

# CONVENING OF THE GENERAL SHAREHOLDERS' MEETING

Dear Shareholders,

we hereby invite you to the ordinary General Shareholders' Meeting  
of Instone Real Estate Group AG which will be held on

13 June 2019,  
at 10:00 a. m. CEST  
(Doors open at 9:00 a. m. CEST)

in the ATLANTIC Congress Hotel Essen, Messeplatz 3, 45131 Essen,

# I. AGENDA

1. **Presentation of the Annual Financial Statements, the approved consolidated Financial Statements as well as the combined Management Report of Instone Real Estate Group AG and the Group, the Explanatory Report on the information pursuant to Section 289a para. 1 and Section 315a para. 1 German Commercial Code as well as the report of the Supervisory Board, in each case for the 2018 Financial Year.**

The Supervisory Board approved the Annual Financial Statements prepared by the Board of Management and the Consolidated Financial Statements on 27 March 2019. The annual financial statements are thus adopted pursuant to section 172 of the German Stock Corporation Act (Aktiengesetz – AktG). A resolution by the General Shareholders' Meeting pursuant to section 173 para. 1 sentence 1 and sentence 2, respectively, of the German Stock Corporation Act is therefore not necessary.

2. **Discharge of the members of the Board of Management for the 2018 Financial Year**

The Board of Management and the Supervisory Board propose to discharge the members of the Board of Management who held office in the 2018 Financial Year for the respective period.

3. **Discharge of the members of the Supervisory Board for the 2018 Financial Year**

The Board of Management and the Supervisory Board propose to discharge the members of the Supervisory Board who held office in the 2018 Financial Year for the respective period.

4. **Appointment of the auditors and consolidated group auditors for the 2019 Financial Year as well as the auditors for the audit reviews of interim financial reports**

Based on the recommendation of the Audit Committee, the Supervisory Board proposes to appoint Deloitte GmbH Wirtschaftsprüfungsgesellschaft, Schwannstraße 6, 40476 Düsseldorf, Germany, as auditors and consolidated group auditors for the financial year ending 31 December 2019. They shall also – should any such reviews be commissioned- perform reviews of interim financial reports until the next ordinary General Shareholders' Meeting.

In its recommendation, the Audit Committee stated that the recommendation was free from undue influence by third parties and that there were no restrictions imposed on the selection of a particular auditor as defined by section 16 (6) EU-Regulation 537/2014.

5. **Elections to the Supervisory Board**

Mr. Stefan Mohr and Mr. Richard Wartenberg resigned from the Supervisory Board with effect from the end of 31 December 2018. At the request of the Board of Management the Essen Local Court (Amtsgericht) issued an order on 3rd April 2019 by which Mr. Dietmar P. Binkowska and Mr. Thomas Hegel were appointed as members of the Supervisory Board. These are now to be confirmed in office by the General Shareholders' Meeting.

The Supervisory Board is composed of five members, each elected by the General Shareholders' Meeting, pursuant to section 95 sentence 2, section 96 (1), section 101 (1) German Stock Corporation Act (AktG) in conjunction with section 11 (1) of the Articles of Association.

The Supervisory Board proposes, based on corresponding recommendations of the Nomination Committee, to elect the following persons as members of the Supervisory Board for the period up to the end of the General Shareholders' Meeting that resolves on the discharge of the members of the Supervisory Board for the 2021 financial year.

- a) **Mr. Dietmar P. Binkowska**, independent management consultant, residence in Ratingen, Germany
- b) **Mr. Thomas Hegel**, Chairman of the Board of Management of the LEG Immobilien AG, residence in Erfstadt, Germany

The election proposals were submitted on the basis of the recommendations of the German Corporate Governance Code and in consideration of the objectives specified by the Supervisory Board for its composition. The Supervisory Board has assured itself that the candidates proposed will be able to devote the expected time to the office. It is intended to conduct the elections on an individual basis.

According to the Supervisory Board's estimate, there are no personal or business related relations as provided for in section 5.4.1 Abs. 6 of the German Corporate Governance Code between the candidates and the Company as well as other companies of the Instone Group, the corporate bodies of the Company (with exception the membership of the Supervisory Board of the Company already existing as a result of their court appointment) and shareholders directly or indirectly holding more than 10 % of the shares in the Company.

The candidates are members of the following (a) other statutory supervisory boards and (b) comparable domestic and foreign supervisory bodies of business corporations:

► **Mr. Dietmar P. Binkowska:**

- (a) None
- (b) None

► **Mr. Thomas Hegel:**

- (a) Chairman of the Supervisory Board of LEG Wohnen NRW GmbH
- (b) Chairman of the Supervisory Board of Gemeinnützige Wohnungsgesellschaft Nordwestdeutschland GmbH (GWN)  
Chairman of the Supervisory Board of Gemeinnützige Eisenbahn-Wohnungsbau-Gesellschaft GmbH Wuppertal (GEWG)  
Chairman of the Supervisory Board of AVW Versicherungsmakler GmbH

Mr. Thomas Hegel will resign from the Board of Management of LEG Immobilien AG with the end of the Annual General Meeting of LEG Immobilien AG held on 29 May 2019. As a result, he will also resign from the Supervisory Boards of the above mentioned subsidiaries of LEG Immobilien AG as well as from the Supervisory Board of AVW Versicherungsmakler GmbH at the same time. From then Mr. Hegel will work as a lawyer and independent consultant.

The CVs of the candidates, including an overview of their main activities in addition to their Supervisory Board mandate, are printed following the agenda and are also available on the Company's website at <https://ir.de.instone.de/websites/instonereal/English/5600/supervisory-board.html>.

**6. Authorization to issue warrant-linked or convertible bonds and to exclude subscription rights as well as creating a conditional capital**

In order to grant the Company as much flexibility as possible for its future financing, the Company is to be granted the right to issue bonds with warrants or convertible bonds for financing purposes. The new Conditional Capital proposed for resolution serves to grant shares to the holders or creditors of such bonds which will be issued in the future in accordance with the new authorization.

**The Board of Management and the Supervisory Board therefore propose as follows:**

(1) Authorization to issue warrant-linked or convertible bonds

a) Term of the authorization, nominal amount

aa) The Board of Management is hereby authorized, with effect from registration in the commercial register of the conditional capital to be resolved by the General Shareholders' Meeting on 13 June 2019 under Section (2) (a) below and subject to the consent of the Supervisory Board, to issue in one or more tranches in the period up to 12 June 2024 registered or bearer warrant-linked or convertible bonds in an aggregate nominal amount of up to EUR 250.000.000,00 (in words: two hundred fifty million euros) of limited or unlimited term (hereinafter collectively "**Bonds**") and to grant the holders or creditors of the Bonds option or conversion rights for up to EUR 3.698.833,00 (in words: three million six hundred ninety-eight thousand eight hundred thirty three euros) new shares of the Company with a pro rata amount of the registered share capital of up to EUR 3.698.833 (in words: three million six hundred ninety-eight thousand eight hundred thirty three euros) further subject to the terms and conditions of the respective warrant-linked or convertible bonds to be defined by the Board of Management (hereinafter in each case "**Terms and Conditions**").

bb) Other than in euros, the Bonds may also be issued – subject to the limitation to the corresponding equivalent value in euros – in a foreign legal currency.

cc) The Bonds may also be issued by companies which are controlled by the Company or in which it holds a

majority interest; in such case the Board of Management is authorized, subject to the consent of the Supervisory Board, to assume on behalf of the Company the guarantee for the Bonds and to grant the holders of such Bonds option and/or conversion rights for shares of the Company and to effect further declarations and acts as are required for a successful issue.

dd) The issues of the Bonds may in each case be divided into partial bonds with equal entitlement amongst themselves.

b) Subscription right and exclusion of subscription right

The shareholders are entitled to a statutory subscription right for the Bonds, which may also be subscribed by a bank or by an undertaking acting pursuant to section 53 (1) sentence 1 or section 53b (1) sentence 1 or (7) of the German Banking Act (financial institution) or a syndicate of such banks and/or financial institutions with the obligation to offer them indirectly to the shareholders for subscription within the meaning of section 186 (5) of the German Stock Corporation Act.

However, the Board of Management is authorized, subject to the consent of the Supervisory Board, to exclude the subscription right of the shareholders for Bonds,

- aa) to exclude fractional amounts, resulting from the subscription ratio, from the statutory subscription right of the shareholders for the Bonds;
- bb) to issue Bonds against cash payment provided that such sale is effected at an issue price which is not substantially lower than the hypothetical market value of the partial bonds calculated using recognized, in particular financial calculation methods.

However, such authorization to exclude the subscription rights shall apply only provided that the shares issued to fulfill the option or conversion rights and/or in the case of fulfillment of the conversion obligation represents no more than 10% of the registered share capital. Decisive for the threshold of 10% is the registered share capital figure on the date when this authorization becomes effective. In the event that the registered share capital figure should be lower at the time when this authorization is exercised, such lower value shall be decisive. Such amount shall include the pro rata amount of the registered share capital (i) represented by shares which have been or will be issued during the term of this authorization until its exercise out of an authorized capital subject to exclusion of the subscription right pursuant to section 186 (3) sentence 4 of the German Stock Corporation Act, (ii) represented by treasury shares of the Company which have been or will be sold during the term of this authorization until its exercise on the basis of authorizations pursuant to section 71 (1) no. 8 of the German Stock Corporation Act subject to exclusion of the subscription right of the shareholders pursuant to section 186 (3) sentence 4 of the German Stock Corporation Act and (iii) represented by shares which have been or are to be issued to fulfill warrant-linked or convertible bonds to the extent that such bonds were issued during the term of this authorization until its exercise based on another authorization subject to the exclusion of the statutory subscription right in analogous application of section 186 (3) sentence 4 of the German Stock Corporation Act;

- cc) to the extent required to grant the holders of warrant-linked bonds or convertible bonds (or combinations of such instruments) issued by the Company or by companies which are controlled by it or in which it holds a majority interest, a subscription right in the scope to which they would be entitled after exercise of the rights and/or fulfillment of the obligations.

Under the present authorization, the issue of Bonds subject to exclusion of subscription rights shall be permitted only if the sum of the new shares to be issued on the basis of such Bonds, together with new shares issued from an authorized capital or treasury shares sold by the Company during the term of this authorization until its exercise by exercising another authorization subject to the exclusion of subscription rights of the shareholders, and together with rights issued during the term of this authorization until its exercise by exercising another authorization subject to exclusion of subscription rights and enabling the conversion into or the subscription of shares of the Company or establishing an obligation for such conversion or subscription, nominally represents no more than 10% in aggregate of the registered share capital. What is decisive for calculating the threshold of 10% of the registered share capital is the registered share capital figure on the date when this authorization becomes effective. In the event that the registered share capital figure should be lower at the time when this authorization is exercised, such lower value shall be decisive.

c) Conversion rights

If convertible bonds are issued, their holders shall be granted the right to convert their Bonds into new shares of the Company further subject to the Terms and Conditions. The conversion ratio shall be calculated by dividing the nominal amount of a Bond by the conversion price set for a new share of the Company. The conversion ratio may also be calculated by dividing the issue amount of a Bond that is below the nominal amount by the conversion price set for a new share of the Company. The conversion ratio may be rounded up or down to an integer; moreover, a supplemental payment to be made in cash may be stipulated. Lastly, it may be provided for fractional amounts to be combined and/or compensated in cash. The pro rata amount in the registered share capital of the shares of the Company to be issued per Bond shall not exceed the nominal amount of the Bond or an issue amount of the Bond that is below the nominal amount.

The terms and conditions may provide for the right of the Company to pay the holders of conversion rights, in the case of conversion, instead of shares of the Company the equivalent value in cash which, further subject to the Terms and Conditions, shall be equal to the arithmetic mean value of the closing prices of the share of the Company on the Frankfurt Stock Exchange as determined in XETRA trading (or any comparable trading system substituting XETRA) for the last ten trading days preceding the notification of conversion.

The Terms and Conditions may moreover provide for the right of the Company to grant to the holders of the conversion rights, in the case of conversion, treasury shares of the Company or new shares out of an authorized capital. The Terms and Conditions may also provide for a conversion obligation at the end of the term or at another time.

The Terms and Conditions may provide for the right of the Company to grant the holders of the Bonds new shares or treasury shares of the Company wholly or partially in lieu of payment of a money amount owed. In each case the shares shall be included at a value which, further subject to the Terms and Conditions, shall be equal to the arithmetic mean value of the closing prices of the share of the Company on the Frankfurt Stock Exchange as determined in XETRA trading (or any comparable trading system substituting XETRA) for the last ten trading days preceding the maturity of the money amount.

d) Option rights

If warrant-linked bonds are issued, one or more warrants shall be attached to each partial bond which entitle the holder to subscribe shares of the Company further subject to the Terms and Conditions. The Terms and Conditions may provide for the option holders to be granted treasury shares of the Company or new shares out of an authorized capital. The pro rata amount in the registered share capital of the shares of the Company to be subscribed per warrant-linked Bond shall not exceed the exercise price of the warrant-linked Bond.

e) Warrant or conversion price

The warrant or conversion price for a share shall amount to at least 80 % of the arithmetic mean value of the exchange prices of the shares of the Company as determined in the XETRA closing auction on the Frankfurt Stock Exchange (or any comparable trading system substituting XETRA),

- aa) if the subscription right is excluded or no trading in subscription rights otherwise occurs, during the ten trading days preceding the adoption of the resolution by the Board of Management on the issue of the Bonds or, otherwise,
- bb) during the trading days on which subscription rights for Bonds are traded on the Frankfurt Stock Exchange, with the exception of the last two trading days of trading in subscription rights.

Without prejudice to section 9 (1) of the German Stock Corporation Act, the warrant or conversion price shall be reduced on the basis of an anti-dilution clause further subject to the Terms and Conditions by payment of an equivalent amount in cash on exercise of the conversion right or by reduction of the supplemental payment if the Company, during the warrant or conversion term, subject to the granting of a subscription right to its shareholders, increases the registered share capital or issues additional Bonds and/or grants or guarantees option or conversion rights and in this connection the holders of already existing option or conversion rights are not granted any subscription right to which they would be entitled after exercise of the option or conversion right.

Instead of a payment in cash or a reduction in the supplemental payment, the conversion ratio may also, to the extent possible, be adjusted by dividing it by the reduced conversion price. For other measures of the Company that may lead to a dilution of the value of the option or conversion rights, as well as in the case of capital reduction, share split or special dividend, the Terms and Conditions may also provide for a value-preserving adjustment of the warrant or conversion price.

f) Stipulation of issue terms

The Board of Management is hereby authorized, subject to observance of the foregoing requirements, to stipulate the further details with regard to the issue and features of the Bonds and their terms and conditions, and/or to define the same in mutual agreement with the bodies of the group companies issuing the Bonds, notably interest rate, issue price, term and denomination, subscription and/or conversion ratio, establishment of a conversion obligation, defining of a cash supplemental payment, compensation for or combining of fractional amounts, cash payment instead of delivery of shares, warrant and/or conversion price and the warrant and/or conversion period.

(2) Conditional Capital

a) Creation of new Conditional Capital 2019

The Company's registered share capital is conditionally increased by up to EUR 3.698.833,00 (in words: three million six hundred ninety-eight thousand and eight hundred and thirty-three euros) by issuing up to 3.698.833,00 (in words: three million six hundred ninety-eight thousand and eight hundred and thirty-three) new no-par-value bearer shares conferring profit-sharing rights from the beginning of the financial year in which they were issued  
**(Conditional Capital 2019).**

The Conditional Capital increase serves to grant shares to the holders or creditors of convertible or warrant-linked bonds as well as profit-sharing certificates with option or conversion rights which are issued based on the authorization approved by the General Shareholders' Meeting of 13 June 2019 under agenda item 6 (1) by the Company or companies which are controlled by it or in which it holds a majority interest. The Conditional Capital increase may only be implemented to the extent that warrants or conversion rights under the aforementioned warrant-linked bonds and convertible bonds as well as profit-sharing certificates conferring option or conversion rights have been exercised or conversion obligations under such Bonds have to be fulfilled and to the extent that neither treasury shares nor new shares from the authorized capital are used to fulfill such claims. The issue amount of the new shares in this regard shall be equal to the warrant and/or conversion price to be set in each case subject to the aforementioned authorization.

The Board of Management is authorized to stipulate the additional details of the implementation of the Conditional Capital increase.

b) Amendment to the Articles of Association

The below new Article 7 is inserted after Article 6 of the Articles of Association

**§ 7 Conditional Capital 2019**

(1) The Company's registered share capital is conditionally increased by up to EUR 3.689.833,00 (in words: three million six hundred ninety-eight thousand and eight hundred and thirty-three euros) by issuing up to 3.698.833,00 (in words: three million six hundred ninety-eight thousand and eight hundred and thirty-three) new no-par-value bearer shares conferring profit-sharing rights from the beginning of the financial year in which they were issued  
**(Conditional Capital 2019).**

(2) The Conditional capital increase serves to grant shares to the holders or creditors of convertible or warrant-linked bonds which are issued based on the authorization approved by the General Shareholders' Meeting of 13 June 2019 under agenda item 6 (1) by the Company or companies which are controlled by it or in which it holds a majority interest. The Conditional Capital increase may only be implemented to the extent that warrants or conversion rights under the aforementioned warrant-linked bonds and convertible bonds have been exercised or conversion obligations under such Bonds have to be fulfilled and to the extent that neither treasury shares nor new shares from the authorized capital are used to fulfill such claims. The issue amount of the new

shares in this regard shall be equal to the warrant and/or conversion price to be set in each case subject to the aforementioned authorization.

- (3) The Board of Management is authorized to stipulate the additional details of the implementation of the Conditional Capital increase.“

**7. Authorization to purchase and use treasury shares pursuant to section 71 (1) No. 8 of the German Stock Corporation Act as well as possible exclusion of tender or Subscription rights**

Section 71 (1) no. 8 of the German Stock Corporation Act gives the Company the possibility of purchasing treasury shares which in aggregate must not exceed a proportion of 10% of the Company's registered share capital. To enable the Company to purchase and use treasury shares, a resolution about the authorization therefore shall be passed.

Board of Management and Supervisory Board suggest to decide as follows:

(1) Authorization to purchase treasury shares

- a) The Board of Management is authorized, subject to the consent of the Supervisory Board, beginning with the end of the General Shareholders' Meeting at the 13 June 2019 up to the 12 June 2024, to purchase treasury shares up to a total amount equal to no more than 10% of the registered share capital. Decisive for the threshold of 10% is the registered share capital figure on the date when this authorization becomes effective. If the registered share capital figure is lower at the time when this authorization is exercised, such lower value shall be decisive. The authorization can be practiced in whole or in part, once or several times. In this connection, the shares purchased on the basis of this authorization together with other shares of the Company which the Company has already purchased and still holds shall not exceed 10% of the respective registered share capital existing at any one time. The authorization may also be exercised by companies which are controlled by the Company or in which it holds a majority interest or by third parties for the account of the Company or companies controlled by it or in which it holds a majority interest. Finally, the Company may agree with one or more credit institutions or other companies meeting the requirements of Section 186 (5) sentence 1 German Stock Corporation Act (AktG) that they will deliver to the Company within a predefined period a predetermined number of shares or a predetermined euro equivalent in shares of the Company, whereby the price at which the Company acquires these shares shall in each case be a discount to the arithmetic mean of the volume-weighted average prices of the Company's shares in XETRA trading (or a comparable successor system) reported at the Frankfurt Stock Exchange over a predetermined number of stock exchange trading days. The credit institutions or other companies meeting the requirements of Section 186 (5) sentence 1 German Stock Corporation Act (AktG) must undertake to purchase the shares to be delivered on the stock exchange at prices that lie within the range that would apply if the Company had directly acquired the shares via the stock exchange in accordance with this authorisation.

- b) The purchase shall be effected on the stock market or by way of public purchase offer to all shareholders of the Company.

aa) Purchase via stock market

If the purchase of the shares is effected on the stock market, the purchase price (excluding ancillary purchasing costs) should meet the arithmetic mean of the share prices (Closing auction prices of the shares of the Instone Real Estate Group AG in XETRA-Trading or on any comparable trading system substituting XETRA) at the Frankfurt Stock Exchange within the last three stock exchange trading days prior to the purchase or the entering into an obligation to purchase by no more than 10 % above or below this amount.

bb) Purchase via public offer

If the purchase is effected via a public purchase offer, the Company may either publish a formal offer or publicly request shareholders to submit offers to sell. The offered purchase price (excluding ancillary purchasing costs) or the limits of the purchase price range per share determined by the Company (excluding ancillary purchasing costs) in each case may not be more than 10% higher or lower than the arithmetic mean value of the closing prices (closing prices of the share of Instone Real Estate Group AG as determined in XETRA trading or on any comparable trading system substituting XETRA) on the Frankfurt am Main Stock Exchange for the last three trading days preceding the publication of the purchase offer or the request to submit offers. In the event of an adjustment of the offer, the day of publication of the purchase offer shall be the day of publication of the adjustment of the offer. If the Company publicly requests the submission of sales offers, the day of acceptance

of the sales offers shall replace the day of publication of the purchase offer or the day of adjustment of the purchase offer.

The repurchase volume may be limited. To the extent the shares offered for purchase by the shareholders exceed the total amount of the Company's purchase offer, acceptance shall be in proportion to the number of shares tendered by each shareholder. In addition, it may also be provided that preferential acceptance is given for smaller numbers of up to 100 offered shares per shareholder and to avoid fractions of mathematical amounts rounding according to commercial principles. The purchase offer or request to submit offers may contain further terms and conditions. Any further tender rights of shareholders are excluded.

c) The authorization may be exercised for any purpose permitted by law, in particular, to pursue one or more of the objectives specified under d) and e). Trading in treasury shares is excluded.

d) Cancellation of the shares

The Board of Management is hereby authorized, subject to the consent of the Supervisory Board, to cancel the treasury shares purchased on the basis of this authorization pursuant to section 71 (1) no. 8 of the German Stock Corporation Act without adopting another resolution of the General Shareholders' Meeting. The cancellation may be restricted to part of the shares purchased. The authorization to effect cancellation may be exercised more than once. As a general rule, the cancellation shall result in a capital reduction. In derogation from this, the Board of Management may stipulate that the registered share capital remains unchanged and that instead the proportion of the remaining shares in the registered share capital be increased as a result of the cancellation pursuant to section 8 (3) of the German Stock Corporation Act. In this case the Board of Management is hereby authorized to adjust the corresponding number in the Articles of Association.

e) Use of the shares

The Board of Management is hereby authorized, subject to the consent of the Supervisory Board, to use the shares purchased on the basis of this authorization by means other than by a sale via the stock market or an offer to all shareholders subject to full or partial exclusion of subscription rights of the shareholders as follows,

aa) to exclude fractional amounts resulting from the subscription ratio from the statutory subscription right of the shareholders;

bb) for sale against non-cash contribution, in particular – but without limitation – to acquire companies, divisions of companies or equity interests in companies;

cc) for sale against cash payment provided that this takes place at a price that is not substantially lower than the market price of shares of the Company at the time of the sale (simplified exclusion of subscription rights pursuant to section 186 (3) sentence 4, section 71 (1) no. 8 sentence 5 half-sentence 2 of the German Stock Corporation Act). This authorization shall be limited, subject to inclusion of other shares and warrant-linked or convertible bonds which have been issued or sold subject to the exclusion of subscription rights of the shareholders during the term of this authorization until its exercise in direct or analogous application of section 186 (3) sentence 4 of the German Stock Corporation Act, to a threshold of 10% in aggregate of the current registered share capital. Decisive for the threshold of 10% is the registered share capital figure on the date when this authorization becomes effective. In the event that the registered share capital figure should be lower at the time when this authorization is exercised, such lower value shall be decisive;

dd) to fulfill obligations of the Company arising from warrants and conversion options or the conversion obligations from warrant-linked or convertible bonds (or combinations of these instruments) which have been issued by the Company or by companies which are controlled by it or in which it holds a majority interest;

ee) to grant to holders of warrant-linked bonds or convertible bonds (or combinations of such instruments) issued by the Company or by companies which are controlled by it or in which the Company holds a majority interest, subscription rights in the scope to which they would be entitled after exercise of the rights or obligations under such instruments.

The authorizations under aa) to ee) may also be exercised by companies which are controlled by the Company or in which it holds a majority interest or by third parties for the account of the Company or companies controlled by it or in which it holds a majority interest.

**8. Resolution on the approval of the conclusion of a domination and profit transfer agreement with Instone Real Estate Development GmbH**

Instone Real Estate Group AG intends to enter into a domination and profit transfer agreement with Instone Real Estate Development GmbH to simplify group management and to establish a fiscal unity for corporate income tax purposes. The draft of this contract has the following wording:

**Domination and Profit Transfer Agreement**

between

**Instone Real Estate Group AG**

with its seat in Essen, registered with the commercial register of the Local Court of Essen under HRB 29362

and

**Instone Real Estate Development GmbH**

with its seat in Essen, registered with the commercial register of the Local Court of Essen under HRB 28401  
(hereinafter „Subsidiary Company“)

**ARTICLE 1 – MANAGEMENT AND INSTRUCTION RIGHTS**

- 1.1 The Subsidiary Company puts the management of its company under the control of Instone Real Estate Group AG as controlling company.
- 1.2 The Subsidiary Company shall comply with the instructions of Instone Real Estate Group AG. Instone Real Estate Group AG may determine that certain business transactions or certain types of business of the Subsidiary Company require its prior approval.

**ARTICLE 2 – TRANSFER OF PROFIT**

- 2.1 The Subsidiary Company shall transfer its whole profit to Instone Real Estate Group AG in accordance with section 301 German Stock Corporation Act (AktG), as amended.
- 2.2 With consent of Instone Real Estate Group AG, the Subsidiary Company is entitled to transfer amounts out of the annual net profit to other revenue reserves according to section 272 (3) German Commercial Code (HGB) as far as permitted by commercial law and reasonable from a commercial evaluation. The accumulation of statutory reserves is permitted.
- 2.3 Other revenue reserves which have been generated in the course of this agreement according to section 272 (3) German Commercial Code (HGB) have to be terminated on demand of Instone Real Estate Group AG and to be used for the adjustment of an annual deficit or to be transferred as profit. The transfer of amounts out of other capital and revenue reserves which have been generated prior to this agreement is excluded.
- 2.4 Upon request of Instone Real Estate Group AG, the profit shall be transferred in advance during the course of the year, if and to the extent permitted by law.
- 2.5 Provided that the agreement does not end prior to the end of the financial year of the Subsidiary Company, the entitlement to the transfer of profit shall arise at the end of the financial year of the Subsidiary Company. Such claim shall become due with this value date and shall bear interest as of this date on at the rate of the statutory interest applicable to mutual commercial transactions.
- 2.6 The obligation to transfer profit shall apply with retroactive effect to the beginning of the financial year of the Subsidiary Company during which this agreement comes into effect according to Article 4.1.

**ARTICLE 3 – ASSUMPTION OF LOSS**

- 3.1 Instone Real Estate Group AG shall assume any loss of the Subsidiary Company in accordance with section 302 German Stock Corporation Act (AktG), as amended.

- 3.2 Provided that the agreement does not end prior to the end of the financial year of the Subsidiary Company, the entitlement to the assumption of loss shall arise at the end of the financial year of the Subsidiary Company. Such claim shall become due with this value date and shall bear interest as of this date on at the rate of the statutory interest applicable to mutual commercial transactions.
- 3.3 The obligation to assume loss shall apply with retroactive effect to the beginning of the financial year of the Subsidiary Company during which this agreement comes into effect according to Article 4.1.

**ARTICLE 4 – COMING INTO EFFECT AND DURATION**

- 4.1 This agreement comes into effect as of registration with the commercial register of the registered seat of the Subsidiary Company.
- 4.2 The agreement is concluded for an indefinite period. It can be ordinarily terminated with a notice period of three (3) months to the end of a financial year of the Subsidiary Company, for the first time, however, to the end of the financial year of the Subsidiary Company which ends at least five (5) full years after the beginning of the financial year of the Subsidiary Company during which the agreement came into effect (minimum term). Additionally to the aforementioned notice period, Instone Real Estate Group AG may ordinarily terminate the agreement after the expiration of the minimum term described in the preceding sentence at any time with a notice period of two (2) weeks.
- 4.3 The right of extraordinary termination without notice due to important reason shall remain unaffected. An important reason is particularly given in case of insolvency, merger, demerger or liquidation of Instone Real Estate Group AG or the Subsidiary Company; furthermore, if Instone Real Estate Group AG does not directly hold the majority of voting rights following out of its shares in the Subsidiary Company any more due to transfer or contribution of shares, or if an external shareholder holds an interest in the Subsidiary Company due to transfer or contribution of shares for the first time according to section 307 German Stock Corporation Act (AktG). In case of a transfer or contribution of shares, Instone Real Estate Group AG may also terminate the agreement from the date of the conclusion of the promissory contract on transfer or contribution of shares in the Subsidiary Company with effect as of the date of the transfer of the shares or an earlier date.
- 4.4 The termination of this agreement shall be made in writing to the other party.

**ARTICLE 5 – FINAL PROVISIONS**

- 5.1 For the interpretation of individual provisions of this agreement, sections 14 and 17 German Corporate Tax Act (KStG), as amended, shall be considered.
- 5.2 Should a provision of this agreement be or become wholly or partially invalid or unenforceable, or should the agreement contain a gap, the validity of the other provisions shall not be affected. The parties of this agreement shall replace the invalid or unenforceable provision with a valid or enforceable provision which comes closest to the economic result of the invalid or unenforceable provision. In case of a gap, the parties shall agree upon such provision which they would have agreed on in awareness of the gap according to the purpose of this agreement.
- 5.3 If this agreement requires a declaration to be made in written form, the declaring party shall personally sign this declaration by personal signature and submit the original to the other party. The aforementioned written form may not be replaced with electronic form.
- 5.4 For both parties, place of performance and place of jurisdiction shall be Essen.

Essen, [●]. 2019

Essen, [●]. 2019

**Instone Real Estate Group AG**

**Instone Real Estate Development GmbH**

.....  
[●] (Member of the Management Board)

.....  
[●] (Managing Director)

.....  
[●] (Member of the Management Board)

.....  
[●] (Managing Director)

Instone Real Estate Group AG directly holds all shares of Instone Real Estate Development GmbH. Therefore, the contract does not have to provide any compensation or indemnity. Furthermore, there is no need to examine the contract in accordance with section 293b (1) German Stock Corporation Act. In addition to the approval of the General Share-holders' Meeting, the contract also requires the approval of the shareholders' meeting of Instone Real Estate Development GmbH and entry in the commercial register of Instone Real Estate Development GmbH in order to become effective. Because Instone Real Estate Development GmbH is, under various contracts with non-Group third parties, only permitted to limited profit distributions to its sole shareholder Instone Real Estate Group AG respectively the conclusion of a company agreement without the prior consent of the respective contractual partner may, under certain conditions, lead to an extraordinary right to terminate the contract. The domination and profit transfer agreement shall only be concluded and the Board of Management of Instone Real Estate Group AG shall only approve it in the Shareholders' Meeting of Instone Real Estate Development GmbH and work towards the subsequent filing of the contract for entry in the Commercial Register of Instone Real Estate Development GmbH, if the Board of Management has established that the relevant contracts are cease to exist, the parties concerned agreed to the conclusion of the domination and profit transfer agreement or in the opinion of the Board of Management and of the Supervisory Board of the Company the conclusion of the agreement does not entail any significant financial disadvantages for the Company, irrespective of the previous requirements. If one of these conditions is not met by December 31, 2019 at the latest, the domination and profit transfer agreement will not be concluded and the resolution of consent proposed for adoption of the resolution becomes ineffective. If, on the other hand, one of the prerequisites is met in due time, the contract will be concluded without delay and the Board of Management of Instone Real Estate Group AG will agree on the conclusion of the contract in the Shareholder's Meeting of Instone Real Estate Development GmbH without delay and subsequently progress the immediate filing of the contract for entry in the commercial register of Instone Real Estate Development GmbH.

Board of Management and Supervisory Board suggest to decide as follows:

- (1) It is agreed on the conclusion of the control and profit transfer agreement between Instone Real Estate Group AG and Instone Real Estate Development GmbH Limited Liability Company (GmbH).
- (2) The decision under (1) becomes ineffective, if it is not entered in the commercial register of Instone Real Estate Development GmbH by 31 December 2019.

From the date of convocation, the draft domination and profit transfer agreement, the joint contractual report pursuant to Section 293a of the German Stock Corporation Act (AktG) of the Board of Management of Instone Real Estate Group AG and the management of Instone Real Estate Development GmbH and the annual financial statements and management reports (where available) for the last three financial years of the Instone Real Estate Group AG respectively Instone Real Estate Group B.V. and Instone Real Estate Development GmbH respectively formart Holding GmbH & Co. KG are available on the website [https://ir.de.instone.de/websites/instonereal/English/6000/shareholders\\_-meeting.html](https://ir.de.instone.de/websites/instonereal/English/6000/shareholders_-meeting.html).

## II. REPORTS TO THE GENERAL SHAREHOLDERS' MEETING

### 1. Report of the Board of Management to the General Shareholders' Meeting pursuant to section 221 (4) sentence 2 in conjunction with section 186 (4) sentence 2 of the German Stock Corporation Act on item 6 of the Agenda

Pursuant to section 221 (4) sentence 2 in conjunction with section 186 (4) sentence 2 of the German Stock Corporation Act, the Board of Management hereby submits the following report on item 6 of the agenda with regard to the reasons for the proposed authorization, subject to the consent of the Supervisory Board, for issuing warrant-linked or convertible bonds (hereinafter "Bonds") excluding the subscription rights of the shareholders.

The contemplated exclusion of the subscription right for fractional amounts allows for the requested authorization to be exercised using full amounts. Such exclusion of subscription rights is sensible and customary in practice because the costs of trading in subscription rights in the case of fractional amounts normally are not in reasonable proportion to the related advantages for the shareholders. Since fractional amounts are limited, the potential dilution effect is confined to within negligible limits. The Bonds thus excluded from the subscription right are thus realised in the best possible way in favour of the Company.

It is, moreover, to be permitted to exclude the subscription right of the shareholders if the issue of the Bonds is effected against cash contribution at an issue price which is not substantially lower than the hypothetical market value of such Bonds calculated using recognized financial calculation methods. This enables the Company to exploit favourable market situations on very short notice and very quickly while obtaining better conditions for the interest rate and the warrant or conversion price of the Bonds by defining conditions that are close to the market conditions. This would not be possible if the statutory subscription rights were maintained. Although section 186 (2) of the German Stock Corporation Act allows for a publication of the subscription price (and of the terms and conditions in the case of Bonds) up to the third-last day of the subscription period, the market risk existing for several days based on the volatility on the stock markets would lead to allowances being made in the determination of the terms and conditions of the Bond and thus to terms and conditions that would be less in line with market conditions. Moreover, observance of the statutory subscription rights, given the uncertainty of their exercise, would jeopardise the successful placement of the Bonds with third parties and/or entail additional expenditures. Lastly, the length of the minimum subscription period of two weeks to be observed in the case of compliance with the statutory subscription rights hampers a response to favourable or unfavourable market conditions, which in turn may mean that capital cannot be raised on optimum terms and conditions.

In such exclusion of subscription rights the interests of the shareholders are safeguarded by the requirement for the Bonds not to be issued substantially under their theoretical market value, thus lowering the nominal value of the subscription right to nearly zero. As a result, no significant dilution of value of the shares is brought about by the exclusion of the subscription right. This type of subscription rights exclusion is moreover limited to Bonds conferring rights to shares up to a total amount of 10% of the registered share capital existing when this authorization becomes effective or existing when this authorization is exercised, whichever is lower. Within this framework the German legislature deems it reasonable for shareholders to maintain their participation ratio through purchases on the market. This 10% threshold is to include shares of the Company which (i) are issued or sold by the Company during the term of this authorization until its exercise subject to exclusion of the subscription right in direct or analogous application of section 186 (3) sentence 4 of the German Stock Corporation Act, or (ii) to which conversion and/or subscription rights or obligations are attached on the basis of rights issued after 13 June 2019 subject to exclusion of the subscription right pursuant to section 221 (4) sentence 2, section 186 (3) sentence 4 of the German Stock Corporation Act. This ensures that the legally permissible threshold of 10% of the registered share capital for such facilitated subscription rights exclusion (section 186 (3) sentence 4 of the German Stock Corporation Act) is not exceeded.

The objective of excluding the subscription right in favor of the holders of Bonds is to put their holders in the position they would be in if they had already exercised their rights under the Bonds and had already become shareholders. The purpose of such dilution protection is to prevent the possibility of having to reduce the warrant or conversion price for the Bonds already issued. The issue price for the shares that might be issued under the Bonds must in each case be equal to at least 80% of the market price determined as close as possible to the time when the Bonds are issued.

Moreover, the sum of the shares to be issued under Bonds issue in accordance with this or any future additional authorization subject to the exclusion of the subscription right, together with new shares issued from an authorized capital or treasury shares sold during the term of this authorization by exercising another authorization subject to exclusion of the subscription right, may not exceed a pro rata amount of the registered share capital of 10% of the current registered share capital. This additional, voluntary limitation further restricts the potential for dilution effects in favour of the existing shareholders. Decisive for the threshold of 10% is the registered share capital figure on the date when this authorization becomes effective. In the event that the registered share capital figure should be lower at the time when this authorization is exercised, such lower value shall be decisive.

**2. Report of the board of management to the General Shareholders' Meeting pursuant to section 71 (1) no. 8 in conjunction with Section 186 (4) sentence 2 of the German Stock Corporation Act on item 7 of the Agenda.**

Pursuant to section 71 (1) no. 8 sentence 5 in conjunction with section 186 (4) sentence 2 of the German Stock Corporation Act, the Board of Management hereby submits the following report on item 7 of the agenda with regard to the reasons for the proposed authorization of the Board of Management, subject to the consent of the Supervisory Board, to exclude the subscription right of the shareholders for the sale of treasury shares of the Company purchased subject to the authorization under agenda item 7.

If the acquisition is carried out by means of a public purchase offer or a public invitation to submit offers to sell, the volume of the offer or the invitation to submit offers to sell may be limited. The number of shares of the Company offered by the shareholders may exceed the number of shares requested by the Company. In this case, the allocation must be based on quotas. In this context, it should be possible to make an allotment according to the ratio of the shares tendered (tender ratio) instead of the participation ratio, because it facilitates the technical settlement of the acquisition procedure within an economically reasonable framework. In addition, it should be possible to provide for preferential acceptance of small numbers of shares up to 100 tendered shares per shareholder. The purpose of this approach is to avoid fractional amounts when determining the ratios to be acquired and small residual amounts, thus facilitating the technical settlement of the share buyback. This also helps to avoid a de facto impairment of small shareholders.

The contemplated exclusion of the subscription right for fractional amounts allows for the requested authorization to be exercised using full amounts. Such exclusion of subscription rights is sensible and customary in practice because the costs of trading in subscription rights in the case of fractional amounts normally are not in reasonable proportion to the related advantages for the shareholders. Since fractional amounts are limited, the potential dilution effect is confined to within negligible limits. The shares thus excluded from the subscription right are thus realised in the best possible way in favour of the Company.

The authorization under agenda item 7 provides that the purchased treasury shares may be sold to third parties against non-cash contribution subject to exclusion of the subscription right of the shareholders, e. g. for the purpose of acquiring companies, divisions of companies and/or equity interests in companies. The Board of Management is to be enabled to offer shares of the Company as consideration for the purchase of assets and/or to grant the holders of warrant-linked and/or convertible bonds shares to fulfill their claims without having to perform a capital increase for this.

To compete for attractive acquisition opportunities both nationally and internationally, it is becoming increasingly necessary to be able to offer not cash, but shares as consideration for the acquisition of companies or equity interests in other companies. The authorization proposed under agenda item 7 gives the Company the necessary flexibility to use treasury shares e. g. as an acquisition currency, thus enabling it to respond quickly and flexibly to those offers for the acquisition of companies, equity interests in other companies or other assets which are advantageous for the Company. This is duly taken account of by the proposed authorization to exclude the subscription right of the shareholders.

The proposed authorization to use treasury shares moreover provides for the sale of treasury shares to third parties by means other than via the stock market or through a public offer to all shareholders provided that the sale of treasury shares is effected against cash payment and at a price which is not substantially lower than the relevant market price. In this way the Company is to be enabled to deliver shares to institutional investors, financial investors or other cooperation partners, thereby achieving the highest possible purchase prices and thus strengthening the equity to the greatest possible extent by setting prices that are as close as possible to the market price. This type of sale involves an exclusion of the subscription right of the shareholders, which, however, is legally permissible because it constitutes a facilitated exclusion of subscription rights pursuant to section

186 (3) sentence 4 of the German Stock Corporation Act. The authorization proposed under agenda item 7 may be exercised only up to an amount equal to 10% of the registered share capital at the time when such authorization becomes effective or when such authorization is exercised, whichever is lower. This 10% threshold is to include shares and rights conferring the entitlement or creating the obligation to conversion into and/or subscription of shares of the Company which are issued or sold by the Company in direct or analogous application of section 186 (3) sentence 4 of the German Stock Corporation Act during the term of the authorization to purchase and to use treasury shares until its exercise. This ensures that the legally permissible threshold of 10% of the registered share capital for such facilitated subscription rights exclusion (section 186 (3) sentence 4 of the German Stock Corporation Act) is not exceeded.

The Board of Management is further authorized, subject to the exclusion of the subscription right, to fulfill claims of holders of warrant-linked or convertible bonds which are issued by the Company, or companies which are controlled by it or in which it holds a majority interest, with treasury shares.

Lastly, the Company is to be given the possibility of partially excluding the subscription right of the shareholders in the case of a sale of treasury shares through an offer to all shareholders in favor of the holders of warrant-linked or convertible bonds in order to grant them subscription rights for the shares to be sold in the scope to which they would be entitled after exercise of their conversion rights or warrants or after fulfillment of their conversion obligation. In this way, a reduction in the conversion or warrant price that might otherwise occur can be avoided, thus strengthening the Company's financial resources.

# III. SUPPLEMENTARY INFORMATION TO ITEM 5 „ELECTIONS TO THE SUPERVISORY BOARD“

## CURRICULUM VITAE



### **Dietmar P. Binkowska**

Residence: Ratingen, Germany

Year of birth: 1961

Nationality: German

### **Position**

Independent management consultant

### **Career history**

Since 2018	Independent management consultant
2015 to 2017	IVG Immobilien AG, Chairman of the Board of Management
2014 to 2015	IVG Immobilien AG, Chairman of the Supervisory Board
2008 to 2014	NRW.BANK, Chairman of the Board of Management
2007 to 2008	Sparkasse Köln Bonn, Chairman of the Board of Management
2003 to 2007	Stadtsparkasse Köln / Sparkasse Köln Bonn, Deputy Chairman of the Board of Management
2002 to 2003	Commerzbank AG, Member of the Board of Management Private Banking
1996 to 2002	Bayerische Vereinsbank AG / HVB, Member of Executive Board Real Estate and Private Banking, (from 1999 also Chairman of the Board of Management of Westfalenbank AG Bochum)
1995 to 1996	Private Bank Schliep & Co. (subsidiary company of Bayerische Vereinsbank AG), Member of the Board of Management and personally liable partner
1988 to 1995	Deutsche Bank AG, different positions
1996 to 2015	Supervisory Board positions: Portigon AG (Chairman), INCITY AG, West LB AG, Fiege Logistik AG, Investitionsbank Berlin AG, Stroer Out-of-Home AG, Schufa AG (Chairman), Neue Leben Holding AG, Landesbank Berlin, Corpus Sireo Asset Management GmbH, Kaufhof GmbH, Deka Bank (Switzerland), Commerz Leasing und Real Estate, COMINVEST Asset Management, Commerzbank S.A. (Luxembourg), Commerzbank AG (Switzerland), BVT Equity Holdings (USA), Bethmann AG, HypoVereinsbank Real Estate GmbH).

**Education**

1992 to 1994 Deutsche Bank AG, special training in credit and corporate banking

1982 to 1988 Degree in economics at the Universities of Wuppertal and Cologne, Graduation as Diplom-Kaufmann

**Current mandates**

Membership in statutory domestic and foreign supervisory bodies of commercial enterprises to be formed: Member of the supervisory board of Instone Real Estate Group AG due to court order as of 3 April 2019, limited until the deficiency has been removed, however no longer than the current term of office of the current Supervisory Board.

Membership in comparable domestic and foreign supervisory bodies of business enterprises: None

## CURRICULUM VITAE



### **Thomas Hegel**

Residence: Erftstadt, Deutschland

Year of birth: 1956

Nationality: German

### **Position**

Chairman of the Board of Management of LEG Immobilien AG  
(until 29 May 2019, from then lawyer and independent consultant)

### **Career history**

- |              |   |
|--------------|---|
| Since 2013   | Chairman of the Board of Management of LEG Immobilien AG  |
| 2009 to 2013 | Chairman of the Board of Management of LEG NRW GmbH   |
| 2006 to 2009 | Managing Director of LEG NRW GmbH   |
| 2002 to 2006 | Managing Director Corpus Asset Wohnen GmbH<br>(since 8/2004 also member of the Board of Management of Corpus-Group)             |
| 1988 to 2002 | Various functions at Deutsche Bau-und Grundstücks-AG, Bonn,<br>among others Head of housing industry and urban development/West |
| 1987 to 1988 | Federal Association of German Employers' Associations, Cologne, Department labour law   |
| 1983 to 1984 | Research Assistant at the institute for bank law at the University of Cologne   |

### **Education**

- |              |  |
|--------------|--|
| 1984 to 1987 | Legal trainee at the Higher Regional Court of Cologne, Graduation with second state examination in law |
| 1977 to 1983 | Law studies at the University of Cologne, Graduation with first state examination in law               |

### **Current mandates**

Membership in statutory domestic and foreign supervisory bodies of commercial enterprises to be formed:

- ▶ \*Chairman of the Supervisory Board of LEG Wohnen NRW GmbH (until 29 May 2019)\*\*
- ▶ Member of the supervisory board of Instone Real Estate Group AG due to court order as of 3rd April 2019, limited until the deficiency has been removed, however no longer than the current term of office of the current Supervisory Board.

Membership in comparable domestic and foreign supervisory bodies of business enterprises:

- ▶ Chairman of the Supervisory Board of Gemeinnützige Wohnungsgesellschaft Nordwestdeutschland GmbH (GWN)\*\* (until 29 May 2019)
- ▶ Chairman of the Supervisory Board of Gemeinnützige Eisenbahn-Wohnungsbau-Gesellschaft \*\* (until 29 May 2019)
- ▶ Member of the Supervisory Board of AVW Versicherungsmakler GmbH \*\* (until 29 May 2019)

\* Mandate in a company belonging to the group of listed companies of the LEG Immobilien AG

# IV. FURTHER DISCLOSURES REGARDING THE CONVOCATION

## 1. Total numbers of shares and voting rights

At the time of the convocation of this General Shareholders' Meeting, the Company's registered share capital of EUR 36.988.336,00 is divided into 36.988.336 registered no-par-value bearer shares, each granting one vote at the General Shareholders' Meeting. The Company does not hold any treasury shares at the time of convocation of the General Shareholders' Meeting.

## 2. Prerequisites for participation in the General Shareholders' Meeting and the right to vote

According to section 18 para. 3 of the Articles of Association those shareholders are entitled to take their right to vote, who are registered for the General Shareholders' Meeting and who proved their share ownership. Proof of share ownership by the custodian credit institution or financial services institution is required to this extent, dated on the beginning of the 21st day prior to the General Shareholders' Meeting, i. e. 23 May 2019 (12 p. m. CEST) (Record Date).

Registration and proof of ownership must be received at least six days before the General Shareholders' Meeting, whereas the day of the General Shareholders' Meeting and the day of reception are not included, thus by the end of 6 June 2019 (12 p.m. CEST) at the latest in text form (section 126b of the German Civil Code (Bürgerliches Gesetzbuch – BGB) in German or English. The applications are to be sent (by post, fax or e-mail) to the following address:

Instone Real Estate Group AG  
c/o Computershare Operations Center  
80249 München  
Fax: + 49 89 30903 74675  
E-Mail: [anmeldestelle@computershare.de](mailto:anmeldestelle@computershare.de)

In relation to the Company, only those persons shall be deemed to attend the Annual General Meeting or exercise their voting rights who have provided proof of their shareholding in due time. The right to attend the Annual General Meeting and the scope of the voting right shall be based exclusively on the share ownership on the record date. The record date does not mean that the disposal of shares is blocked; in particular shares may be acquired or sold independently of the record date. The sale of shares after the record date does not affect the right to attend or affect the scope of the voting right. The same applies to share purchases after the record date. Persons who do not hold an shares as of the record date and only become shareholders thereafter are not entitled to attend and vote at the Annual General Meeting held on 13 June 2019, unless they have been authorized to do so or have been authorized to exercise their rights.

## 3. Procedure for voting by proxy

### 3.1 Third-Party Proxies

Shareholders may also have their voting rights or their right to participate in the General Shareholders' Meeting, respectively, exercised by a proxy, for example the custodian bank or a shareholders' association. Registration in due time by the shareholder – as explained above under "Prerequisites for participation in the General Shareholders' Meeting and the right to vote" – are necessary for voting by proxy as well.

The proxy nomination, its revocation and evidencing of the proxy must be provided in text form (see 3.2 below for the exceptions for voting proxies under section 135 of the German Stock Corporation Act). The proxy form printed on the back of the admission ticket may be used for issuing the proxy.

The proxy form can also be downloaded from the Company's website  
[https://ir.de.instone.de/websites/instonereal/English/6000/shareholders\\_-meeting.html](https://ir.de.instone.de/websites/instonereal/English/6000/shareholders_-meeting.html).

The proxy nomination and its revocation may be either

(1) sent in text form to the Company (by post, fax or e-mail) at the following address only:

Instone Real Estate Group AG  
c/o Computershare Operations Center  
80249 München  
Deutschland  
Fax: + 49 89 30903 74675  
E-Mail: instone-hv2019@computershare.de

or sent via the InvestorPortal of Instone Real Estate Group AG at:

[https://ir.de.instone.de/websites/instonereal/English/6000/shareholders\\_-meeting.html](https://ir.de.instone.de/websites/instonereal/English/6000/shareholders_-meeting.html)

(2) issued in text form to the proxy.

If the nomination is issued to the proxy in text form, evidence thereof must be provided in text form to the Company – unless stated otherwise in section 135 of the German Stock Corporation Act (see 3.2). Evidence of the proxy may be sent to the Company at the aforementioned address, including via the medium of electronic communication (e-mail) stated therein or transmitted via the investorPortal of Instone Real Estate Group AG. Furthermore, the evidence of the proxy may also be provided in text form on the day of the General Shareholders' Meeting at the admission and exit points.

### 3.2 Credit institutions, Shareholders' Associations or equivalent persons as voting proxies (Section 135 of the German Stock corporation Act)

If a proxy is issued to a credit institution, a shareholders' association or person or institution deemed equivalent thereto under stock corporation law with regard to the exercise of voting rights, the nomination and revocation thereof need not be in text form according to the law. It is sufficient if the nomination is verifiably held by the proxy representative. Credit institutions, shareholders' associations, as well as persons and institutions deemed equivalent thereto pursuant to section 135 of the German Stock Corporation Act may stipulate different requirements with regard to their own nomination as proxies; please liaise with the respective proxy to be nominated. In such cases, no separate proof of the proxy needs to be given to the Company.

### 3.3 Authorization of Company nominated proxies

We offer all shareholders the possibility of being represented by our voting proxies. If the voting proxies named by the Company are to be nominated, they must in any case receive instructions on how to exercise the voting right. The proxy and the instructions must be issued in text form. The proxy and instruction form sent with the registration documents may be used for this purpose. The proxy and instruction form can also be downloaded from the Company's website [https://ir.de.instone.de/websites/instonereal/English/6000/shareholders\\_-meeting.html](https://ir.de.instone.de/websites/instonereal/English/6000/shareholders_-meeting.html). Proxies and instructions must be received by the Company (by post, fax or e-mail) at the address below or via the InvestorPortal of Instone Real Estate Group AG at: [https://ir.de.instone.de/websites/instonereal/English/6000/shareholders\\_-meeting.html](https://ir.de.instone.de/websites/instonereal/English/6000/shareholders_-meeting.html), until **12 June 2019 (12 p.m. CEST)** in order to be taken into account at the General Shareholders' Meeting:

Instone Real Estate Group AG  
c/o Computershare Operations Center  
80249 München  
Deutschland  
Fax: + 49 (0) 89 30903 74675  
E-Mail: instone-hv2019@computershare.de

The revocation of a proxy as well as any amendment to instructions must also be sent in text form until **12 June 2019 (12 p.m. CEST)** to the aforementioned address or undertaken in the InvestorPortal of Instone Real Estate Group AG. On the day of the General Shareholders' Meeting, a nomination of the Company's voting proxies or instructions to the Company's voting proxies, or a revocation or change to the proxy or instructions may be performed in text form at the admission and exit points. If the Company's voting proxies are nominated, the shareholder may not vote on any counter-motions first proposed at the General Shareholders' Meeting, proposals for election or other motions not communicated prior to the General Shareholders' Meeting, and also not issue instructions therefore. The voting proxies may also not exercise the shareholder's rights to ask questions or speak, to submit motions or to raise objections.

4. **Additional agenda items requested by a minority pursuant to section 122 para. 2 of the German Stock Corporation Act**  
Shareholders whose shares amount in aggregate to a proportional amount of the registered share capital of Instone Real Estate Group AG of at least EUR 500.000,00 (this corresponds to 500.000 shares) may request that items be included on the agenda and published. Each new agenda item has to be submitted with a statement of reasons or a resolution proposal. The request must be sent in writing to Instone Real Estate Group AG's Board of Management and must be received by the Company at least 30 days before the General Shareholders' Meeting (Day of the General Shareholders' Meeting and approach of the request not included), i. e. at the latest on **13 May 2019 (12 p.m. CEST)**, at the following address:

Instone Real Estate Group AG  
Board of Management  
Grugaplatz 2-4  
45131 Essen  
Germany

The proposers must also prove that they have been the owners of the necessary quorum of shares for at least 90 days before the day the request has been received by Instone Real Estate Group AG's Board of Management and will hold the shares until the decision in the request.

5. **Shareholders' counter motions and proposals for election pursuant to Section 126 para. 1 and Section 127 of the German Stock Corporation Act**

Counter-motions and proposals for election pursuant to sections 126 and 127 of the German Stock Corporation Act must be sent exclusively (by post, fax or e-mail) to the following address:

Instone Real Estate Group AG  
Investor Relations  
Grugaplatz 2-4  
45131 Essen  
Germany  
Fax: +49 (0) 201 45355 904  
E-Mail: [ir@instone.de](mailto:ir@instone.de)

All counter-motions and proposals for election that are to be made available pursuant to sections 126 and 127 of the German Stock Corporation Act will be made available to the other shareholders on the internet at [https://ir.de.instone.de/websites/instonereal/English/6000/shareholders\\_-meeting.html](https://ir.de.instone.de/websites/instonereal/English/6000/shareholders_-meeting.html) including the name of the shareholder and his required explanation in case of a counter-motion as well as any position taken thereon by the management, if they have been submitted by **29 May 2019 (12 p.m. CEST)** to the aforementioned address.

6. **Shareholders' right to obtain information pursuant to section 131 para. 1 of the German Stock Corporation Act**

Upon oral request at the General Shareholders' Meeting, the Board of Management must provide every shareholder with information about company affairs, including its legal and business relationships with affiliated companies as well as on the position of the group and the companies included in the consolidated financial statements insofar as the information is necessary for proper consideration of the agenda item, and no right to withhold the information is applicable pursuant to section 131 para. 3 of the German Stock Corporation Act.

In order to ensure that the General Shareholders' Meeting is properly conducted, the chairman of the meeting is entitled, pursuant to § 19 para. 2 of the Articles of Association, to limit the shareholders' rights to speak and ask questions at the General Shareholders' Meeting to a reasonable time.

7. **Documents/Publication on the Website**

VAs of the time of convocation of the General Shareholders' Meeting, all documents required to be published pursuant to section 124a of the German Stock Corporation Act will be made available on the Company's website at: [https://ir.de.instone.de/websites/instonereal/English/6000/shareholders\\_-meeting.html](https://ir.de.instone.de/websites/instonereal/English/6000/shareholders_-meeting.html).

Additional information on shareholder rights pursuant to section 122 para. 2, section 126 para. 1, section 127 and section 131 para. 1 of the German Stock Corporation Act can be found on the aforementioned website as well as further information, particularly about participating in the General Shareholders' Meeting and issuing proxies and instructions.

Curricula vitae of the members of the Board of Management as well as of the members of the Supervisory Board are available on the website of the company <https://www.instone.de/en/company/management/> as well as <https://ir.en.instone.de/websites/instonereal/English/5600/supervisory-board.html>.

Essen, May 2019

Instone Real Estate Group AG

### **The Board of Management**

#### **Data protection notice for shareholders regarding data collection for the purposes of the shareholders' meeting**

The company processes personal data (especially name, date of birth, address and further contact details of shareholders, number of shares held, type of ownership, login data for the encrypted online service for the General Shareholders' Meeting and, where applicable, name and address of the respective shareholder's representative) in connection with the shareholders' meeting on 20 June 2018 within the framework of the current data protection provisions. Information for shareholders regarding data protection can be found on the company's website under [https://ir.de.instone.de/websites/instonereal/English/6000/shareholders\\_-meeting.html](https://ir.de.instone.de/websites/instonereal/English/6000/shareholders_-meeting.html).