000A1ML7J1
WKN A1ML7J

The Management Board of Vonovia SE gives the following reports to the Annual General Meeting:

1. Report by the Management Board on Item 8 of the Agenda on the reasons for the authorization to exclude subscription rights

Regarding Item 1.8 of the Agenda of the Annual General Meeting on 16 April 2021, the Management Board and the Supervisory Board propose the cancellation of the remaining Authorized Capital 2018 in the amount of EUR 194,741,048.00 and that a new authorized capital with the authorization of partially excluding subscription rights (Authorized Capital 2021) be approved. Pursuant to section 203(2) sentence 2 AktG in conjunction with section 186(4) sentence 2 AktG, the Management Board gives the following report on the reasons for authorizing the exclusion of shareholders' subscription rights with the issuance of the new shares:

With the approval of the Supervisory Board, the Management Board made partial use of the authorization granted by the Annual General Meeting on 9 May 2018 to increase the Company's share capital by up to EUR 242,550,413.00 in the period ending on 10 May 2023 by issuing up to 242,550,413 new no-par-value registered shares against cash and/or in kind contributions on one or several occasions (Authorized Capital 2018), increasing the share capital by a total of EUR 47,809,365.00 by means of several capital increases.

Section 5 of the Articles of Association therefore currently contains an Authorized Capital 2018 that authorizes the Management Board to increase the Company's share capital by up to a total of EUR 194,741,048.00 with the approval of the Supervisory Board by issuing up to 194,741,048 new no-par-value registered shares against contributions in cash and/or in kind on one or several occasions.

The Management Board and the Supervisory Board plan to use up to EUR 19,000,000.00 of the Authorized Capital 2018 to create new shares intended to be offered to the shareholders in the context of the scrip dividend announced in Item 2.

The European residential property markets continue to be characterized by stiff competition for attractive residential property portfolios. Consequently, the Company is dependent on being and on remaining able to flexibly increase its own funds quickly and comprehensively.

Therefore, an increase of the authorized capital up to 50% of the Company's share capital, as permitted by law, is proposed. For this purpose, it is intended to cancel the Authorized Capital 2018 and to create a new Authorized Capital 2021.

It is intended that the cancellation of the Authorized Capital 2018 and the creation of the Authorized Capital will only become effective if no further shares must be issued out of the Authorized Capital 2018 to satisfy the scrip dividend, but no later than in early June 2021.

The new authorized capital (Authorized Capital 2021) proposed in relation to Item 8 of the Agenda of the Annual General Meeting on 16 April 2021 is designed to authorize the Management Board to increase, with the approval of the Supervisory Board, the Company's share capital by up to EUR 282,943,649.00 in the period ending on 15 April 2026, by issuing up to 282,943,649 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 2021 thus amounts to approximately 50% of the Company's current share capital.

The Company's Management Board shall only be entitled to use the Authorized Capital 2021 in an amount of 50% of the share capital at the time said authorization comes into effect or - if such amount is lower - at the time it is exercised. Any shares already issued or to be issued to satisfy bonds with conversion or option rights or obligations from conditional capital are to be included in this 50% cap on the share capital, provided these bonds were issued during the term of this authorization. This is intended to prevent the Management Board from increasing the share capital by more than 50% when exercising existing authorizations. The cap, decreased under the preceding sentences of this paragraph, shall be increased again when a new authorization approved by the Annual General Meeting after the decrease pursuant to section 202 or section 221 (in conjunction with a conditional capital pursuant to section 192 AktG) becomes effective, to the extent of the reach of the new authorization, but up to a maximum of 50% of the share capital in accordance with the stipulations of sentence 1 of this paragraph.

The purpose of the Authorized Capital 2021 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 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 2021 in order to issue shares in return for cash contributions, the shareholders are in principle entitled to a subscription right (section 203(1) sentence 1 AktG in conjunction with section 186(1) AktG). The issuance of shares coupled with the granting of an indirect subscription right within the meaning of section 186(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. Only for technical reasons, one or more banks or one or more undertakings operating pursuant to section 53(1) sentence 1 of the German Banking Act (KWG) or section 53b (1) sentence 1 or (7) 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 normally 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 must also be 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. For these reasons, the Management Board and the Supervisory Board consider the potential exclusion of subscription rights to be objectively justified and also appropriate when weighed against the interests of the shareholders.

- (ii) Furthermore, the Management Board shall be authorized to exclude subscription rights with the approval of the Supervisory Board to grant the holders/creditors of convertible bonds, warrant bonds, profit participation rights and/or participating bonds (or combinations thereof) (hereinafter 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.

The holders/creditors are thus treated as if they already were shareholders. For bonds to feature such an anti-dilution measure, shareholders' subscription

rights for these shares have to be excluded. This serves to facilitate the placing of the bonds and is therefore in the interests of the shareholders regarding an optimum financial structure for the Company. Apart from that, the exclusion of subscription rights for the benefit of 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 greater 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 is not significantly below 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 – if this amount is lower – at the time it is exercised (simplified exclusion of subscription rights pursuant to sections 203(1) and (2), 186(3) sentence 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 usual discount in connection with subscription right issues. 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 least by the fact that a greater cash inflow can often be achieved as a result.

The authorization in relation to a simplified exclusion of subscription rights is limited to a maximum of 10% of the share capital either at the time at which the Authorized Capital 2021 becomes effective or – if this amount is lower – at the time at which the authorization is exercised.

This cap of 10% of the share capital is to include (i) any shares issued or disposed during the term of this authorization without subscription rights in direct or analogous application of section 186(3) sentence 4 AktG and (ii) any shares issued or to be issued to satisfy bonds with conversion or option rights or obligations, provided these bonds were issued during the term of this authorization without subscription rights pursuant to section 186(3) sentence 4 AktG. This inclusion is effected in line with the shareholders' interests that their investments be diluted as little as possible.

The cap, decreased under the preceding inclusion clause, shall be increased again when a new authorization to exclude shareholder subscription rights pursuant to or in line with section 186(3) sentence 4 AktG approved by the General Meeting after the decrease becomes effective, 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 the respective paragraph. In such case (or cases), the General Meeting once again has the opportunity to decide on the simplified exclusion of subscription rights, meaning that the reason for inclusion has again ceased to apply. This is because, with the effectiveness of the new authorization for a simplified exclusion of subscription rights, the ban regarding the authorization to issue the bonds without shareholder subscription rights brought about by the exercise of the authorization to issue new shares or to issue bonds or by the sale of own shares shall lapse. Due to the identical majority requirements for such a resolution, the renewed authorization for the simplified exclusion of subscription rights is at the same time also to be seen – to the extent that the statutory requirements are observed – as a confirmation regarding the authorization resolution on the creation of the Authorized Capital 2021. In the event of a renewed exercise of an authorization to exclude subscription rights in direct or analogous application of section 186(3) sentence 4 AktG, the deduction is carried out again.

The simplified exclusion of subscription rights is conditional on the issue price for the new shares not being significantly below the stock market price. Subject to specific circumstances in individual cases, a potential deduction from 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 amount will presumably 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) In addition, subscription rights may be excluded in the event of capital increases against contributions in kind. The Company should remain able to acquire in particular – but not limited to – 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 increase 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 no-par value shares (with voting rights) 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, leverage is avoided and the seller(s) participate(s) in future price development opportunities. This improves the Company's competitive position in the event of acquisitions.

The option of using own shares as an acquisition currency thus 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 other assets (in particular property portfolios or shares in property companies) in exchange for shares. In both cases, it must be possible to exclude shareholders' subscription rights. 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. An authorized capital is therefore 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 in relation to the satisfaction of 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 additionally protected by the subscription rights to which they are

in principle entitled when bonds with conversion or option rights or obligations are issued. Where subscription rights were excluded upon issuance of such bonds, the interests of the shareholders were already taken into account in the assessment by the Management Board and Supervisory Board required in such a case. 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 occurs 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 authorization to effect a capital increase by granting new shares. This includes, in particular, assessing 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 2021 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.

This is intended 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(1) AktG (minimum subscription period of two weeks) and section 186(2) AktG (announcement of the issue amount no later than three days before the expiry of the subscription period). In individual cases it may nevertheless be preferable, depending on the capital markets situation, to structure the implementation of a scrip dividend in such manner that the Management Board offers to all shareholders entitled to dividends, in observance of the general principle of equal treatment (section 53a AktG), new shares for subscription against contribution of their divi-

dend entitlement and, thus, economically grants the shareholders a subscription right, but legally excludes the shareholders' subscription right to the new shares in its entirety. An exclusion of subscription rights may also be appropriate if not all shareholders are entitled to dividends for a specific financial year.

Such an exclusion of the subscription right allows the implementation of the scrip dividend without the aforementioned restrictions of section 186(1) and (2) AktG, hence 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 up to 2,500,000 new no-par-value registered shares against contribution in cash insofar as this is necessary to issue shares to the employees of the Company or of affiliated companies within the meaning of sections 15 et seqq. AktG, excluding 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. To simplify the settlement process, the shares may also be subscribed for by a financial institution against cash contribution, in order for the Company to reacquire those shares for the purpose of issuing them to the entitled employees of the Company.

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 sections 15 et seqq. AktG by issuing shares, and to thus allow the employees to participate in the Company's success. Incentivizing the employees by participating in the success of Vonovia SE shares on the stock exchange is also in the interest of the shareholders. The Company can issue shares to its employees only if the shareholders' subscription rights are excluded. In addition, the shares to be issued under this authorization only form a relatively small part of the Company's current share capital (approx. 0.44%). Hence, the shareholders are only slightly diluted and have the opportunity to maintain their relative participation in the Company's share capital by acquiring additional shares over the stock market.

The authorizations to exclude subscription rights in the event of capital increases against cash and/or in-kind contributions described in the paragraphs above are limited in total to an amount not exceeding 10% of the share capital, either at the time at which this authorization becomes effective or at the time at which it is exercised.

This cap of 10% of the share capital is to include (i) any shares issued during the term of this authorization from other authorizations without subscription rights and (ii) any shares issued or to be issued to satisfy bonds, provided the bonds were also issued without subscription rights during the term of this authorization. This includes share issuances from another authorized capital or the issuance of bonds.

This restriction at the same time 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 a new authorization to exclude shareholder subscription rights approved by the General Meeting after the decrease becomes effective, 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 above-mentioned stipulations. In such case, the General Meeting once again has the opportunity to decide on the exclusion of subscription rights, meaning that the reason for inclusion has again ceased to apply.

With 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. If and to the extent that the Management Board exercises one of the aforementioned authorizations to exclude subscription rights in connection with a capital increase from the Authorized Capital 2021 during a given financial year, it shall report on this in the subsequent Annual General Meeting.

2. Report of the Management Board concerning Item 8 on the partial utilization of Authorized Capital 2018 without subscription rights in September 2020

On 3 September 2020 Vonovia SE (“**Vonovia**” or the “**Company**”) carried out a capital increase from authorized capital under exclusion of shareholders’ subscription rights (the “**Transaction**”).

In this regard, the Management Board resolved, on 3 September 2020, to increase the share capital of the Company through utilization of the authorized capital pursuant to section 5 of the Articles of Association (the “**Authorized Capital 2018**”) by EUR 17,000,000.00 against cash contributions by issuing 17,000,000 new no-par value registered shares with a notional value of EUR 1.00 per share (the “**New Shares**”) and an issue price of EUR 1.00 per share with dividend rights from 1 January 2020 (the “**Capital Increase**”). The Finance Committee of the Supervisory Board (the “**Finance Committee**”), which was authorized by the Supervisory Board to do so, approved the resolution of the Management Board on the implementation of the Capital Increase on the same day.

All New Shares were successfully placed with institutional investors by an accelerated book-built offering process. The placement price determined by the Management Board with the approval of the Finance Committee on 3 September 2020 was EUR 59.00 per share. The gross issue proceeds from the Capital Increase thus totaled approx. EUR 1 billion. The Capital Increase was accompanied by several banks, one of which also acted as subscriber for the new shares.

The capital increase has been registered with the commercial register on 8 September 2020.

Before passing the decisive resolutions on the utilization of the Authorized Capital 2018, the Management Board and the Finance Committee carefully and intensively discussed the necessity of the Capital Increase and the exclusion of subscription rights:

The Company carried out the Capital Increase to repay debt due in the fourth quarter of 2020. The additional proceeds from the issue are to be used for future growth opportunities that arise in the current environment and which Vonovia intends to pursue in line with its investment criteria. By excluding shareholders’ subscription rights, the Company has made use of an option to exclude subscription rights in the event of a cash capital increase as provided for in the Articles of Association and sections 203(2), 186(3) sentence 4 AktG.

The Capital Increase represented approx. 3.1% of the then current share capital. When determining the price, the requirements of sections 203(2), 186(3) sentence 4 AktG and the specifications to these requirements stipulated in the Authorized Capital 2018 were also observed. According to these requirements, the price of the new shares may not be significantly lower than the stock exchange price of the Company’s shares.

The closing price of the Vonovia share on Xetra on the day of the determination of the issue price was EUR 61.48. Hence, the placement price (as the relevant issue price within the meaning of section 186(3) sentence 4 AktG) was not significantly lower than the market price.

Further, such exclusion of subscription rights was necessary in order to utilize what the management considered a favorable market situation for this capital measure at the time of the partial utilization of the Authorized Capital 2018 with short notice and to achieve the highest possible issue proceeds by fixing a price close to the market.

The subscription period of at least two weeks required when granting a subscription right (section 186(1) sentence 2 AktG) would not have allowed a short-term reaction to the current market conditions.

In addition, if subscription rights had been granted, the final subscription price would have had to be announced no later than three days before the expiration of the subscription

period (section 186(2) sentence 2 AktG). Due to the longer period between price determination and completion of the capital increase and the volatility of the stock markets, there is a higher market and price change risk than with a share issuance without subscription rights. Therefore, a successful placement in the event of a capital increase with subscription rights would have required a corresponding discount on the market price when determining the price and would probably have led to conditions that are not comparably close to market conditions.

Furthermore, the interests of the shareholders were adequately safeguarded by fixing prices close to the stock market price. Due to liquid stock exchange trading shareholders are in principle able to maintain their relative shareholding in the company by way of an acquisition via the stock exchange at comparable conditions. In addition, the issuance of the New Shares close to the stock exchange price ensured that the Capital Increase did not lead to a significant economic dilution of the shareholders' interests.

For these reasons, the Management Board is of the opinion that the Capital Increase was in the Company's best interest and the exclusion of subscription rights in connection with the Capital Increase was justified.

3. Report by the Management Board on Item 9 of the Agenda on the reasons for the authorization to exclude subscription rights

Regarding Item 9 of the Agenda of the Annual General Meeting on 16 April 2021, the Management Board and the Supervisory Board propose that the existing authorization to issue convertible bonds, warrant bonds, profit participation rights and/or participating bonds (or combinations thereof) (hereinafter collectively referred to as "**bonds**") and the corresponding Conditional Capital 2018 be cancelled and that a new authorization be granted and a new conditional capital (Conditional Capital 2021) with the authorization to exclude subscription rights be created. Pursuant to section 221(4) sentence 2 AktG in conjunction with section 186(4) sentence 2 AktG, the Management Board gives the following report on the reasons for authorizing the exclusion of shareholders' subscription rights:

By resolution of the Annual General Meeting held on 9 May 2018, the Management Board was authorized to issue, with the approval of the Supervisory Board, registered or bearer convertible bonds, warrant bonds, profit participation rights and/or participating bonds or combinations thereof (hereinafter collectively "**2018 Bonds**") in an aggregate nominal amount of up to EUR 9,702,016,520.00 on one or several occasions up to 8 May 2023, and to grant the holders or creditors option or conversion rights for shares in the Company with a proportionate amount of up to EUR 242,550,413.00 of the share capital. A Conditional Capital 2018 in the amount of EUR 242,550,413.00 was

created to satisfy the 2018 Bonds (section 6 (2) of the Articles of Association) ("**Conditional Capital 2018**"); this sum remains unchanged up to the day on which the invitation to this Annual General Meeting is published.

The existing authorization granted by the resolution of the Annual General Meeting on 9 May 2018 will only end on 8 May 2023. However, due to capital increases without subscription rights which had to be taken into account for the limitations of the existing authorization the possibility to utilize the existing authorization is reduced. In order to increase flexibility, the Management Board and Supervisory Board consider it to be expedient to cancel the existing authorization and the existing Conditional Capital 2018 and to replace them with a new authorization and new conditional capital (Conditional Capital 2021).

To be able to make proper use of the array of possible capital market instruments that securitize conversion and option rights, it is considered to be appropriate to set the permissible issue volume at EUR 12,000,000,000.00 in the authorization and to issue the authorization for a term of five years up to 15 April 2026. The Conditional Capital that serves to satisfy the conversion and option rights is to be EUR 282,943,649.00 (this corresponds to approximately 50% of the Company's current share capital). This conditional capital ensures that the issue volume authorization scope can be used to its full extent.

The Company's Management Board shall only be entitled to issue bonds if and to the extent the number of shares which were issued or are to be issued to satisfy the bonds with conversion or option rights or obligations from conditional capital does not exceed 50% of the share capital at the time said authorization comes into effect or - if such amount is lower - at the time it is exercised. Shares issued during the term of this authorization from conditional capital are to be included in this 50% cap of the share capital. This is intended to prevent the Management Board from increasing the share capital by more than 50 % when exercising existing authorizations. The cap, decreased under the preceding sentences of this paragraph, shall be increased again when a new authorization approved by the Annual General Meeting after the decrease pursuant to section 202 or section 221 (in conjunction with a conditional capital pursuant to section 192 AktG) becomes effective, to the extent of the reach of the new authorization, but up to a maximum of 50% of the share capital in accordance with the stipulations of sentence 1 of this paragraph.

The number of shares required to satisfy conversion or option rights or obligations or to grant shares in lieu of the cash sum due on a bond with a specific issue volume generally depends on the stock market price of the Company's share at the time at which the bond is issued. If sufficient conditional capital is available, the possibility of making full use of the scope of the authorization for the issue of bonds is guaranteed.

Appropriate capitalization is an essential basis for the Company's development. Depending on the market situation, by issuing convertible and warrant bonds, the Company can make use of attractive financing options in order to generate low-interest capital inflows for the Company. By issuing profit participation rights with conversion or option rights, the interest rate can also be based on, for example, the Company's current dividend. The Company benefits from the conversion and option premiums generated by the issue. Practice has shown that a number of financial instruments cannot be placed until option and conversion rights are granted.

With the exception of instances involving an option or conversion obligation, the conversion or option price to be determined for a share must equate either to at least 80% of the arithmetic mean of the closing prices of the Company's share in Xetra trading (or a comparable successor system) on the Frankfurt Stock Exchange on the ten trading days prior to the day on which the Management Board makes its definitive decision regarding the issuing of bonds or regarding the Company's acceptance or allocation in relation to the issuing of bonds or – in the event that subscription rights are granted – to at least 80% of the arithmetic mean of the closing prices of the Company's share in Xetra trading (or a comparable successor system) in the course of (i) the days on which the subscription rights are traded on the Frankfurt Stock Exchange, with the exception of the final two days of subscription rights trading, or (ii) the days from the start of the subscription period up to the point in time at which the subscription price is definitively determined. Section 9(1) AktG and section 199 AktG remain unaffected. In the case of bonds involving conversion or option rights or obligations, notwithstanding sections 9(1), 199 AktG, the conversion or option price may be reduced by virtue of an anti-dilution provision following more detailed specification of the conditions if the Company increases the share capital during the conversion or option period while granting its shareholders subscription rights or if the Company issues other bonds or grants or guarantees any other option rights without granting the holders of bonds with conversion or option rights or obligations subscription rights in the same volume as said holders would be entitled to upon exercising their conversion or option rights or fulfilling their conversion or option obligations. Subject to the details of the conditions of the bonds, the option or conversion price may also be reduced by virtue of a cash payment when exercising the option or conversion right or fulfilling the conversion or option obligations. The conditions may also allow for a value-preserving adjustment of the conversion or option price in relation to other measures which may lead to the dilution of the value of the conversion or option rights (e.g. including the payment of a dividend). In any case, the proportion of the share capital attributable to the shares received per partial bond must not exceed the nominal amount of each partial bond.

When bonds are issued, the shareholders must in principle be granted subscription rights for the bonds (section 221(4) AktG in conjunction with section 186(1) AktG). The Management Board may make use of the possibility to issue bonds to one or several credit institution(s) or one or several enterprise(s) operating pursuant to section 53(1) sentence 1 KWG or section 53b(1) sentence 1 or (7) KWG with the obligation to indirectly offer the bonds to the shareholders for subscription in accordance with their subscription right (known as an indirect subscription right pursuant to section 186(5) AktG). This does not constitute a limitation of the shareholders' subscription rights. In the end, the shareholders are granted the same subscription rights as with a direct subscription. Only for technical reasons, one or more banks will be involved in the handling of this.

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 normally 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 must also be 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. For these reasons, the Management Board and the Supervisory Board consider the potential exclusion of subscription rights to be objectively justified and also appropriate when weighed against the interests of the shareholders.

- (ii) Furthermore, it shall be possible to exclude, with the approval of the Supervisory Board, the shareholders' subscription rights in order to grant bond holders/creditors subscription rights in the same volume as said holders/creditors would be entitled to upon exercising their conversion or option rights or fulfilling their conversion or option obligations in order to compensate dilutions.

This allows subscription rights to be granted to holders/creditors of bonds already issued or to be issued as an anti-dilution measure in lieu of a reduction in the option or conversion price. Incorporating such anti-dilution measures into bonds is standard market procedure.

- (iii) Apart from that, when issuing bonds against cash contribution, the Management Board shall be authorized, by analogous application of section 186(3) sentence 4 AktG, to exclude subscription rights with the approval of the Supervisory Board, if the issue price of the bonds is not significantly lower than their market value determined based on generally accepted actuarial methods.

This can be expedient to exploit favorable stock market situations at short notice and to be able to place a bond in the market quickly and flexibly with attractive conditions. As the stock markets can be volatile, achieving as advantageous an issue result as possible is often heavily dependent on whether it is possible to respond to market developments at short notice. Favorable conditions that are as market-based as possible can in principle only be set if the Company is not tied to them for an overly long offer period. In the case of subscription right issues, a considerable margin of safety is generally required in order to safeguard the chances of success of the issue for the entire offer period. Section 186(2) AktG does permit the subscription price (and in the case of warrant and convertible bonds, therefore also the bond conditions) to be published up to the third from last day of the subscription period. However, in view of the volatility of the stock markets, this still results in market risk lasting a number of days, resulting in margins of safety being applied when determining the bond conditions. Furthermore, if subscription rights are granted, placement with third parties is made more difficult/ involves additional work due to the uncertainty of their exercise (subscription behavior). After all, if subscription rights are granted, the Company is unable to react at short notice to changes in the market conditions due to the length of the subscription period, and this can lead to less favorable capital procurement for the Company.

The shareholders' interests are protected by the bonds not being issued significantly below their market value. The market value is to be calculated on the basis of recognized valuation principles. When setting the price while taking into account the capital market situation in question, the Management Board will keep the reduction compared with the market value as low as possible. This results in the accounting par value of the subscription rights being so low that the shareholders are not subject to any significant economic disadvantage as a result of the exclusion of subscription rights.

The market-oriented setting of the conditions and thus the avoidance of any significant value dilution can also be achieved if the Management Board effects a book building. This process involves the investors

being requested to submit purchase orders on the basis of preliminary bond conditions, in the process specifying what they consider to be, for example, the market-oriented interest rate and/or other economic components. At the end of the book building period, the conditions not yet fixed, such as the interest rate, are set in accordance with supply and demand as determined on the basis of the purchase orders submitted by the investors. In this way, the bonds' total value is determined in a market-based manner. A book building allows the Management Board to ensure that no significant dilution of the value of the shares will be caused by the exclusion of subscription rights.

The shareholders additionally have the opportunity to maintain their share of the Company's share capital by effecting stock market acquisitions at almost identical conditions. This appropriately protects their asset interests.

The authorization to exclude subscription rights pursuant to section 221(4) sentence 2 AktG in conjunction with section 186(3) sentence 4 AktG only applies to bonds with rights to shares to which no more than 10% of the share capital is apportioned, either at the time at which this authorization becomes effective or - in the event that this amount is the lower one - at the time at which it is exercised. This cap of 10% of the share capital is to include (i) any shares issued or disposed during the term of this authorization without subscription rights in direct or analogous application of section 186(3) sentence 4 AktG and (ii) any shares issued or to be issued to satisfy bonds with conversion or option rights or obligations, provided these bonds were issued during the term of this authorization without subscription rights pursuant to section 186(3) sentence 4 AktG.

This attribution serves the shareholders' interests that dilutions of their investments shall be as little as possible. The cap, decreased under the preceding inclusion clause, shall be increased again when a new authorization to exclude shareholder subscription rights pursuant to or in line with section 186(3) sentence 4 AktG approved by the General Meeting after the decrease becomes effective, 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 the inclusion clause. In such case (or cases), the General Meeting once again has the opportunity to decide on the simplified exclusion of subscription rights, meaning that the reason for inclusion has again ceased to apply. This is because, with the effectiveness of the new authorization for a simplified exclusion of subscription rights, the ban regarding the authorization to issue the bonds without shareholder subscription rights brought

about by the exercise of the authorization to issue new shares or by the sale of own shares shall lapse. Due to the identical majority requirements for such a resolution, the renewed authorization for the simplified exclusion of subscription rights is at the same time also to be seen – to the extent that the statutory requirements are observed – as a confirmation regarding this authorization. In the event of a renewed exercise of an authorization to exclude subscription rights in direct or analogous application of section 186(3) sentence 4 AktG, the deduction is carried out again.

- (iv) Bonds may also be issued against contribution in kind insofar as this is in the interests of the Company. Contributions in kind may be in particular, but not only, a company, parts of a company, interests in a company and other assets in connection with an acquisition plan (including receivables), real estate and real estate portfolios. In this case, the Management Board is authorized to exclude, with the approval of the Supervisory Board, the shareholders' subscription rights, if the value of the contribution in kind is commensurate to the theoretical market value of the bonds as determined on the basis of recognized valuation principles.

This makes it possible to also use bonds as an acquisition currency in suitable isolated cases. Practice has shown that it is frequently necessary in negotiations to provide the consideration not only in cash, but also or exclusively in some other form. The possibility of offering bonds as a consideration thus results in an advantage in the competition for interesting acquisition targets and offers the necessary scope for exploiting opportunities to acquire companies (even large companies), interests in companies or other assets that present themselves without impacting heavily on liquidity. This can also be appropriate from the point of view of an optimum financing structure. The Management Board will carefully examine on a case-by-case basis whether to exercise its authorization to issue bonds with conversion or option rights or obligations against contributions in kind with the exclusion of subscription rights. It will only do so if this is in the interests of the Company and therefore also of the shareholders.

The authorizations to exclude subscription rights described in the paragraphs above are limited in total to an amount not exceeding 10% of the share capital, either at the time at which this authorization becomes effective or – in the event that this amount is the lower one – at the time at which it is exercised. This cap of 10% of the share capital is to include (i) any shares issued during the term of this authorization from other authorizations without subscription

rights and (ii) any shares issued or to be issued to satisfy bonds, provided the bonds were issued under a different authorization in accordance with section 221(2) AktG and also issued without subscription rights during the term of this authorization. This includes share issuances from authorized capital or the issuance of bonds.

This restriction at the same time 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 a new authorization to exclude shareholder subscription rights approved by the General Meeting after the decrease becomes effective, 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. In such case (or cases), the General Meeting once again has the opportunity to decide on the simplified exclusion of subscription rights, meaning that the reason for inclusion has again 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.

The proposed conditional capital serves to fulfil the conversion or option rights or obligations relating to bonds issued for Company shares or to grant the creditors/holders of bonds shares in the Company in lieu of payment of the cash sum due. In addition, the bond terms and conditions can provide that the conversion or option rights or obligations can also be satisfied by providing own shares of the Company or shares from authorized capital or by way of other consideration, such as by means of cash payment or the supply of shares of other listed companies instead. Furthermore, the bond terms and conditions may also stipulate that the number of shares received upon exercising the conversion or option rights or upon fulfilling the conversion or option obligations is variable and/or that the conversion or option price may be amended during the time to maturity within a range stipulated by the Management Board dependent on the share price developments or as a result of anti-dilution provisions. Such structures enable the Company to use financing close to capital-market conditions with no actual need for a capital measure under company law. This takes into account the fact that an increase in share capital may be inappropriate at the future time of exercise of the conversion or option rights or fulfilment of corresponding obligations. Apart from that, since no new shares are issued, utilization of the cash settlement option protects the shareholders against any reduction in the percentage of their shareholdings and against dilution of the net asset value of their shares. In this respect, as specified in the conversion or option conditions, the equivalent value to be paid in cash corresponds to the average price of the shares at the close

of Xetra trading (or at the close of a functionally equivalent successor to the Xetra system) on the Frankfurt Stock Exchange during the last ten to twenty trading days following the announcement of the cash settlement.

If and to the extent that the Management Board exercises one of the aforementioned authorizations to exclude subscription rights in connection with an issue of bonds during a given financial year, it shall report on this in the subsequent Annual General Meeting.

March 2021

The Members of the Management Board

(signed)

Information in accordance with Section 125 of the German Stock Corporation Act (AktG) in conjunction with the Implementing Regulation (EU) 2018/1212 (“EU-IR”)

A. Specification of the message		
A1	Unique identifier of the event	8adff4924c44eb118118005056888925
A2	Type of message	Notice of the Annual General Meeting
B. Specification of the issuer		
B1	ISIN	DE000A1ML7J1
B2	Name of issuer	Vonovia SE
C. Specification of the meeting		
C1	Date of the meeting	16 April 2021
C2	Time of the meeting	8:00 hours UTC (10:00 hours CEST)
C3	Type of meeting:	Virtual Annual General Meeting without the physical attendance of shareholders or their proxy representatives
C4	Location of the meeting	Business premises of Vonovia SE, Universitätsstraße 133, 44803 Bochum, Germany
C5	Technical Record Date	Technical Record Date: 9 April 2021, 22:00 hours UTC (24:00 hours CEST) (registered shares)
C6	Uniform Resource Locator (URL)	Website to the meeting: https://investors.vonovia.de/agm
D. Participation in the Annual General Meeting		
D2	Deadline for participation	Friday, 9 April 2021, 22:00 hours UTC (24:00 hours CEST)

Notes

Vonovia SE
Universitätsstraße 133
44803 Bochum

Telefon: 0234 314-0
Fax: 0234 314-2995

info@vonovia.de
www.vonovia.de