

Invitation to the Annual General Meeting

Dear Shareholders,

We hereby invite you to the Annual General Meeting
of Instone Real Estate Group AG, on

**9 June 2021,
at 10:00 a.m. CEST.**

In light of the official ordinances in place to provide protection against the health risks in connection with the SARS-CoV-2 coronavirus, the Annual General Meeting will be held as a

Virtual Annual General Meeting

without shareholders or their authorised representatives attending in person. The Annual General Meeting will be streamed live and in full on the Internet for shareholders and their authorised representatives who register on time. Our shareholders and their authorised representatives can watch the entire Annual General Meeting **from 10:00 a.m. (CEST) on 9 June 2021** using the access-protected InvestorPortal of Instone Real Estate Group AG at <https://ir.de.instone.de/websites/instonereal/English/6000/annual-general-meeting.html>.

The location of the Annual General Meeting, for the purposes of the Aktiengesetz (AktG – German Stock Corporation Act), is:

ATLANTIC Congress Hotel Essen, Messeplatz 3, 45131 Essen.

OVERVIEW OF DISCLOSURES PURSUANT TO SECTION 125 OF THE GERMAN STOCK CORPORATION ACT (AKTG) IN CONJUNCTION WITH TABLE 3 OF THE IMPLEMENTING REGULATION (EU) 2018/1212

A. Specification of the message

A1	Unique identifier of the event	Annual general meeting of Instone Real Estate Group AG on 09 June 2021 c10776572387eb11811b005056888925
A2	Type of message	Invitation to the annual general meeting

B. Specification of the issuer

B1	ISIN	DE000A2NBX80
B2	Name of issuer	Instone Real Estate Group AG

C. Specification of the meeting

C1	Date of the General Meeting	09 June 2021
C2	Time of the General Meeting	08:00 am UTC (10:00 am CEST)
C3	Type of the General Meeting	The annual general meeting will be held in the form of a virtual annual general meeting without the physical presence of the shareholders or their proxies
C4	Location of the General Meeting	Location of the annual general meeting, in the meaning of the German Stock Corporation Act (Aktengesetz) (the physical presence of shareholders or their proxies is not possible): ATLANTIC Congress Hotel Essen, Messeplatz 3, 45131 Essen URL of the video and audio transmission on the Internet: https://ir.de.instone.de/websites/instonereal/English/6000/annual-general-meeting.html
C5	(Technical) Record Date	18 May 2021
C6	Uniform Resource Locator (URL)	https://ir.de.instone.de/websites/instonereal/English/6000/annual-general-meeting.html

D. Participation in the general meeting

D2	Issuer deadline for participation	02 June 2021, 10:00 pm UTC (12:00 pm MEST)
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I. Agenda

1. PRESENTATION OF THE ADOPTED ANNUAL FINANCIAL STATEMENTS AND THE COMBINED MANAGEMENT REPORT OF INSTONE REAL ESTATE GROUP AG AND THE GROUP, THE EXPLANATORY REPORT ON INFORMATION IN ACCORDANCE WITH SECTION 289A(1) AND SECTION 315A(1) OF THE HANDELSGESETZBUCH (HGB – GERMAN COMMERCIAL CODE) AND THE REPORT OF THE SUPERVISORY BOARD, ALL FOR THE 2020 FINANCIAL YEAR

The Supervisory Board approved the annual financial statements and the consolidated separate financial statements prepared by the Management Board on 12 March 2021. The annual financial statements are therefore adopted in accordance with section 172 AktG. A resolution by the Annual General Meeting in accordance with section 173(1) sentence 1 and sentence 2 AktG is therefore not required for the documents to be presented.

2. APPROPRIATION OF NET RETAINED PROFITS FOR THE 2020 FINANCIAL YEAR

The Management Board and the Supervisory Board propose that the net retained profits of the Company of EUR 14,669,161.50 for the 2020 financial year be appropriated as follows:

Distribution of a dividend of EUR 0.26 per entitled share = EUR 12,216,967.36

and carryforward of the remainder to new account = EUR 2,452,194.14

The total dividend is based on the eligible share capital on 23 April 2021 of EUR 46,988,336, divided among 46,988,336 no-par shares. The number of eligible shares may change by the date of the resolution on the appropriation of net retained profits. In such event, the Management Board and the Supervisory Board will propose an adjusted resolution for the appropriation of profits that will still allow for a distribution of EUR 0.26 per eligible share. The adjustment will be made as follows: If the number of eligible shares and thus the total dividend is reduced, the amount to be carried forward to new account will be increased accordingly. If the number of eligible shares and thus the total dividend increases, the amount to be carried forward to new account will be reduced accordingly.

Assuming the dividend proposal is approved, the following applies to the payment of the dividend: As the dividend for the 2020 financial year will be paid entirely from the capital contributions account for tax purposes as referred to by section 27 of the Körperschaftsteuergesetz (KStG – German Corporation Tax Act) (rather than contributions paid into nominal capital), the dividend will be paid without the deduction of capital gains tax or the solidarity surcharge. The dividend is not subject to taxation for domestic shareholders. It therefore does not entail the possibility of a tax refund or tax credit. In the opinion of the German fiscal authorities, the distribution reduces the acquisition cost of the shares for tax purposes. Shareholders who are resident in the Netherlands (or shareholders not resident in the Netherlands that have a permanent establishment in the Netherlands to which the shares of the Company are attributed) and who are subject to Dutch capital gains tax are requested to inform the Company electronically of the shares they hold as at the date of the Annual General Meeting at hauptversammlung@instone.de to allow the technical settlement of the dividend.

In accordance with section 58(4) sentence 2 AktG, shareholders' entitlement to the dividend becomes due on the third business day after the resolution by the Annual General Meeting. The dividend is therefore to be paid on 14 June 2021.

3. OFFICIAL APPROVAL OF THE ACTIONS OF THE MANAGEMENT BOARD FOR THE 2020 FINANCIAL YEAR

The Management Board and the Supervisory Board propose that the actions of the members of the Management Board in office in the 2020 financial year be approved for this period.

4. OFFICIAL APPROVAL OF THE ACTIONS OF THE SUPERVISORY BOARD FOR THE 2020 FINANCIAL YEAR

The Management Board and the Supervisory Board propose that the actions of the members of the Supervisory Board in office in the 2020 financial year be approved for this period.

5. APPOINTMENT OF THE AUDITOR OF THE ANNUAL AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE 2021 FINANCIAL YEAR AND THE AUDITOR TO REVIEW THE INTERIM FINANCIAL REPORTS

At the recommendation of the Audit Committee, the Supervisory Board proposes appointing Deloitte GmbH Wirtschaftsprüfungsgesellschaft, Schwannstrasse 6, 40476 Düsseldorf, Germany, as the auditor of the annual and consolidated financial statements for the financial year ending 31 December 2021. This auditor will also review any interim financial reports to be prepared before the next Annual General Meeting.

In its recommendation, the Audit Committee declared that its recommendation is free from any undue influence by third parties and that no restrictions were placed on it regarding the selection of a particular auditor as referred to by Article 16(6) of Regulation (EU) 537/2014.

6. APPROVAL OF THE REMUNERATION SYSTEM FOR THE MEMBERS OF THE MANAGEMENT BOARD

In accordance with section 120a(1) AktG, in the version valid since 1 January 2020 under the Gesetz zur Umsetzung der zweiten Aktionärsrechterichtlinie (ARUG II – German Act Implementing the Second Shareholders' Rights Directive) of 12 December 2019, the annual general meeting of a listed company must adopt a resolution approving the remuneration system for members of the management board for any material change in the remuneration system, or at least every four years. A resolution is necessary in the 2021 Annual General Meeting. On 23 April 2021, the Supervisory Board adopted a remuneration system for the members of the Management Board that is consistent with the requirements of ARUG II and takes essentially into account the recommendations of the amendment to the German Corporate Governance Code.

The Supervisory Board proposes the approval of the remuneration system for members of the Management Board reproduced as an **Annex** to item 6 of the agenda under **section II.1** of this invitation.

7. APPROVAL OF THE REMUNERATION SYSTEM FOR THE MEMBERS OF THE SUPERVISORY BOARD, TOGETHER WITH A RESOLUTION FOR A CORRESPONDING AMENDMENT OF THE ARTICLES OF ASSOCIATION OF INSTONE REAL ESTATE GROUP AG

In accordance with section 113(3) AktG, in the version valid since 1 January 2020, the annual general meeting of a listed company must adopt a resolution on the remuneration and the remuneration system for members of the supervisory board at least every four years.

The currently applicable remuneration regulations for the members of the Supervisory Board were resolved by the Annual General Meeting in connection with the Company's transformation from a Dutch to a German stock corporation as a component of the Articles of Association on 29 June 2018, and were the same as the remuneration regulations that became effective immediately before the Company's IPO on 13 February 2018.

Regarding the monitoring and advisory function of the Supervisory Board, which must be performed regardless of the Company's performance, the Management Board and the Supervisory Board confidently believe that the current structure of Supervisory Board remuneration as fixed remuneration is still appropriate. However, on the basis of a peer group comparison and given the actual extent of the Supervisory Board's activities, in particular as regards the frequency of meetings and resolutions, the current amount of fixed remuneration is no longer consistent with fair market remuneration. The current fixed remuneration for the members of the Supervisory Board is therefore to be increased from EUR 60,000 p.a. to EUR 75,000 p.a. and from EUR 1,500 to EUR 7,500 for the members of committees of the Supervisory Board with the exception of the remuneration for the members of the Audit Committee which shall remain unchanged at EUR 15,000 p.a. This requires an amendment to the Articles of Association.

The Management Board and the Supervisory Board therefore propose to the Annual General Meeting: 1) the approval of the remuneration system for members of the Supervisory Board reproduced as an **Annex** to this item 7 of the agenda under **section II.2**; and 2) the corresponding amendment and revision of the Articles of Association as set out below:

Articles 13.1 and 13.2 of the Articles of Association will be revised as follows:

„13.1 The members of the Supervisory Board receive basic fixed annual remuneration of seventy five thousand euros (EUR 75,000.00). The Chair of the Supervisory Board receives double this amount, the Deputy Chair receives one and a half times this amount.

13.2 Members of the Audit Committee receive additional fixed annual remuneration of fifteen thousand euros (EUR 15,000) and members on other committees of the Supervisory Board receive additional fixed annual remuneration of seven thousand five hundred euros (EUR 7,500.00). The Chair of each committee receives double the relevant fixed remuneration.”

8. RESOLUTION ON THE PARTIAL CANCELLATION OF THE AUTHORISATION TO ISSUE CONVERTIBLE OR WARRANT BONDS, THE CREATION OF A NEW AUTHORISATION OF THE MANAGEMENT BOARD, THE AMENDMENT OF THE CONTINGENT CAPITAL AND CORRESPONDING AMENDMENTS OF THE ARTICLES OF ASSOCIATION

On the basis of a capital increase with subscription rights against cash contributions performed in September 2020, the Company increased its share capital by EUR 10 million from EUR 36,988,366 to EUR 46,988,366 by issuing 10 million new no-par shares with a notional share of share capital of EUR 1.00. In light of this, the financial framework available to the Company by issuing warrant and convertible bonds is to be increased accordingly and, in line with this, the authorisation to issue such financial instruments and the associated contingent capital resolved by the Annual General Meeting of the Company on 13 June 2019 under item 6 of the agenda is to be revised. With the exception of increasing the maximum volume to 10% of current share capital and an adjustment of the term of the authorisation, the content of the new proposed authorisation is identical to that of the existing authorisation.

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

(1) Cancellation of the current authorisation to issue warrant or convertible bonds

The authorisation to issue warrant or convertible bonds resolved by the Annual General Meeting of the Company on 13 June 2019 under 6(1) on the agenda is to be cancelled from the date that the contingent capital to be resolved by the Annual General Meeting on 9 June 2021 under (3)(a) below is entered in the commercial register.

(2) New authorisation to issue warrant or convertible bonds

a) Duration of authorisation, nominal amount

- aa) Effective from the entry in the commercial register of the contingent capital to be resolved by the Annual General Meeting on 9 June 2021 under (3)(a) below, the Management Board is to be authorised, with the approval of the Supervisory Board, to issue bearer or registered warrant or convertible bonds, dated or undated, with a total nominal value of up to EUR 350,000,000 (in words: three hundred and fifty million euro) (collectively referred to below as “**Bonds**”) on one or more occasions by 8 June 2026, and to grant the bearers or creditors of the bonds option or conversion rights to up to 4,698,833 (in words: four million six hundred and ninety-eight thousand eight hundred and thirty-three) new shares in the Company accounting for a total pro rata amount of share capital of up to EUR 4,698,833 (in words: four million six hundred and ninety-eight thousand eight hundred and thirty-three euro) in accordance with the respective terms and conditions of the warrant and convertible bonds to be defined in more detail by the Management Board (each referred to below as the “**Terms and Conditions**”).

- bb) In addition to the euro, the Bonds can also be issued in a legal foreign currency, limited to the corresponding equivalent value in euro.
- cc) The Bonds can also be issued by other companies dependent on or majority-owned by the Company; in such event the Management Board will be authorised, with the approval of the Supervisory Board, to assume the guarantee for the Bonds and to grant the bearers of such Bonds option/conversion rights to shares of the Company and to issue further declarations and to take the actions required for a successful issue.
- dd) When issued, the Bonds can also be divided into partial debentures with equal rights.

b) Subscription rights and disapplication of subscription rights

The shareholders have statutory subscription rights to Bonds. They can also be underwritten by a credit institution or an entity operating in accordance with section 53(1) sentence 1 or in accordance with section 53b(1) sentence 1 or (7) of the Gesetz über das Kreditwesen (KWG – German Banking Act) or a syndicate of such credit institutions and financial institutions with the obligation to offer them to shareholders for subscription indirectly as referred to by section 186(5) AktG.

However, the Management Board is authorised, with the approval of the Supervisory Board, to disapply shareholders' subscription rights to Bonds:

- aa) to exclude fractional amounts arising on account of the subscription ratio from shareholders' subscription rights to Bonds;
- bb) to issue Bonds against cash payment, to the extent that this takes place at an issue price not significantly less than the hypothetical market value of Bonds calculated using generally accepted, in particular financial, methods.

However, this authorisation to disapply subscription rights applies only to the extent that the shares issued or to be issued to serve the option or conversion rights or to satisfy a conversion obligation do not exceed 10% of the share capital. The limit of 10% shall be governed by the amount of share capital as at the date that this authorisation becomes effective. If the share capital is lower at the time that this authorisation is exercised, this lower value shall be used. This amount is to be reduced by the pro rata amount of share capital (i) accounted for by shares issued or to be issued from authorised capital with subscription rights disapplied during the term of this authorisation until the time it is utilised in accordance with section 186(3) sentence 4 AktG; (ii) accounted for by treasury shares of the Company disposed of or to be disposed of with shareholders' subscription rights disapplied on the basis of authorisations in accordance with section 71(1) no. 8 AktG during the term of this authorisation until the time it is utilised in accordance with section 186(3) sentence 4 AktG; and (iii) accounted for by shares issued or to be issued to serve warrant or convertible bonds issued or to be issued with subscription rights disapplied during the term of this authorisation until the time it is utilised in accordance with section 186(3) sentence 4 AktG, with the corresponding changes;

- cc) to the extent necessary to grant to the bearers of warrant or convertible bonds (or combinations of these instruments) issued by the Company or other companies dependent on or majority-owned by the Company subscription rights to the extent they would be entitled after exercising their rights/fulfilling their obligations.

Under this authorisation, Bonds can be only issued with subscription rights disapplied if the total new shares to be issued on the basis of such Bonds, together with new shares from authorised capital or treasury shares issued or disposed of by the Company during the term of this authorisation until the time it is utilised, utilising another

authorisation with shareholders' subscription rights disappplied, and together with rights issued during the term of this authorisation until the time it is utilised, utilising another authorisation with subscription rights disappplied and that allow or require the exchange into or subscription to shares of the Company, do not account for a notional amount of more than 10% of the share capital in total. The limit of 10% shall be calculated based on the amount of share capital as at the date that this authorisation becomes effective. If the share capital is lower at the time that this authorisation is exercised, this lower value shall be used.

c) Conversion rights

When convertible bonds are issued, the bearers receive the right to convert their Bonds into new shares of the Company in accordance with the Terms and Conditions. The conversion ratio is determined by dividing the nominal amount of a bond by the conversion price set for one new share of the Company. The conversion ratio can also be determined by dividing the issue amount of a Bond, if less than its nominal amount, by the conversion price set for one new share of the Company. The conversion ratio can be rounded up or down to a whole number; an additional cash payment can also be stipulated. Finally, it can be stipulated that fractional amounts will be combined or settled in cash. The pro rata amount of the share capital of the shares of the Company to be issued per Bond must not exceed the nominal amount of the Bond or, if lower than the nominal amount, the issue amount.

The Terms and Conditions can stipulate that, in the event of conversion, the Company has the right to pay the bearers of the conversion right the equivalent cash value instead of shares of the Company, which, in accordance with the more detailed provisions of the Terms and Conditions, is equal to the arithmetic mean of the closing prices of the shares of the Company on the Frankfurt Stock Exchange in XETRA trading (or a comparable successor system) on the last ten trading days prior to the declaration of conversion.

The Terms and Conditions can also stipulate that the Company has the right to grant the bearers of the conversion right treasury shares of the Company or new shares from authorised capital in the event of conversion. The Terms and Conditions can also stipulate a conversion obligation as at the end of the term or any other date.

The Terms and Conditions can stipulate that the Company has the right to grant the creditors of the Bonds new shares or treasury shares of the Company, in full or in part, in place of paying the monetary amount due. The shares are counted at a value that, in accordance with the more detailed provisions of the Terms and Conditions, is equal to the arithmetic mean of the closing prices of the shares of the Company on the Frankfurt Stock Exchange in XETRA trading (or a comparable successor system) on the last ten trading days prior to the monetary amount becoming due.

d) Option rights

If warrant bonds are issued, one or more warrants will be attached to each bond, entitling the Bearer to subscribe for shares in the Company in accordance with the Terms and Conditions. The Terms and Conditions can stipulate that option holders will be granted treasury shares of the Company or new shares from authorised capital. The pro rata amount of the share capital attributable to the shares to be subscribed to per warrant bond must not exceed the exercise price of the warrant bond.

e) Option or conversion price

The option or conversion price for a share shall be at least 80% of the arithmetic mean of the stock exchange prices of the shares of the Company in the XETRA closing auction on the Frankfurt Stock Exchange (or a comparable successor system), namely:

- aa) if subscription rights are disappplied or there is otherwise no trading in subscription rights, on the ten trading days prior to the day of the Management Board's resolution to issue the Bonds; or

- bb) on the trading days on which subscription rights to Bonds are traded on the Frankfurt Stock Exchange, with the exception of the last two trading days for subscription rights

Notwithstanding section 9(1) AktG, the option and conversion price will be reduced on the basis of a dilution protection clause in accordance with the more detailed Terms and Conditions by payment of a corresponding amount in cash when the conversion right is exercised or by reducing the additional payment if the Company increases its share capital or issues further bonds or grants or guarantees option/conversion rights during the option or conversion period to shareholders with subscription rights and the bearers of existing option or conversion rights are not granted subscription rights as they would be entitled to after exercising the option or conversion rights.

Instead of a payment in cash or a reduction of the additional payment, the conversion ratio can also be adjusted, if possible, by dividing it by the reduced conversion price. The Terms and Conditions can also stipulate an adjustment of the option/conversion price to preserve value for other measures by the Company that could lead to a dilution of the value of option/conversion rights, and for the event of a capital reduction, stock split or a special dividend.

f) Stipulations on modes of issue

The Management Board will be authorised, in compliance with the above specification, to stipulate the further details of the issue and features of Bonds and their Terms and Conditions, or to stipulate these in consultation with the executive bodies of the Group company issuing the Bonds, including in particular the interest rate, issue price, term and denomination, subscription or conversion ratio, grounds giving rise to a conversion, stipulation of an additional cash payment, settlement or combination of fractional amounts, cash payment in place of delivery of shares, option/conversion price and option/conversion period.

(3) Contingent Capital

a) Creation of new Contingent Capital 2021

The share capital of the Company will be contingently increased by up to EUR 4,698,833 (in words: four million six hundred and ninety-eight thousand eight hundred and thirty-three euro) by issuing up to 4,698,833 (in words: four million six hundred and ninety-eight thousand eight hundred and thirty-three) new, no-par bearer shares with profit participation rights from the start of the financial year in which they are issued (**Contingent Capital 2021**).

The Contingent Capital 2021 serves to grant shares to the bearers or creditors of warrant or convertible bonds issued by the Company or other companies dependent on or majority-owned by the Company in accordance with the authorisation of the Annual General Meeting of 9 June 2021 under item 8 (2) of the agenda. It will only be carried out to the extent that the option or conversion rights under the warrant and convertible bonds referred to above are exercised or conversion obligations under such Bonds are fulfilled, and to the extent that they are not served by treasury shares or new shares from authorised capital. The issue amount of the new shares is equal to the option or conversion price to be set in accordance with the respective authorisation.

The Management Board will be authorised to stipulate the further details of the implementation of the contingent capital increase.

b) Amendment of the Articles of Association

Article 7 of the Articles of Association will be amended as follows:

**“Article 7
Contingent Capital 2021**

- 7.1 The share capital of the Company is contingently increased by up to EUR 4,698,833 (in words: four million six hundred and ninety-eight thousand eight hundred and thirty-three euro) by issuing up to 4,698,833 (in words: four million six hundred and ninety-eight thousand eight hundred and thirty-three) new, no-par bearer shares with profit participation rights from the start of the financial year in which they are issued (**Contingent Capital 2021**).
- 7.2 The contingent capital increase serves to grant shares to the bearers or creditors of warrant or convertible bonds issued by the Company or other companies dependent on or majority-owned by the Company in accordance with the authorisation of the Annual General Meeting of 9 June 2021 under item 8 (2) of the agenda. It will only be carried out to the extent that the option or conversion rights under the warrant and convertible bonds referred to above are exercised or conversion obligations under such Bonds are fulfilled, and to the extent that they are not served by treasury shares or new shares from authorised capital. The issue amount of the new shares is equal to the option or conversion price to be set in accordance with the respective authorisation.
- 7.3 The Management Board is authorised to stipulate the further details of the implementation of the contingent capital increase.”

9. RESOLUTION ON THE CREATION OF FURTHER AUTHORISED CAPITAL WITH THE OPTION OF DISAPPLYING SUBSCRIPTION RIGHTS AND THE CORRESPONDING AMENDMENT OF THE ARTICLES OF ASSOCIATION

In order to improve the Company's financing options on the capital market, and as only 8.45 million shares are available under the authorised capital contained in Article 6 of the Articles of Association (Authorised Capital 2018) on account of the capital increase with subscription rights performed in the previous financial year, an additional authorised capital of 8 million shares shall be created (thus 16.45 million shares in total or around 35% of the current share capital of the Company). However, the options for disapplying subscription rights shall not be extended, but rather will be limited to 10% of the share capital, taking into account shares issued with subscription rights disapplying.

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

(1) Authorisation to increase share capital (Authorised Capital 2021)

- (i) The Management Board shall be authorised, with the approval of the Supervisory Board, to increase the share capital of the company on one or more occasions by up to eight million euros (EUR 8,000,000.00) by issuing up to eight million (8,000,000) new no-par value bearer shares in return for cash and/or non-cash contributions (**Authorised Capital 2021**) by 8 June 2026.
- (ii) Shareholders shall in principle be granted subscription rights. In accordance with section 186(5) AktG, the shares can also be acquired by one or more credit institutions or entities operating in accordance with section 53(1) sentence 1 or section 53b(1) sentence 1 or (7) of the Kreditwesengesetz (KWG – German Banking Act) with the obligation to offer them to the shareholders of the company for subscription (indirect subscription rights). The Management Board shall be authorised, however, with the approval of the Supervisory Board, to exclude the shareholders' subscription rights for one or more capital increases as part of the Authorised Capital 2021:

- (a) in order to exclude fractional amounts from the shareholders' subscription rights;
- (b) to issue shares against cash contributions if the issue amount of the new shares is not significantly less, within the meaning of sections 203(1) and (2) and 186(3) sentence 4 AktG, than the market price of the shares that are already listed and the notional amount in the share capital attributed to the new shares issued subject to the exclusion of the subscription rights in accordance with section 186(3) sentence 4 AktG does not in total exceed ten percent (10%) of the share capital either at the time this authorisation comes into effect or at the time that it is exercised. Shares that are issued or that are to be issued to serve conversion or option rights arising from or in connection with bonds, profit participation rights and participating bonds or creditors of bonds furnished with conversion obligations or a combination of these instruments or when an option is exercised by the company to grant shares in the company instead of paying the cash amount due from or in connection with bonds, profit participation rights and participating bonds or creditors of bonds furnished with conversion obligations shall be deducted from this number if these bonds were issued in application mutatis mutandis of section 186(3) sentence 4 AktG subject to the exclusion of the subscription rights during the term of this authorisation. Furthermore, treasury shares of the company that are disposed of during the term of this authorisation subject to the exclusion of the shareholders' subscription rights in accordance with section 71(1) no. 8 sentence 5, second half of the sentence in conjunction with section 186(3) sentence 4 AktG shall also be deducted from the maximum limit of ten percent (10%) of the share capital;
- (c) to issue shares in return for non-cash contributions in particular for – but not limited to – the purposes of acquiring (also indirectly) companies, parts of companies, equity investments in companies or other assets (including receivables), properties and property portfolios in connection with an acquisition project; or
- (d) to carry out a stock dividend, in the course of which shares of the company are used (also in part and/or optionally) to fulfil the shareholders' dividend claims.

Under this authorisation, shares can be issued subject to the exclusion of the subscription rights only if the total of the new shares together with new shares from authorised capital or treasury shares that have been issued or disposed of by the company during the term of this authorisation up to the time it is utilised by utilising another authorisation where the shareholders' subscription rights are excluded, and also together with rights that are issued during the term of this authorisation up to the time it is utilised by utilising another authorisation where the subscription rights are excluded and that allow or require the exchange into or the subscription for shares of the company, do not account for a notional amount of the share capital of more than 10% in total of the share capital. The key factor for calculating the limit of 10% of the share capital is the amount of the share capital at the time that this authorisation comes into effect. If the amount of the share capital is lower at the time that this authorisation is exercised, this lower value shall be used.

- (iii) The Management Board will be authorised, with the approval of the Supervisory Board, to define the further content of the share rights (including a profit participation for the new shares deviating from section 60(2) sentence 3 AktG) and the terms and conditions of the share issue. The Supervisory Board will be authorised, after the Authorised Capital 2021 is utilised or after the deadline for utilising the Authorised Capital 2021 has elapsed, to amend the wording of the Articles of Association.

(2) Amendment of the Articles of Association

The Articles of Association will be supplemented by the following new Article 6a:

“Article 6a Authorised Capital 2021

6a.1 The Management Board is authorised, with the approval of the Supervisory Board, to increase the share capital of the company on one or more occasions by up to eight million euros (EUR 8,000,000.00) by issuing up to eight million (8,000,000) new no-par value bearer shares in return for cash and/or non-cash contributions (**Authorised Capital 2021**) by 8 June 2026.

6a.2 Shareholders shall in principle be granted subscription rights. In accordance with section 186(5) AktG, the shares can also be acquired by one or more credit institutions or entities operating in accordance with section 53(1) sentence 1 or section 53b(1) sentence 1 or (7) of the Kreditwesengesetz (KWG – German Banking Act) with the obligation to offer them to the shareholders of the company for subscription (indirect subscription rights). The Management Board is authorised, however, with the approval of the Supervisory Board, to exclude the shareholders' subscription rights for one or more capital increases as part of the Authorised Capital 2021:

- (a) in order to exclude fractional amounts from the shareholders' subscription rights;
- (b) to issue shares against cash contributions if the issue amount of the new shares is not significantly less, within the meaning of sections 203(1) and (2) and 186(3) sentence 4 AktG, than the market price of the shares that are already listed and the notional amount in the share capital attributed to the new shares issued subject to the exclusion of the subscription rights in accordance with section 186(3) sentence 4 AktG does not in total exceed ten percent (10%) of the share capital either at the time this authorisation comes into effect or at the time that it is exercised. Shares that are issued or that are to be issued to serve conversion or option rights arising from or in connection with bonds, profit participation rights and participating bonds or creditors of bonds furnished with conversion obligations or a combination of these instruments or when an option is exercised by the company to grant shares in the company instead of paying the cash amount due from or in connection with bonds, profit participation rights and participating bonds or creditors of bonds furnished with conversion obligations shall be deducted from this number if these bonds were issued in application mutatis mutandis of section 186(3) sentence 4 AktG subject to the exclusion of the subscription rights during the term of this authorisation. Furthermore, treasury shares of the company that are disposed of during the term of this authorisation subject to the exclusion of the shareholders' subscription rights in accordance with section 71(1) no. 8 sentence 5, second half of the sentence in conjunction with section 186(3) sentence 4 AktG shall also be deducted from the maximum limit of ten percent (10%) of the share capital;
- (c) to issue shares in return for non-cash contributions in particular for – but not limited to – the purposes of acquiring (also indirectly) companies, parts of companies, equity investments in companies or other assets (including receivables), properties and property portfolios in connection with an acquisition project; or
- (d) to carry out a stock dividend, in the course of which shares of the company are used (also in part and/or optionally) to fulfil the shareholders' dividend claims.

Under this authorisation, shares can be issued subject to the exclusion of the subscription rights only if the total of the new shares together with new shares from authorised capital or treasury shares that have been issued or disposed of by the company during the term of this authorisation up to the time it is utilised by utilising another authorisation where the shareholders' subscription rights are excluded, and also together with rights that are

issued during the term of this authorisation up to the time it is utilised by utilising another authorisation where the subscription rights are excluded and that allow or require the exchange into or the subscription for shares of the company, do not account for a notional amount of the share capital of more than 10% in total of the share capital. The key factor for calculating the limit of 10% of the share capital is the amount of the share capital at the time that this authorisation comes into effect. If the amount of the share capital is lower at the time that this authorisation is exercised, this lower value shall be used.

6a.3 The Management Board will be authorised, with the approval of the Supervisory Board, to define the further content of the share rights (including a profit participation for the new shares deviating from section 60(2) sentence 3 AktG) and the terms and conditions of the share issue. The Supervisory Board will be authorised, after the Authorised Capital 2021 is utilised or after the deadline for utilising the Authorised Capital 2021 has elapsed, to amend the wording of the Articles of Association.”

10. CONVERSION OF INSTONE REAL ESTATE GROUP AG INTO A EUROPEAN COMPANY (SE – SOCIETAS EUROPAEA) AND APPOINTMENT OF THE FIRST AUDITOR OF THE ANNUAL AND CONSOLIDATED FINANCIAL STATEMENTS FOR INSTONE REAL ESTATE GROUP SE

In accordance with Article 2(4) in conjunction with Article 37 of Council Regulation (EC) No. 2157/2001 of 8 October 2001 on the Statute for a European Company, Instone Real Estate Group AG is to be converted into a European company (SE – Societas Europaea). The reasons for the intended conversion of Instone Real Estate Group AG will be explained in detail in the conversion report of the Management Board of 23 April 2021.

The Management Board and the Supervisory Board therefore propose the following resolution whereby, in accordance with section 124(3) sentence 1 AktG, only the Supervisory Board – based on the recommendation of the Audit Committee – submits the proposal for the appointment of the auditor of the annual and consolidated financial statements for the first financial year of the future Instone Real Estate Group SE and the auditor to review any interim financial reports to be prepared before the next Annual General Meeting (section 10 of the Conversion Plan):

The Conversion Plan of 22 April 2021 for the Conversion of Instone Real Estate Group AG into a European company (SE – Societas Europaea) is agreed and the Articles of Association of Instone Real Estate Group SE attached to the Conversion Plan as an Annex are approved.

The Conversion Plan and the Articles of Association of Instone Real Estate Group SE attached to the Conversion Plan as an Annex have been reproduced as **Annex** to the agenda in **section II.5**.

II. Additional information on items of the agenda

1. ADDITIONAL INFORMATION ON THE REMUNERATION SYSTEM FOR THE MEMBERS OF THE MANAGEMENT BOARD (ITEM 6)

Remuneration system for the members of the Management Board of Instone Real Estate Group AG

In this remuneration system, the remuneration of the members of the Management Board of Instone Real Estate Group AG is set by the Supervisory Board. The remuneration is geared towards sustainable and long-term business development. Transparency and verifiability in the remuneration system as well as in the individual remuneration of the members of the Management Board are key elements of good corporate governance for Instone Real Estate Group AG. The remuneration system therefore features a clear and comprehensible structure. It is consistent with the requirements of the Aktiengesetz (AktG – German Stock Corporation Act) in the version implementing the Second Shareholders' Rights Directive) of 12 December 2019 (Bundesgesetzblatt (BGBl – Federal Law Gazette) Part I 2019, no. 50 of 19 December 2019) and essentially takes into consideration the recommendations of the German Corporate Governance Code (the Code) in the version that was adopted on 16 December 2019 and entered into force on 20 March 2020.

The remuneration system for the members of the Management Board of Instone Real Estate Group AG is based on the remuneration system that came into force in connection with the successful IPO of the company and the first listing on the Frankfurt Stock Exchange on 15 February 2018.

The remuneration system applies for a maximum period of four years to all new employment contracts that are entered into with members of the Management Board and to all contract extensions and amendments from 1 July 2021 onwards. Claims for remuneration before 1 July 2021, including claims arising from variable remuneration, continue to be based on the contractual regulations underlying these claims. The current Management Board employment contracts for the CEO and the COO will end at the end of the 2021 financial year and for the CFO at the end of the 2022 financial year, subject to early reappointment or amendment of the contracts.

The key components of the remuneration system are as follows:

Remuneration component	Components	Weighting / description
Non-performance-related remuneration (approximately 40% of the target remuneration)	Basic remuneration	Payable annually in 12 equal instalments at the end of each month
	Additional benefits	Comprise for example the use of a company car, accident insurance premiums and reimbursement of other expenses for the Management Board work
Performance-related short-term remuneration – short-term incentive (STI) (approximately 25% of the target remuneration)	Financial target: EAT adjusted	37.5% of the STI bonus base amount, measured by the economic success in the underlying financial year
	Financial target: volume of sales contracts	37.5% of the STI bonus base amount, measured by the performance in the underlying financial year

Remuneration component	Components	Weighting / description
	Strategy and sustainability targets (number: 2-4)	25% of the STI bonus base amount, measured by means of the achievement of targets in the underlying financial year
	Payment	After targets have been ascertained by the Supervisory Board in the month following the audited annual financial statements
Performance-related long-term remuneration – long-term incentive (LTI) (approximately 35% of the target remuneration)	Performance share plan (financial targets and non-financial ESG target)	Virtual share tranche, which is paid out after the end of a three-year performance period on the basis of the achievement of targets defined in advance by the Supervisory Board and presented below
	Financial target: relative TSR (Instone share performance including distributions)	20% of the LTI bonus base amount, measured using a comparison of the total shareholder return (Instone share performance including distributions) during the three-year performance period against the development of the SDAX (performance index)
	Financial target: earnings per share (EPS target)	50% of the LTI bonus base amount, measured by the performance of the adjusted earnings per share during the three-year performance period
	Non-financial ESG target	30% of the LTI bonus base amount, measured by means of the achievement of this target during the three-year performance period
	Payment	At the end of three years in total in € in the month following the approval of the annual financial statements, for each tranche on the basis of the performance of the Instone share price during the three-year performance period, including distributions (total shareholder return model)
Caps / maximum remuneration	STI cap	200% of the STI bonus base amount
	maximum LTI payment factor	300% of the LTI target achievement
	LTI cap limit	300% of the LTI bonus base amount
	Maximum remuneration	3.1 million € for Chair of the Management Board (CEO) 2.35 million € for each other member of the Management Board
Obligation to hold shares / Share Ownership Guideline	Minimum hold position of the Management Board members in Instone shares	Obligation to hold Instone shares with an equivalent value of a non-performance related annual base salary (gross) during the entire term of the contract. The equivalent value is calculated here on the purchase price of the shares. If the obligation to hold shares is not fulfilled at the beginning of the contract term, this must be achieved during the term of the contract by making appropriate additional purchases.
Penalty / clawback regulations		Retention and/or recovery of variable remuneration components in the event of a breach of legal or contractual duties or of internal company codes of conduct

A. Contribution of the remuneration to the promotion of the business strategy and to the long-term development of the company

Key factors in determining the remuneration are the size and complexity of the Instone Group, its economic and financial position, its success and its future prospects. Other substantial criteria for determining the remuneration include the respective duties and the personal performance of the individual members of the Management Board. The remuneration system sets out to establish remuneration that is competitive in a national and international comparison and that helps create added value for customers, employees, shareholders and other stakeholders, in particular by defining performance criteria related to the long-term and sustainable success of the company and linking the remuneration to challenging targets. The key targets defined by the Supervisory Board for the variable remuneration are consistent with the corporate strategy and, by being linked to the business planning, guarantee that the remuneration of the Management Board is synchronised with the long-term business performance.

B. Procedure for defining and implementing as well as reviewing the remuneration system

The responsibility for drawing up the remuneration system, for defining the total remuneration of the individual members of the Management Board and for regularly reviewing the remuneration system lies with the Supervisory Board of Instone Real Estate Group AG. The Supervisory Board has additionally set up a Remuneration Committee, which is responsible in particular for advising on the employment contracts of the Management Board members and for preparing related resolutions as well as for drawing up the definition of the targets for the variable remuneration components and their assessment by the Supervisory Board. The Supervisory Board reviews the remuneration system on the basis of the preparations and recommendations of the Remuneration Committee at regular intervals. If the Supervisory Board identifies a need for action, it decides on the necessary changes and, if these are of material significance, the remuneration system is resubmitted to the Annual General Meeting for approval.

In order to perform its duties, the Supervisory Board can call in external consultants, paying attention to their independence from the Management Board and from Instone Real Estate Group AG, and has done this also in order to draw up this remuneration system. In order to deal with potential conflicts of interest in the Supervisory Board, the rules of procedure of the Supervisory Board contain appropriate regulations, which, among other things, call for the disclosure of potential conflicts of interest to the Chair of the Supervisory Board and include a prohibition on participation and voting when conflicts of interest have been identified, and which also apply to remuneration matters.

The Annual General Meeting adopts a resolution on the remuneration system whenever there is a material change to the system, at least every four years, however. If the Annual General Meeting has not approved the remuneration system, a revised remuneration system must be submitted for approval by no later than the next Annual General Meeting.

C. Determination and appropriateness of the remuneration

In line with the remuneration system, the Supervisory Board sets the amount of the target total remuneration and corresponding maximum remuneration limits (caps) for each member of the Management Board. The remuneration is intended here to be commensurate with the duties and performance of the Management Board member as well as with the situation of the Instone Group, not exceed the normal remuneration for no particular reason and be geared towards the long-term and sustainable performance of the Instone Group. The appropriateness of the remuneration is regularly reviewed by the Supervisory Board. Both external and internal comparative analyses are carried out for this purpose.

Consideration of the terms and conditions of remuneration and employment of the employees and peer group comparison

The internal analysis was carried out in the form of a vertical comparison of the terms and conditions of remuneration and employment of the employees. The levels of remuneration of the Management Board members were considered in relation to the levels of remuneration of the first management level and the workforce overall. The demarcation of these two groups of employees was carried out by the Supervisory Board. The first management level includes the

managing directors of the subsidiaries, the workforce overall comprises the full-time employees of the Instone Group in Germany (including the first management level). The results of the vertical comparison, including the development over time, are taken into consideration when defining the remuneration system and future adjustments of the remuneration level of the Management Board.

The Supervisory Board additionally conducted an external comparative analysis of remuneration levels using two peer groups (an industry and a growth peer group) to assess the development of the remuneration system and to review the appropriateness of the terms and conditions of remuneration. The members of the industry peer group were selected using six criteria (size of the company, sector, state, legal form, capital market orientation and relevant employment market) on the premise of ensuring the greatest possible comparability with the Instone Real Estate Group AG. On account of the considerable growth of the Instone Group since the IPO, a second growth peer group was additionally created, which can be compared with Instone Real Estate Group AG in terms of sales growth rates, company size and region.

D. Remuneration components

The total remuneration of the individual members of the Management Board consists of various components. Based on the structure, the remuneration components are regulated in the same way for all members of the Management Board, whereby estimated values are involved, as the amount of the additional benefits as a component of the non-performance-related remuneration can vary in particular.

Target remuneration p.a.	100%
of which non-performance-related remuneration	Approximately 40%
of which performance-related remuneration – short-term (STI)	Approximately 25%
of which performance-related remuneration – long-term (LTI)	Approximately 35%

The Management Board remuneration comprises non-performance-related salary payments and non-cash benefits, performance-related (variable) remuneration and – in the case of two Management Board members – pension commitments agreed before the appointment to the Management Board, where the allocations by the company up to 2020 correspond to an annual retirement benefit from the age of 65 that is expected to be between 3–5% of the current annual basic non-performance-related remuneration. A multi-year assessment basis is the dominant factor in the variable remuneration in order to create incentives for a sustainable and long-term business performance. The remuneration system expressly provides here for both possible positive and negative developments to be taken into consideration. The Supervisory Board additionally defines a maximum amount (cap) for each performance-related remuneration component. The Management Board remuneration is strongly performance-related, with a particular focus on long-term variable compensation. For example, the STI-bonus amounts to around 62.5% of the non-performance-related remuneration if 100% of the targets are met and to around 125% if the maximum targets are met. Due to its even greater weighting, the LTI-bonus amounts to around 87.5% of the non-performance-related remuneration if 100% of the targets are met and to around 262.5% if the maximum targets are met.

As an incentive for new Management Board members in the context of their decision-making process to work on the Management Board for the company, there is additionally the option of granting one-off payments, for example in the form of cushioning allowances to cover the costs incurred by relocating or to reduce any loss of salary. This kind of one-time payment is limited in terms of the amount to an annual remuneration.

All activities for the company as well as for the enterprises affiliated with the company within the meaning of sections 15 ff. AktG are settled in principle by this remuneration.

Non-performance-related remuneration

The members of the Management Board of Instone Real Estate Group AG receive non-performance-related remuneration in the form of a fixed annual basic salary (basic remuneration) and additional benefits. The fixed annual basic salary is paid in twelve equal instalments at the end of a month, for the last time for the full month in which the Management Board employment contract ends.

In addition, the members of the Management Board receive additional non-performance-related benefits. These include for example the use of a company car and the payment of premiums for an accident insurance policy with benefits at a standard market level and are taken into account in the maximum remuneration for the Management Board.

Performance-related remuneration

The performance-related remuneration components consist of a variable remuneration element with a one-year assessment basis (**short-term incentive – STI**) and a variable remuneration element with a multi-year assessment basis (**long-term incentive – LTI**). Based on the design of the components, the proportion of the LTI outweighs the proportion of the STI in the target remuneration.

In the event that the member of the Management Board is not entitled to remuneration for the entire financial year underlying the calculation, a corresponding pro rata temporis reduction is made to the variable remuneration components.

One-year variable remuneration – short-term incentive (STI)

The one-year variable remuneration in the form of the STI is linked to

- ▶ the economic result or the performance of the Instone Group in the underlying financial year (*financial targets*) and
- ▶ *strategy and sustainability targets* defined for the individual members of the Management Board.

Variable remuneration – STI



The financial targets defined in the STI, to which a total of 75% of the STI bonus base amount is allocated, comprise the adjusted earnings after tax (**EAT adjusted**) and the **volume of sales contracts**, which were both given an identical weighting of 37.5% each. Both the EAT adjusted and the volume of sales contracts are key operating financial and management figures and key performance indicators of the Instone Group and integral elements of the company forecasts. These two financial targets are therefore key for the business strategy of the Management Board and the long-term development of the Instone Group. The measurement of the short-term variable remuneration using these key operating financial and management figures and performance indicators seems appropriate in the view of the Supervisory Board in order to guarantee in this way the incentives of the Management Board to implement the business strategy. The earnings-based performance indicator EAT adjusted is additionally a yardstick for the dividend policy. The key

real estate sector indicator of the volume of sales contracts includes all sales-related transactions such as notarised property purchase agreements, individual orders from customers and rental income. Both financial targets are derived from the business planning drawn up by the Management Board and approved by the Supervisory Board and from the forecasts and are redefined uniformly for the Management Board for each bonus year. The EAT adjusted and the volume of sales contracts are calculated using the adjusted results of operations, which form the basis for the financial reporting of the Instone Real Estate Group AG and is explained in more detail in the annual report.

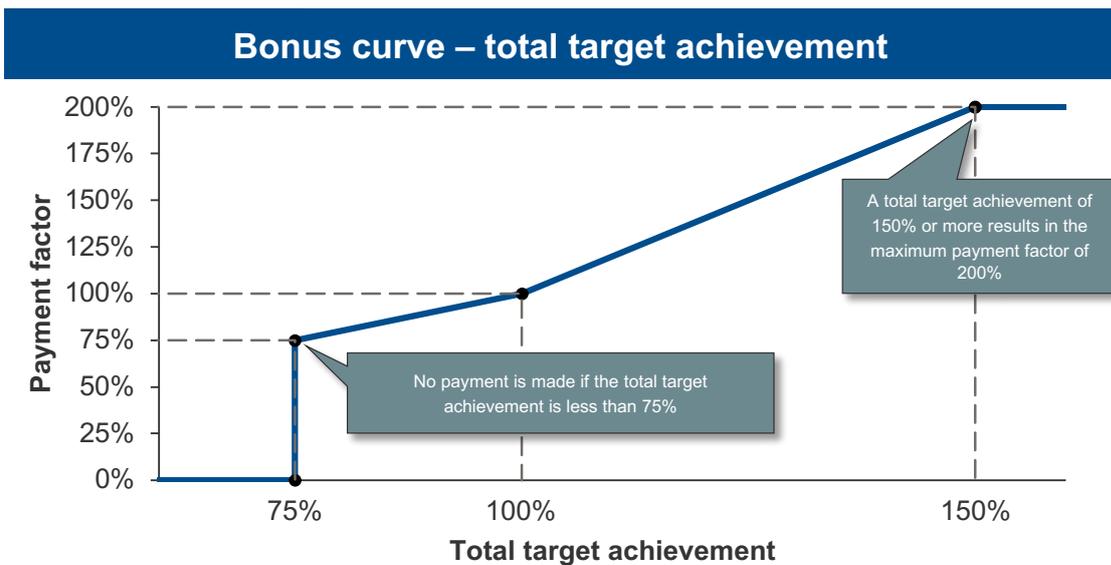
The linking of the one-year variable remuneration with these key financial and management performance indicators of the Instone Group serves to guarantee profitable and sustainable growth. Moreover, the selection of these targets is used to set incentives for the Management Board to act in line with the business strategy and the planning approved by the Supervisory Board and, in the best-case scenario, to exceed the forecast communicated to the capital market.

The **strategy and sustainability targets** that are key for the bonus year in question are individually defined by the Supervisory Board for each bonus year and for each member of the Management Board. The Supervisory Board generally sets two to four targets for each Management Board member here, which are used to implement the business strategy and serve the long-term business development. The strategy and sustainability targets account for 25% of the STI bonus. This gives the Supervisory Board the possibility of defining central, non-compulsory financial targets in the company's interest for the Management Board and linking them to the personal performance of the Management Board members. In addition to environmental issues such as the reduction of CO₂, customer and employee satisfaction, the value of investor sales or the optimisation of the company financing, these targets can for example include the promotion and development of the new "valuehome" product line or the creation of subsidised housing. In order to ensure that the achievement of targets is sufficiently transparent and verifiable, the Supervisory Board pays attention to defining targets and defining criteria for the targets where their achievement can be identified and measured ideally using quantitative methods. The Supervisory Board can weigh the annually defined strategy and sustainability targets differently here, where each individual target within the strategy and sustainability targets have to be weighted with a minimum of no less than 25%.

An STI bonus base amount in euros is agreed for each Management Board member in the respective employment contract. The payment amount of these variable remuneration components is determined by the achievement of the targets, for which the Supervisory Board defines target and threshold values to be achieved for each performance period, thereafter as follows:

- ▶ After the end of the bonus year (performance period) in question, the Supervisory Board ascertains how much of the individual target has been achieved and, taking the weighting of the relevant individual target into account, transfers the individual target achievement to a total target achievement. The maximum target achievement for each individual STI target is capped here at 175%.
- ▶ The total target achievement is assigned to an STI payment factor in accordance with a bonus curve (see below). If the total target achievement is less than 75% (**target floor**), no claim arises for payment of the STI bonus. Because ambitious targets are set, above-average performance of the Management Board members merit above-average rewards: if the total target achievement is 150% or more (**target cap**), the STI payment factor amounts to 200%. The STI payment factor for a total target achievement between 100% and 150% is calculated in proportion to this. When the total target achievement is between 75% and 100%, the STI payment factor equals linearly to the total target achievement.
- ▶ The STI payment factor is multiplied by the agreed STI bonus base amount and thus produces the payment amount of the STI bonus in euros for the performance period. The payment amount can here total a maximum of 200% of the STI bonus base amount (**cap**). The payment is made in the month following the approval of the company's audited annual financial statements.

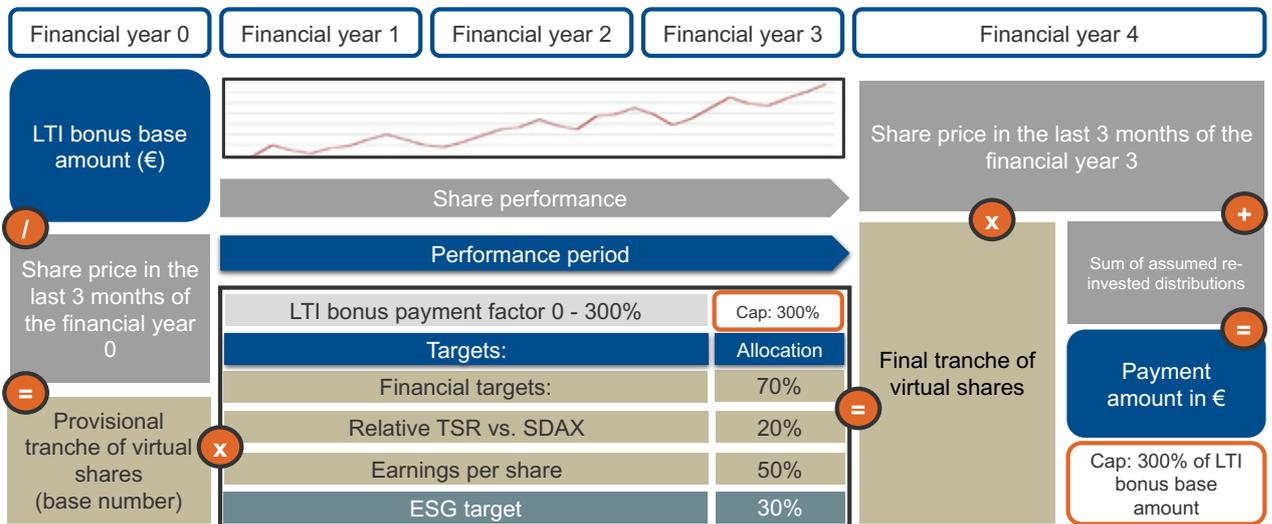
An example of the total target achievement for the STI and the resulting STI payment factor is illustrated below:



Long-term variable remuneration – long-term incentive (LTI)

As a further component of the variable remuneration, a commitment is additionally made to the members of the Management Board comprising a multi-year variable compensation in the form of an LTI bonus on the basis of a share-based virtual performance share plan. Through the linkage to the price of the Instone share, incentives are set for the Management Board to promote the long-term and sustainable development of the Instone Group. Moreover, the harmonisation of the interests of the shareholders and the Management Board is strengthened.

Variable remuneration - LTI



The amount of any LTI bonus depends on

- ▶ the level of the LTI bonus base amount and the underlying average share price at the time the virtual share tranche is allocated in financial year 0,
- ▶ the achievement of *financial targets* and a *non-financial ESG target* during a three-year performance period and

- ▶ the *performance of the share price* (taking any distributions into account) of the Instone Real Estate Group AG during the three-year performance period.

The measurement period for the multi-year variable remuneration thus amounts to a total of three years.

The financial targets defined in the LTI are the performance of the adjusted earnings per share, EPS (**EPS target**) and the total shareholder return (performance of the share price in due consideration of distributions) of the Instone Real Estate Group AG in comparison with the SDAX (**relative TSR**), to which a total of 70% of the LTI bonus base amount is allocated and which are given a 50% and 20% weighting. Both financial targets are derived from the business planning and from the forecasts drawn up by the Management Board and approved by the Supervisory Board and are defined uniformly for the Management Board for each three-year performance period anew.

Using the **EPS target**, a target is defined that is used to set incentives for the Management Board on the basis of the multi-year performance period to increase the company's long-term earning power. As a result, an incentive is set to manage the company profitably and on a profit-oriented basis and at the same time to generate sustainable growth over the long term in the interests of the shareholders. The EPS target is defined in the form of an aggregated target value over the performance period. The EPS target is calculated using the adjusted results of operations (as defined in the annual report), which form the basis for the financial reporting of the Instone Real Estate Group AG and is explained in more detail in the annual report.

With the **relative TSR**, an incentive is set for the Management Board to generate an above-average performance in comparison with other listed companies. The performance of the share price additionally reflects the increase in value of the company from the shareholders' perspective. The Supervisory Board considers the SDAX to be an appropriate benchmark, as the Instone share is listed on the SDAX, which consists of companies of a comparable size. In the event that the Instone share is no longer listed on the SDAX, the SDAX changes significantly or other developments arise that suggest a reference to the SDAX is no longer appropriate, the Supervisory Board can select another suitable share index as a benchmark.

The Supervisory Board additionally defines a non-financial **ESG target** (environmental, social and governance target), to which 30% of the LTI bonus base amount is allocated. The use of the ESG target, which is defined uniformly for all Management Board members for each LTI tranche that is granted annually, is intended to promote the sustainable business development of the Instone Group in line with the company's ESG strategy. The Supervisory Board will define a target here that is consistent with the interests of the company's stakeholders and which is geared towards a long-term, three-year target fulfilment. The Supervisory Board reports on the definition and fulfilment of the targets in accordance with the statutory requirements in the annual remuneration report. Ideally, the measurement of how much of the targets are achieved will be designed so that it can be quantified.

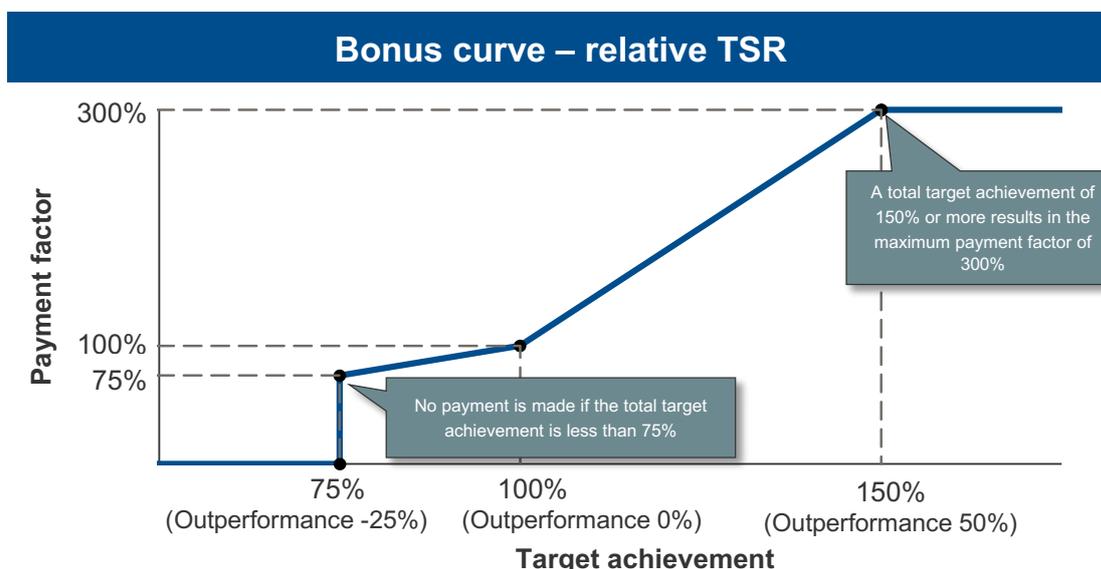
An LTI bonus base amount in euros is agreed for each Management Board member in the respective employment contract. This is divided by the average volume-weighted Instone share price of the last three months of the financial year before the start of the performance period in order thus to determine the provisional tranche of virtual shares allocated to the Management Board member in question (**base number**). The payment amount of this variable remuneration component is determined by the achievement of the targets, for which the Supervisory Board defines target and threshold values to be achieved for each performance period, and the price performance of the Instone share thereafter as follows:

- ▶ After the end of the three-year performance period, the Supervisory Board ascertains how much of each individual target has been achieved.
- ▶ The target achievement for each individual target is assigned to an LTI payment factor in accordance with a bonus curve (see below). Taking the respective weighting of the individual target into account, a total payment factor is generated from the individual LTI payment factors that have been calculated in this way. Because

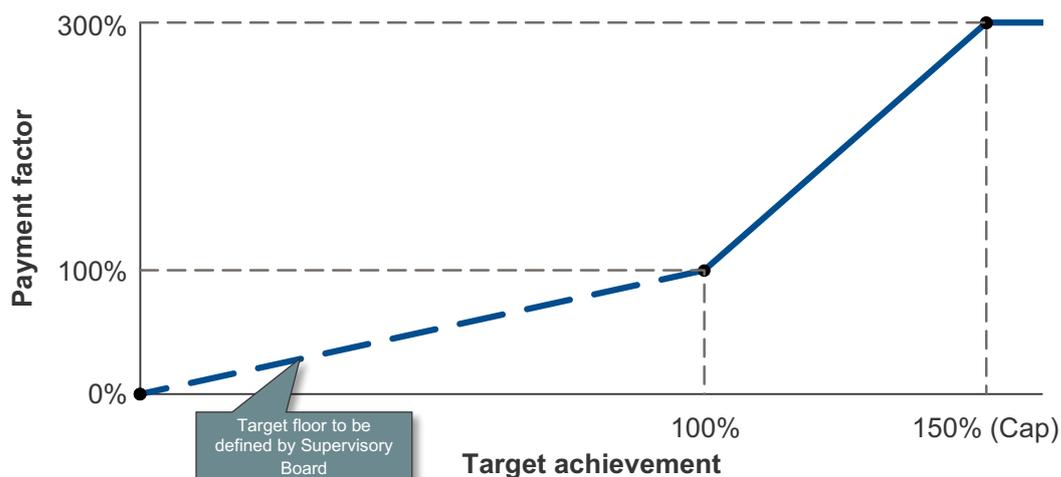
ambitious targets are set, above-average performance of the Management Board members merit above-average rewards: if the target achievement is 150% or more for an individual target (**target cap**), the relevant LTI payment factor for this individual target amounts to 300%. The LTI payment factor for a target achievement between 100% and 150% is calculated in proportion to this. If the target achievement for an individual target is 100% or less, the LTI payment factor corresponds to the respective target achievement (subject to and down to a **target floor** defined by the Supervisory Board).

- ▶ To determine the relative TSR, the closing price of the Instone share is set in relation to the opening price. For smoothing purposes, the volume-weighted average of the closing prices of the Instone share in XETRA trading (or a comparable successor system) on the Frankfurt Stock Exchange over the previous three months is used to determine the opening and closing prices, and the closing price also takes into account distributions, including dividend payments, assuming reinvestment in Instone shares during the performance period. To calculate the performance of the SDAX (as performance index), the initial value is the arithmetic mean of the closing prices on the SDAX of the last three months before the respective performance period starts and the final value is the arithmetic mean of the closing prices on the SDAX of the last three months of the respective three-year performance period. The target achievement for the relative TSR and the pro rata LTI payment factor amounts to 100% if the performance of the share price (taking into account distributions, including dividend payments, assuming reinvestment in Instone shares during the performance period) of the Instone share corresponds to the performance of the SDAX at the end of the performance period. If the target achievement in the relative TSR is less than 75%, this target is deemed to have been missed and it is cancelled (see bonus curve below).
- ▶ The base number of virtual shares is multiplied by the total payment factor and the average volume-weighted share price of the last three months before the end of the last financial year of the performance period, taking into account distributions, including dividend payments, assuming reinvestment in Instone shares during the performance period (total shareholder return model) in order to equate the Management Board with a genuine shareholder. The payment is made after the end of the performance period in the month following the approval of the company's audited annual financial statements.

An example of the bonus curves for the relative TSR target (first illustration) and for calculating the additional LTI payment factors (EPS target and ESG target) (second illustration) is provided below:



Bonus curve – LTI payment factors



If the share price performs exceptionally, the Supervisory Board is entitled to take an appropriate longer period before the end of the respective bonus year into consideration for the calculation of the average closing price. If capital measures result in a reduction or an increase in the number of Instone shares (e.g. share splits or reverse splits), this effect is taken into account and its impact neutralised in the determination of the target achievement by suitable calculations.

The payment amount of the LTI bonus is capped in total at the amount (cap) that corresponds to 300% of the LTI bonus base amount (**LTI cap limit**).

Obligations to hold shares / Share Ownership Guideline

To strengthen the long-term development and promotion of the Management Board's investment in Instone Real Estate Group AG, the members of the Management Board are required by a Share Ownership Guideline to acquire shares in Instone Real Estate Group AG in the amount of a non-performance-related gross annual salary within a four-year build-up phase, starting upon their appointment to the Management Board to hold them over the entire term of their Management Board employment contract. The equivalent value is calculated here on the purchase price of the shares. Shares already held by a Management Board member are credited here.

If the Management Board member in question has acquired shares in the amount of a non-performance-related gross annual salary, the holding may fall below this threshold by up to 50% for a period of a maximum of six months. In this case, the Management Board member is required to replenish the share portfolio he holds up to the amount of a non-performance-related gross annual salary within a period of six months.

E. Definition of maximum remuneration and temporary divergences from the remuneration system

Maximum remuneration

In accordance with section 87a(1) sentence 2 no. 1 AktG, the Supervisory Board has defined a maximum limit for the total of all remuneration components including additional benefits and pension commitments. This amounts to 3.1 million € for the Chair of the Management Board (CEO) and 2.35 million € for each other member of the Management Board. These maximum remuneration levels set by the Supervisory Board take into account the results of the peer group analysis as well as the strongly performance- and growth-oriented design of this remuneration system and are intended to allow for a market-oriented and company-specific further development of Management Board remuneration in the interest of the Company.

Temporary divergences from the remuneration system

In exceptional cases, the Supervisory Board can diverge from the remuneration system in accordance with the statutory regulation of section 87a(2) sentence 2 AktG if highly unusual circumstances make a divergence necessary in the interests of the long-term well-being of the company. This requires a resolution of the Supervisory Board that identifies the need for a divergence in a transparently and well-founded manner. The elements of the remuneration system affected specifically by the divergence and the need for the divergence must furthermore be explained to the shareholders in the remuneration report. A divergence can be made when the depicted requirements in particular of the performance criteria for the variable remuneration, the proportion of the components of the target remuneration and for exceptional additional benefits are met.

F. Possibilities for the company to recover components of the variable remuneration

The employment contracts of the members of the Management Board contain regulations that grant the Supervisory Board the discretion to fully or partially retain (penalty) or recover (clawback) components of the variable remuneration. A requirement for the possibility of applying these regulations is a grossly negligent or serious breach, as a minimum, of legal or contractual duties or of internal company codes of conduct. In these cases, the Supervisory Board can, at its due discretion, reduce and retain components of the variable remuneration that have not yet been paid out or recover components of the variable remuneration that have already been paid out.

The above-mentioned claims are time-barred upon the expiry of two years from the end of the measurement period for the variable remuneration components in question.

G. Remuneration-related legal transactions

Terms and requirements for ending remuneration-related legal transactions

The term of the Management Board employment contracts run in parallel with the duration of the appointment of the respective Management Board member decided by the Supervisory Board. In the event that the member is reappointed, it can be agreed that the employment contract continues in force. Each employment contract has a fixed term and therefore does not contain an ordinary right of termination. The right to terminate contracts without notice is not affected.

Severance payments

If the employment contract of a member of the Management Board is validly terminated with immediate effect by the company for good cause before the term of the LTI bonus has ended (known as a “bad leaver event”), all rights arising from the LTI bonus that is to be allocated to a period before the relevant term of three years has expired, are forfeited without compensation.

If the employment contract of a member of the Management Board ends before the term of the LTI bonus has ended and the requirements for a “bad leaver event” are not met at the same time (known as a “good leaver event”), the entitlement to the LTI bonus from performance periods already in progress and, if applicable, for the commencing performance period on a pro rata basis, remain unaffected.

The option of the Supervisory Board to stipulate special termination rights in employment contracts to the benefit of members of the Management Board in the event of a change of control at the company remains unchanged. The Supervisory Board is entitled to grant as part of the agreement on a special termination right of this kind a severance payment in connection with the cessation of the work on the Management Board as a result of this special termination right being exercised that amounts to the annual remuneration for up to two years, but limited, however, to the value of the remuneration due to be paid for the remaining term of the employment contract.

The Supervisory Board is also entitled to grant in other events of premature cessation of the work on the Management Board a severance payment that amounts to the annual remuneration for up to two years, but limited, however, to the value of the remuneration due to be paid for the remaining term of the employment contract.

Components of the variable remuneration are paid in the event of cessation of the work on the Management Board in accordance with the originally agreed assessment bases (performance targets, performance periods, etc.) and due dates.

Pension commitments

Two members of the Management Board still have a company pension plan in the form of individual contractual pension agreements that come into effect after the minimum pensionable age of 65 years is reached. These two pension agreements were agreed in 2008 and 1987 respectively and thus significantly before the IPO and the appointment of the eligible Management Board members and will also continue to be executed. However, new pension commitments within the framework of this company pension system will no longer be granted in the future.

Pension components will be credited to the two eligible Management Board members as part of the company pension scheme model – under the terms of the old underlying agreements – for the duration of the pension commitment; these components entitle the beneficiaries to receive a certain monthly payment after they reach the age of 65 and, on a cumulative basis, reflect the relevant pension entitlement under the company pension plan. The respective amount of the monthly pension components is calculated using the monthly non-performance-related cash remuneration of the eligible Management Board member, which is multiplied by an age factor representing an appropriate interest rate and a further fixed amount determined on an annual basis. The provisions required for the pension components and the resulting pension obligations are recalculated on an actuarial basis every year. The amount of the pension components that are credited decreases as the term of the pension agreements progresses, with fixed non-performance-related remuneration otherwise staying the same. The pension components credited in 2020 and that are to be paid out after the beneficiaries reach the age of 65 corresponded and will also correspond during the period of application of this remuneration system to approximately 0.37% and approximately 0.5% of the fixed non-performance-related remuneration of the eligible Management Board members.

Surviving dependants receive 60% or 55% of the pension.

2. ADDITIONAL INFORMATION ON THE REMUNERATION SYSTEM FOR THE MEMBERS OF THE SUPERVISORY BOARD (ITEM 7)

Basic principles of the remuneration system for members of the Supervisory Board

The remuneration system for the members of Supervisory Board takes into account the requirements of the German Stock Corporation Act and the recommendations of the German Corporate Governance Code. The remuneration of the members of the Supervisory Board is appropriate to their activities and the situation of the Company.

The remuneration of the Supervisory Board is set out in Article 13 of the Articles of Association of Instone Real Estate Group AG (and Article 14 of Instone Real Estate Group SE after the conversion into a European company becomes effective) and consists solely of fixed remuneration. The members of the Supervisory Board are not paid performance-based remuneration. Fixed remuneration for members of the Supervisory Board in line with market standards enhances the independence of the Supervisory Board from the economic performance of the Company and thus promotes the independent exercise of the monitoring and advisory function of the Supervisory Board. The remuneration system thereby contributes to the long-term development of the Company. Granting appropriate remuneration also ensures that an appointment as a member of the Supervisory Board of the Company remains attractive for capable and qualified new members. The remuneration takes into account the different time requirements and workloads on the various committees of the Supervisory Board and the duties of the Chairman of the Supervisory Board or of a committee:

- ▶ The members of the Supervisory Board receive fixed annual remuneration of EUR 75,000. The Chairman of the Supervisory Board receives double this remuneration, the Deputy Chairman receives one-and-a-half times this remuneration.
- ▶ The members of the Audit Committee receive additional flat-rate remuneration of EUR 15,000. The members of the Remuneration and Nomination Committee receive additional flat-rate remuneration of EUR 7,500 per financial year for their work on these committees.
- ▶ The members of the Supervisory Board also have their expenses reimbursed by the Company. Attendance fees are not paid. Moreover, the Company has included the members of the Supervisory Board in a D&O group insurance policy for members of executive bodies at the Company's expense.

If a member of the Supervisory Board is not on the Supervisory Board or a committee for the entire financial year, their remuneration is reduced pro rata temporis. The Company reimburses each member for the VAT payable on his or her remuneration, to the extent that this is incurred and claimed by the Supervisory Board member in question. The remuneration of the members of the Supervisory Board is payable after the end of the financial year.

The remuneration system and the amount of remuneration are regularly reviewed by the Company when there are reasonable grounds to do so, or at least every four years. In doing so, the Company considers, for instance, the requirements of the work of the Supervisory Board, the time taken for the members of the Supervisory Board to perform their duties and the amount and development of supervisory board remuneration at peer group companies. To this end, the Supervisory Board has instructed an independent compensation consultant to carry out a peer review in 2021. By contrast, the remuneration of the Supervisory Board and the remuneration of the employees of the Instone Group are not compared on account of the fundamentally different activities and functions of the two groups. If members of the Supervisory Board are subject to (potential) conflicts of interest when reviewing or adjusting the remuneration system, the regulations of the Rules of Procedure of the Supervisory Board apply, which stipulate disclosure obligations for (potential) conflicts of interest in particular and can prohibit participation or voting.

In future, the Annual General Meeting will adopt a resolution on the remuneration system of the Supervisory Board for any material change in the remuneration system, or at least every four years. If the Annual General Meeting has not approved the remuneration system, a revised remuneration system must be submitted for a resolution by no later than the next Annual General Meeting.

3. REPORT TO THE ANNUAL GENERAL MEETING IN ACCORDANCE WITH SECTION 221(4) SENTENCE 2 IN CONJUNCTION WITH SECTION 186(4) SENTENCE 2 AKTG (ITEM 8)

In accordance with section 221(4) sentence 2 in conjunction with section 186(4) sentence 2 AktG, the Management Board submits the following report on item 8 of the agenda concerning the reasons for the proposed authorisation to issue, with the approval of the Supervisory Board, warrant or convertible bonds ("Bonds") with shareholders' subscription rights disapplied.

The intended disapplication of subscription rights for fractional amounts enables the optimal utilisation of the authorisation sought by using full amounts. This disapplication of subscription rights is reasonable and customary in practice as the costs of trading subscription rights when fractional amounts are permitted are disproportionate to the benefits entailed for shareholders. The dilutive effect is kept within negligible bounds by the restriction to fractional amounts. The Bonds for which shareholders' subscription rights are thus disapplied will be utilised in the best possible way for the Company.

It shall also be possible to disapply shareholders' subscription rights when the Bonds are issued against a cash payment at an issue amount not significantly less than the theoretical market value of these bonds calculated using generally accepted financial methods. This allows the Company to take advantage of favourable market situations very quickly and at short notice, and to achieve better terms and conditions for the interest rate and option/conversion price of the bonds by setting

the conditions close to market. This would not be possible if statutory subscription rights were in place. While section 186(2) AktG allows the publication of the subscription price (and, for bonds, the terms and conditions) by the third last day of the subscription period, given the volatility on the stock markets, there would be a market risk for several days, leading to haircuts when determining the terms of the bond and thus to conditions that reflect the market less accurately. Furthermore, with statutory subscription rights in place, the successful placement of the Bonds with third parties is jeopardised or entails additional expense due to the uncertainty of their being exercised. Finally, the length of the minimum subscription period of two weeks with statutory subscription rights in place prevents the Company from responding to favourable or unfavourable market conditions, which can cause its measures to raise capital to be sub-optimal.

When subscription rights are disapplied in this way, shareholders' interests are guaranteed by the fact that the Bonds cannot be issued at significantly less than their theoretical market value, which reduces the notional value of subscription rights to virtually zero. The disapplication of subscription rights therefore ensures that the value of shares is not notably diluted. This form of the disapplication of subscription rights is moreover limited to Bonds with rights to shares accounting for not more than 10% of the share capital either at the time that the authorisation becomes effective or – if this value is lower – at the time that this authorisation is exercised. In this context, the legislator considers it reasonable to expect shareholders to maintain their shareholding through purchases on the market. This limit of 10% must include shares of the Company (i) issued with subscription rights disapplied in accordance with section 186(3) sentence 4 AktG, either directly or with the corresponding changes, or sold by the Company during the term of this authorisation until the time of its utilisation; or (ii) to which conversion or subscription rights or duties apply on account of rights issued after 9 June 2021 with subscription rights disapplied in accordance with sections 221(4) sentence 2, 186(3) sentence 4 AktG. This ensures that the statutory maximum of 10% of share capital for such a simplified disapplication of subscription rights (section 186(3) sentence 4 AktG) is not exceeded.

The disapplication of subscription rights for the benefit of the bearers of Bonds makes it possible to treat them as if they had already exercised their rights under the Bonds and were already shareholders. This dilution protection prevents the option or conversion price for Bonds already issued from possibly having to be reduced. The issue amount for any shares to be issued under the Bonds must be at least 80% of the stock exchange price calculated shortly before the issue of the bonds.

Furthermore, the total number of shares to be issued under the Bonds, which will be issued in accordance with this or any other future authorisation with subscription rights disapplied, together with other (i) new shares issued from authorised capital and (ii) treasury shares of the Company sold during the term of this authorisation with subscription rights disapplied, must not exceed a pro rata amount of share capital of 10% of the current share capital. This additional, voluntary cap will further limit the dilution potential for the benefit of existing shareholders. The limit of 10% shall be calculated based on the amount of share capital as at the date that this authorisation becomes effective. If the share capital is lower at the time that this authorisation is exercised, this lower value shall be used.

4. REPORT TO THE ANNUAL GENERAL MEETING IN ACCORDANCE WITH SECTION 203(2) SENTENCE 2 IN CONJUNCTION WITH SECTION 186(4) SENTENCE 2 AKTG (ITEM 9)

In accordance with section 203(2) sentence 2 in conjunction with section 186(4) sentence 2 AktG, the Management Board submits the following report on item 9 of the agenda concerning the reasons for the authorisation of the Management Board to issue, with the approval of the Supervisory Board, shares with shareholders' subscription rights disapplied.

The Management Board is to be authorised to disapply subscription rights for fractional amounts in order to allow a practical subscription ratio with regard to the amount of the respective capital increase. This facilitates the technical implementation of the capital increase, in particular for a capital increase by a round amount. The new shares arising as unassigned fractional amounts from the disapplication of shareholders' subscription rights will be disposed of either by sale on the stock exchange or otherwise in the best possible way for the Company.

In the event of a capital increase against cash contributions, the Management Board is also to be authorised to disapply subscription rights when the issue amount of the new shares is not significantly less than the market price. This allows management to place the new shares promptly and at a price close to market, i.e. without the haircut typically required for rights issues. This enables higher issue proceeds, which serves the interests of the Company.

Shareholders' requirement for the protection of their shareholdings against dilution is taken into account by the restriction on the size of the capital increase and the issue price of the shares being close to market. The proposed authorisation merely grants the Management Board the option of disapplying subscription rights when the shares issued in accordance with section 186(3) sentence 4 AktG do not exceed 10% of the share capital in total either at the time of this authorisation becoming effective or at the time it is exercised. This limit must include shares of the Company (i) issued or sold during the term of this authorisation until the time of its utilisation with subscription rights disappplied in accordance with section 186(3) sentence 4 AktG with the corresponding changes; and (ii) relating to the conversion/subscription rights of warrant or convertible bonds/profit participation rights or participating bonds with option or conversion rights, issued during the term of this authorisation until the time of its utilisation with subscription rights disappplied in accordance with section 186(3) sentence 4 AktG or with the corresponding changes. This ensures that the statutory maximum of 10% of share capital for such a simplified disapplication of subscription rights (section 186(3) sentence 4 AktG) is not exceeded. Within this framework, as a result of the issue price of the shares being close to market and the restriction on the size of the capital increase with subscription rights disappplied, the legislator considers it possible and reasonable for shareholders to maintain their shareholding, possibly by acquiring shares on the stock market at virtually the same conditions.

It is also proposed to authorise the Management Board to disapply shareholders' subscription rights when increasing the share capital against non-cash contributions. Thus, among other things, this allows the Management Board to use shares of the Company in suitable individual cases for the acquisition of companies, parts of companies, investments in companies or other assets. For example, it may be reasonable or even necessary in negotiations to offer consideration in the form of shares rather than money. The ability to offer shares of the Company as consideration thereby creates a competitive advantage for interesting acquisition targets and the necessary headroom to take advantage of opportunities to acquire companies, parts of companies, investments in companies or other assets as they arise while preserving liquidity. Granting shares can also be reasonable in terms of optimising the financing structure. The Company does not incur any disadvantage as a result as issuing shares against non-cash contribution requires that the value of the non-cash contribution is appropriately in proportion to the value of the shares. When determining the valuation ratio, the Management Board will ensure that the interests of the Company and its shareholders remain protected and that an appropriate issue amount is achieved for the new shares.

Finally, the Management Board is to be authorised to disapply shareholders' subscription rights in connection with a scrip dividend. A scrip dividend can be performed as a true rights issue, in particular in compliance with the provisions of 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 end of the subscription period). Shareholders will be offered only whole shares for subscription; regarding the portion of the dividend entitlement that falls short of (or exceeds) the subscription price for a whole share, shareholders will be advised of the cash dividend and will thus be unable to subscribe to shares; there are no plans to offer partial rights or to institute trading in subscription rights or fractions thereof. As the shareholders thus receive a cash dividend in place of new shares, this appears justified and reasonable. Specifically, depending on the capital market situation, it may be preferable to offer and prepare to grant a scrip dividend in order not to be bound by the restrictions of 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 end of the subscription period). The Management Board is therefore also to be authorised to offer new shares for subscription by all shareholders entitled to dividends while observing the general principle of equal treatment (section 53a AktG) against contribution of their dividend entitlement, though only to disapply shareholders' subscription rights overall with the approval of the Supervisory Board. The performance of a scrip dividend with subscription rights formally disappplied allows more flexible terms for performing the capital increase. In view of the fact that all shareholders are

offered the new shares and excess partial dividend amounts are settled by paying the cash dividend, the disapplication of subscription rights thus also appears justified and appropriate.

In order to place narrow bounds on any impairment of existing shareholders' interests, the total number of shares that can be issued utilising authorised capital with subscription rights disapplied, taking into account other shares sold by the Company with subscription rights disapplied utilising another authorisation after 9 June 2021 or issued from authorised capital or to be issued on the basis of rights issued after 9 June 2021 with subscription rights disapplied establishing conversion rights or obligations for shares of the Company, is limited to 10% of the share capital in total. The limit of 10% shall be calculated based on the amount of share capital as at the date that this authorisation becomes effective. If the share capital is lower at the time that this authorisation is exercised, this lower value shall be used.

In each individual case, the Management Board will carefully check whether it will exercise the authorisation to increase capital with subscription rights disapplied, and will only do so if, in its opinion and in the opinion of the Supervisory Board, this is in the interests of the Company and thus its shareholders. The disapplication of subscription rights always requires the approval of the Supervisory Board. The Management Board will report to the Annual General Meeting on any utilisation of the proposed authorisation

5. CONVERSION PLAN AND ARTICLES OF ASSOCIATION OF INSTONE REAL ESTATE GROUP SE (ITEM 10)

Terms of conversion

for the conversion, resulting in the change of legal form, of
Instone Real Estate Group AG
into the
legal form of a *Societas Europaea* (SE – European company)

Recitals

Instone Real Estate Group AG (the “**Company**”) is a public limited company established under German law, the registered office of which is in Essen. The Company is entered in the commercial register of the Local Court of Essen under HRB 29362. The business address of the Company is Grugaplatz 2-4, 45131 Essen, Germany. The Company constitutes the top management of a group of German and international subsidiaries as well as other equity investments (together the “**Instone Group**”).

The Company's field of activities encompass the development of houses, apartment buildings and publicly subsidised housing, the design of modern urban districts and the renovation of listed buildings. Projects are marketed to owner-occupiers, private buy-to-let investors and institutional investors.

The Company's share capital amounts as of today to EUR 46,988,336.00 and is divided into 46,988,336 no-par value bearer shares. The notional amount of the share capital attributed to each no-par value share is EUR 1.00.

The Company is listed on the stock market. The shares are listed on the Regulated Market (Prime Standard) at the Frankfurt Stock Exchange under ISIN DE000A2NBX80. The Company is included in the SDAX index.

The Company is to be converted into a European company (*Societas Europaea*, “**SE**”) in accordance with article 2(4) in conjunction with article 37 of Council Regulation (EC) No 2157/2001 of 8 October 2001 on the Statute for a European Company (SE) (“**SE regulation**”), which will have the name “Instone Real Estate Group SE”. In addition to the SE regulation, the German Act on the implementation of Council Regulation (EC) No 2157/2001 of 8 October 2001 on the Statute for a European Company (SE) of 22 December 2004 (“**SEAG**” – SE Implementation Act) as amended on 12 December 2019 and the German Act on employee involvement in a European company of 22 December 2004 (“**SEBG**”) apply. The legal form of the SE is a supranational legal form for public limited companies that is based on European law.

The SE is a modern and supranational legal form. The planned conversion into the legal form of an SE is intended to underline the identity of the Company as a dynamic, fast-growing company and to further increase its attractiveness for European and international investors. At the same time, the legal form of the SE guarantees that the tried and trusted corporate governance of the Company can be retained and that the Company can be effectively managed. The Company will keep its registered and head office and its actual administrative headquarters in Germany as before.

Against this background and in order to implement the conversion project, the Management Board of the Company draws up the following terms of conversion in accordance with article 37(4) of the SE regulation:

Section 1
Conversion of Instone Real Estate Group AG
into Instone Real Estate Group SE

- 1.1 The Company is converted into the legal form of an SE in accordance with article 2(4) in conjunction with article 37 of the SE regulation by a change of form.
- 1.2 The Company has had (indirect) subsidiaries governed by the law of another member state for at least two years. These include DURST-BAU GmbH with its registered office in Vienna and formart Luxembourg s.à r.l. with its registered office in Luxembourg. The business address of DURST-BAU GmbH is c/o Arnold Rechtsanwälte GmbH, Wipplingerstraße 10/10, 1110 Vienna, Austria, and the Company is entered in the Austrian companies register (Firmenbuch) under registration number 42220p. The business address of formart Luxembourg s.à r.l. is 12, Rue du Château d'Eau, L-3364 Leudelange, Luxembourg, and it is entered in the Luxembourg trade and companies register (Registre de Commerce et des Sociétés) under registration number B18517. In turn, formart Luxembourg s.à r.l. has a wholly owned subsidiary with its registered office in Luxembourg, Immobiliengesellschaft CSC Kirchberg s.à r.l., which is entered in the Luxembourg trade and companies register (Registre de Commerce et des Sociétés) under registration number B67082. All shares both in DURST-BAU GmbH and in formart Luxembourg s.à r.l. are held by Instone Real Estate Development GmbH, which has its registered office in Essen and which is entered in the commercial register of the Local Court of Essen under HRB 28401. The shares in both companies were transferred to formart GmbH & Co. KG, the predecessor in interest of Instone Real Estate Development GmbH, by HOCHTIEF Solutions AG pursuant to section 123(3) no. 1 of the Umwandlungsgesetz (UmwG – German Transformation Act) as part of the spin-off of the “formart” business units, which came into effect on 29 August 2013 when it was entered in the commercial register. The Company is the sole shareholder of Instone Real Estate Development GmbH and thus not only indirectly holds all the shares in DURST-BAU GmbH and formart Luxembourg s.à r.l, but also indirectly has all the voting rights associated with the shares. The Company thus exercises control over DURST-BAU GmbH and formart Luxembourg s.à r.l as subsidiaries. The requirements of article 2(4) of the SE regulation for the conversion of the Company into an SE are thus met.
- 1.3 The conversion of the Company into an SE does not result in either the winding-up of the Company or the formation of a new legal entity. Because the identity of the legal entity is preserved, no transfer of assets takes place. The Company continues in the legal form of the SE. The equity investment of the shareholders in the Company continues unchanged.
- 1.4 Like the Company, Instone Real Estate Group SE will have a two-tier management system consisting of a Management Board as the management organ within the meaning of article 38 (b) and article 39(1) of the SE regulation and a Supervisory Board as the supervisory organ within the meaning of article 38 (b) and article 40(1) of the SE regulation. The Supervisory Board mandates of the members of the Company’s Supervisory Board in office on the Conversion Date are not affected by the conversion into the legal form of an SE. Neither the size nor the composition of the Supervisory Board are changed by the conversion into Instone Real Estate Group SE. The principle of the continuity of office (section 203 sentence 1 UmwG in conjunction with article 15(1) of the SE regulation) thus applies.

- 1.5 Shareholders who object to the conversion do not receive any offer of cash compensation. A corresponding right to compensation in cash is not provided by law.

Section 2

Entry into effect of the conversion

The conversion comes into effect when it is entered in the commercial register of the local court (the “**Conversion Date**”).

Section 3

Company name, share capital and Articles of Association of Instone Real Estate Group SE

- 3.1 The name of the SE is Instone Real Estate Group AG
- 3.2 The registered and head office of Instone Real Estate Group SE will continue to be Essen, Germany. This is also where the actual administrative headquarters are located.
- 3.3 Instone Real Estate Group SE is given the Articles of Association attached in the **Annex**. The Articles of Association of Instone Real Estate Group SE are an integral part of these terms of conversion.
- 3.4 The total share capital of the Company in the amount existing on the Conversion Date (current amount EUR 46,988,336.00) and as divided on this date into no-par value bearer shares (shares with no nominal value, currently numbering 46,988,336) will become the share capital of Instone Real Estate Group SE.
- 3.5 The persons and companies that are shareholders of the Company on the Conversion Date will become shareholders of Instone Real Estate Group SE. They will hold an equity interest in the share capital of Instone Real Estate Group SE in the same extent and with the same number of no-par value shares as they hold in the Company’s share capital immediately before the Conversion Date. The nominal amount of each no-par value share in the share capital (currently EUR 1.00) is maintained as it was immediately before the Conversion Date.
- 3.6 The listing of the Company on the stock market will continue as before.
- 3.7 On the Conversion Date,
- (i) the amount of the share capital with the division into no-par value shares of Instone Real Estate Group SE (article 4 of the Articles of Association of Instone Real Estate Group SE) corresponds to the amount of the share capital with the division into no-par value shares of the Company (article 4 of the Articles of Association of the Company),
 - (ii) the authorised capital pursuant to article 6 of the Articles of Association of Instone Real Estate Group SE corresponds to the authorised capital pursuant to article 6 of the Articles of Association of the Company and
 - (iii) the contingent capital pursuant to article 7 of the Articles of Association of Instone Real Estate Group SE corresponds to the contingent capital pursuant to article 7 of the Articles of Association of the Company.

On the basis of a capital increase with subscription rights against cash contributions performed in September 2020, the Company increased its share capital by EUR 10 million from EUR 36,988,366.00 to EUR 46,988,366.00 by issuing 10 million new no-par value shares with a notional share of the share capital of EUR 1.00 each. Against this background, it is planned to propose to the Annual General Meeting of the Company on 9 June 2021, which is set to decide under item 10 of the agenda on the approval for the conversion of the Company into an SE, under item 8 of the agenda that a resolution be adopted on an adjusted contingent capital increase (Contingent Capital 2021) and a corresponding amendment to article 7 of the Company’s Articles of Association while cancelling the contingent capital increase adopted by the Annual General Meeting of 13 June 2019 (Contingent Capital 2019). Furthermore, it is planned to propose to the Annual General Meeting

of the Company on 9 June 2021 under item 9 of the agenda that the Management Board be authorised to increase the Company's share capital by up to EUR 8.0 million by issuing up to 8.0 million new no-par value shares (Authorised Capital 2021) and that a resolution be adopted on a corresponding addition to the Company's Articles of Association.

Any changes concerning the amount of the share capital and the amounts of the authorised capital and of the contingent capital of the Company contained therein that are made before the conversion, especially the change to the contingent capital and the creation of additional authorised capital adopted by the Annual General Meeting of the Company on 9 June 2021 immediately before the resolution on the conversion, also apply for Instone Real Estate Group SE. Article 6a and article 7 of the Articles of Association of Instone Real Estate Group SE that are attached in the Annex accordingly stipulate provisions on the Authorised Capital 2021 and on the Contingent Capital 2021 that correspond to the addition of article 6a of the Articles of Association and the amendment to article 7 of the Articles of Association of the Company proposed to the Annual General Meeting on 9 June 2021. If and in so far as the Annual General Meeting of the Company on 9 June 2021 does not approve the relevant items of the agenda on the creation of the Authorised Capital 2021 and the change to the Contingent Capital 2021, the Company's authorised capital and contingent capital existing on the Conversion Date will remain in effect at Instone Real Estate Group SE.

The Supervisory Board of the Company (alternatively the Supervisory Board of Instone Real Estate Group SE) is authorised and at the same time instructed to make any amendments that may result from the above to the wording of the Articles of Association of Instone Real Estate Group SE, which are attached in the Annex and which assume approval of the Annual General Meeting of 9 June 2021 of the resolutions proposed by management relating to all items of the agenda, before the conversion involving the change of form is entered in the commercial register.

Section 4

Continued validity of resolutions of the Annual General Meeting of the Company

- 4.1 Resolutions of the Annual General Meeting of the Company that have not yet been executed by the Conversion Date are not changed and remain in effect for Instone Real Estate Group SE.
- 4.2 This applies specifically – in addition to the resolutions of the Annual General Meeting of 9 June 2021 on the adjustment of the contingent capital and on the creation of additional authorised capital that are referred to in section 3.7 – for the resolution adopted under item 7 of the agenda of the Annual General Meeting of the Company of 13 June 2019 on the authorisation of the Management Board to acquire and also to use treasury shares in accordance with section 71(1) no. 8 of the Aktiengesetz (AktG – German Stock Corporation Act) with a possible exclusion of the rights of tender and subscription.

Section 5

Two-tier management system of Instone Real Estate Group SE

In accordance with article 5 of the Articles of Association of Instone Real Estate Group SE, the two-tier management system comprising a Management Board as the management organ within the meaning of article 38 (b) and article 39(1) of the SE regulation and a Supervisory Board as the supervisory organ within the meaning of article 38 (b) and article 40(1) of the SE regulation will not be changed and will remain in place.

Section 6

Management Board

- 6.1 In accordance with article 9.1 of the Articles of Association of Instone Real Estate Group SE, the Management Board will consist at Instone Real Estate Group SE of no fewer than two people, who are appointed by the Supervisory Board pursuant to article 9.2 of the Articles of Association of Instone Real Estate Group SE.

6.2 Without prejudice to the decision-making authority under company law of the Supervisory Board of Instone Real Estate Group SE pursuant to article 39(2) sentence 1 of the SE regulation, it can be assumed that the members of the Company's Management Board currently in office will be appointed members of the Management Board of Instone Real Estate Group SE. The current members of the Company's Management Board are Mr Kruno Crepulja (Chair of the Management Board), Dr Foruhar Madjlessi and Mr Andreas Gräf.

Section 7 Supervisory Board

- 7.1 In accordance with article 12.1 of the Articles of Association of Instone Real Estate Group SE, a Supervisory Board is created at Instone Real Estate Group SE consisting – just as before the conversion – of five members. All the members are representatives of the shareholders and are elected by the Annual General Meeting, which is not bound by any nominations that have been put forward. The Supervisory Board is thus also not subject to corporate co-determination after the conversion.
- 7.2 In addition to the size, the composition of the Company's Supervisory board is also not changed by the conversion into Instone Real Estate Group SE. Irrespective of the conversion, the mandates of the incumbent members of the Company's Supervisory Board remain in effect in accordance with the principle of continuity of office (section 203 sentence 1 UmwG in conjunction with article 15(1) of the SE regulation) for the duration still remaining of the terms of office of the Supervisory Board members in question. Members of the Supervisory Board of Instone Real Estate Group SE will thus be the members who are members of the Company's Supervisory Board at the time the conversion comes into effect. In the event that either an incumbent member of the Supervisory Board resigns from office before the end of their term and before this time or the conversion comes into effect only after the regular term of office of the Supervisory Board member in question has ended and the Supervisory Board member in question is not re-elected as a member of the Supervisory Board by the Annual General Meeting, the member of the Supervisory Board succeeding the relevant member of the Company's Supervisory Board shall immediately become of a member of the Supervisory Board of Instone Real Estate Group SE when the conversion comes into effect.
- 7.3 It is planned to propose to the Annual General Meeting of the Company on 9 June 2021, which is set to decide on under item 10 of the agenda on the approval of the conversion of the Company into an SE, under item 7 2) of the agenda that, in connection with the approval of the system for the remuneration of the members of the Supervisory Board, a resolution be adopted on an adjustment of the remuneration of the Supervisory Board. The Articles of Association of Instone Real Estate Group SE accordingly stipulate in articles 14.1 and 14.2 provisions on the Supervisory Board remuneration that correspond to the amendment of articles 13.1 and 13.1 of the Company's articles of the association proposed to the Annual General Meeting on 9 June 2021.
- 7.4 If the Annual General Meeting of the Company on 9 June 2021 does not approve the corresponding item of the agenda on the adjustment of the Supervisory Board remuneration, the adjustment of the remuneration will also not apply for Instone Real Estate Group SE. In this event, the remuneration of the Supervisory Board members regulated in articles 13.1 and 13.2 of the Company's Articles of Association as currently amended shall continue to apply for Instone Real Estate Group SE without any changes. The Supervisory Board of the Company (alternatively the Supervisory Board of Instone Real Estate Group SE) is authorised and at the same time instructed to make a corresponding amendment to the wording of the Articles of Association of Instone Real Estate Group SE, which are subject to the approval by the Annual General Meeting of 9 June 2021 of the resolutions proposed by management under all items of the agenda, before the conversion is entered in the commercial register.

Section 8
Information on the procedure relating to the agreement
on employee involvement

8.1 In order to ensure the rights acquired by the employees of the Company to be involved in corporate decisions, a procedure for employee involvement at Instone Real Estate Group SE has to be implemented pursuant to article 12(2) of the SE regulation in conjunction with sections 4 ff. SEBG in connection with the conversion into an SE. The goal of the negotiations is to enter into an agreement on employee involvement in the SE pursuant to section 13(1) sentence 1 SEBG (“**Involvement Agreement**”) that concerns in particular the mechanism for informing and consulting the employees through the establishment of an SE works council or in another way to be agreed with the Company’s Management Board.

The procedure for employee involvement is characterised by the principle of securing the rights that have been acquired by the Company’s employees. The scope of the employee involvement in the SE is determined by section 2(8) SEBG, which essentially follows article 2 (h) of the Council Directive 2001/86/EC of 8 October 2001 supplementing the Statute for a European company with regard to the involvement of employees. According to this, the term “involvement of employees” is the umbrella term for any mechanism, especially information for, consultation with and participation of the employees, through which employees’ representatives may exercise an influence on decisions to be taken within the Company (section 2(8) SEBG).

8.2 The procedure for the involvement of employees is initiated in accordance with the regulations of the SEBG. These provide that the management of the company involved – the Management Board in the case of the conversion of Instone Real Estate Group AG – informs the employees and their respective employee representatives of the conversion project and requests them to create a special negotiating body (“**SNB**”).

8.3 The Management Board of the company has to initiate the procedure by informing and sending the request to the employees and their relevant representatives. The information provided to the employees and their relevant representatives includes in particular (i) the identity and structure of the companies involved, the subsidiaries concerned and the establishments concerned and their distribution across the member states, (ii) the employee representative bodies existing at these companies and establishments, (iii) the number of employees employed in each of these companies and establishments and the total number of employees employed in a member state to be calculated from this and (iv) the number of employees entitled to participation rights in the executive bodies of these companies.

Employee representative bodies under national law are in place within the Instone Group at Instone Real Estate Development GmbH, where a General Works Council and local works councils for the North/East, West and South regions have been set up. Because a joint operation was set up between Instone Real Estate Development GmbH and Nyoo Real Estate GmbH at the Cologne location in January 2021, the works council of Instone Real Estate Development GmbH for the West region also represents the employees of Nyoo Real Estate GmbH. No other employee representative bodies have been set up in Germany. The Company’s indirect subsidiaries domiciled in Austria (DURST-BAU GmbH) and Luxembourg (formart Luxembourg s.à r.l., Immobiliengesellschaft CSC Kirchberg s.à r.l.) do not employ any staff and accordingly no employee representative bodies have been set up there either.

In accordance with this, the information required for the creation of the SNB as well as the request required in this respect is to be addressed to the General Works Council in place at Instone Real Estate Development GmbH and the executives of the Instone Group. It was not necessary to inform employee representative bodies and employees outside Germany, as the Instone Group does not employ any staff in member states outside of Germany.

8.4 It is stipulated by law that the employees and the employee representative bodies elect or appoint the members of the SNB within ten weeks after the employees and their relevant employee representative bodies have been informed. It is

the task of the SNB to negotiate the design of the participation procedure and the definition of the employee's rights of involvement at the SE.

The creation and the composition of the SNB are determined in principle in accordance with German law (sections 4 to 7 SEBG), as no employees are employed within the Instone Group in other member states of the European Union or of the European Economic Area.

In the case of the SE formed as a result of conversion, the SNB comprises representatives of the employees of both the Company directly involved in the conversion (here Instone Real Estate Group AG) and of its concerned subsidiaries and concerned establishments, if their employees are employed in a member state of the European Union or of the European Economic Area. The number of seats on the SNB allocated to the individual member states is determined pursuant to section 5 SEBG by the number of employees employed in the respective member state. As the Instone Group employs staff only in Germany, the members of the SNB were elected exclusively from the employees of the Instone Group employed in Germany.

- 8.5 If only one group of companies is involved in the formation of the SE from outside Germany, the election committee for electing the members of the SNB consists pursuant to section 8(2) SEBG of the members of the group works council or, if there is no group works council, the members of the general works councils or, if there are no general works councils, the members of the works council. Establishments and companies of a group that do not have works councils are also represented by the group works council, the general works council or the works council. This means for the Instone Group that the General Works Council of Instone Real Estate Development GmbH as the highest ranking national employee representative body creates the election committee and also represents the establishments and companies of the Instone group that do not have works councils in the election of the members of the SNB.

In accordance with section 8(1) SEBG, the members of the SNB must be elected in a direct and secret ballot. Two thirds of the members of the election committee representing no less than two thirds of the employees must be present at the election.

All employees of the German companies and establishments of the Instone Group as well as trade union representatives and executives are eligible for election to the SNB. A substitute member has to be elected for each member. If the SNB comprises more than two members, every third member shall be nominated for election by a trade union that is represented at a company involved in the formation of the SE (sections 6(3) and 8(1) sentence 1 SEBG). If the SNB comprises more than six members, every seventh member shall be an executive (sections 6(4) and 8(1) sentence 5 SEBG). For the SNB that is to be elected in the course of the conversion of Instone Real Estate Group AG, this means that, of the ten members of the SNB to be elected, three members are nominated for election by a represented trade union and one member is nominated for election by the executives.

The nominations for the trade union representative are put forward by the trade unions themselves. As there are no committees representing executives within the Instone Group, the nominations by the executives must be put forward by the executives themselves. A nomination by the executives must be signed by 1/20 or 50 of the executives who are eligible to vote. The nominations for the other members of the SNB must be put forward by the members of the election committee.

- 8.6 No earlier than after all members of the SNB have been appointed, but no later than ten weeks after the information pursuant to section 4(2) and (3) SEBG has been provided, the Management Board of the company has to invite the members without undue delay to constitute the SNB. The procedure for creating the SNB ends and the negotiations commence on the date that the SNB is constituted; the law provides for a duration of up to six months for the negotiations, which can be extended to up twelve months by a mutually agreed decision of the negotiating parties.

The negotiation procedure also takes place if the period for electing or appointing individual or all members of the SNB is exceeded for reasons for which the employees are responsible (section 11(2) sentence 1 SEBG).

- 8.7 A procedure for informing and consulting the employees in the SE shall be defined in the agreement between the Management Board and the SNB. This can be implemented by establishing an SE works council or by another procedure envisaged by the negotiating partners that guarantees that the employees of Instone Real Estate Group SE are informed and consulted. If an SE works council is created, the scope, the number of its members and the allocation of the seats, the information and consultation functions, the related procedure, the frequency of meetings, the financial and material resources to be allocated, the date that the agreement enters into force and its duration as well as the cases where the agreement should be renegotiated and the procedure to be applied for its renegotiation shall be agreed. Instead of the creation of an SE works council, another procedure can also be agreed that ensures that the employees are informed and consulted.
- 8.8 The conclusion of an Involvement Agreement between the Management Board and the SNB requires a decision by the SNB. The decision is adopted by the majority of the members, which must at the same time represent the majority of the employees represented.

The SNB can decide by a majority of two thirds of the members not to open negotiations or to terminate negotiations that have already been opened (section 16(1) SEBG). A statutory right exists to reconvene the SNB and also to reopen negotiations on the written request of at least 10% of the employees of the SE at the earliest two years after the relevant decision taken by SNB (section 18(1) sentence 1 SEBG).

- 8.9 If an Involvement Agreement is not concluded within the envisaged (or extended) period and if a decision pursuant to section 16 SEBG is not adopted, standard rules shall apply by operation of the law (section 22 SEBG); this can also be agreed from the outset as the contractual solution.

With regard to the Company, the application of these standard rules by operation of the law would mean that an SE works council would have to be established, the task of which would consist in ensuring that the employees in the SE were informed and consulted. It would be competent for questions which concern the SE itself and any of its subsidiaries or establishments situated in another member state or which exceed the powers of the competent organs in a single member state. The SE works council would have to be informed and consulted on the progress of the business of the SE and its prospects on an annual basis. The composition of the SE works council and the election of its members would in principle follow the provisions on the composition of the SNB and the appointment of its members.

In the event that the standard rules are applied by operation of the law, the management of the SE has to examine every two years during the existence of the SE whether changes in the SE, its subsidiaries and establishments make it necessary to change the composition of the SE works council (section 25 SEBG). In the event that the standard rules are applied by operation of the law, the SE works council furthermore has to decide by a majority of its members four years after it is established whether to open negotiations on an agreement on employee involvement or to continue to apply the previous regulation (section 26(1) SEBG). If the decision is taken to negotiate an Involvement Agreement, the SE works council takes the place of the SNB in these negotiations (section 26(2) SEBG).

- 8.10 The necessary costs incurred in the creation and the work of the SNB are borne by the Company and, after the conversion, by Instone Real Estate Group SE. The obligation to bear the costs encompasses the material and personal costs that are incurred in connection with the work of the SNB, including the negotiations. In particular, premises, material resources and office staff shall be made available in the necessary scope for the meetings, and any necessary travel and accommodation expenses of the SNB's members shall be covered.

8.11 The Management Board of the Company opened the participation procedure on 28 October 2020 by sending an information letter and formal notice within the meaning of section 4(2) and (3) SEBG regarding the creation of an SNB to the General Works Council of Instone Real Estate Development GmbH and the executives of the Instone Group.

The election of the members of the SNB was held on 14 December 2020. Ten employees from the Instone Group, including one executive (and including one substitute member each) were elected to the SNB in this process. No nominations were put forward by the trade unions.

The inaugural meeting of the SNB was held on 11 January 2021. Following this inaugural meeting, the draft of an Involvement Agreement was discussed by the negotiating parties.

A new round of negotiations was held between the Management Board of the Company and the SNB on 4 February 2021 and on 18 March 2021. Negotiations between the Management Board and the SNB regarding the execution of an Involvement Agreement are continuing; the outcome of the negotiations is open.

Concerning the conclusion of the procedure for employee involvement, the following three options are available:

- (i) Firstly, an Involvement Agreement between the Company's Management Board and the SNB may be concluded in accordance with section 21 SEBG. The conclusion of the Involvement Agreement requires a decision of the SNB to be adopted by the majority of the members who at the same time represent the majority of the employees. The Involvement Agreement would come into force when the conversion into Instone Real Estate Group SE takes effect upon its entry in the commercial register of the local court of Essen.
- (ii) Secondly, it is also possible for the SNB to conclude the procedure for employee involvement by deciding to terminate the participation procedure in accordance with section 16 SEBG. The SNB may within the statutory six-month period or, as the case may be, by the expiry of the period extended by mutual agreement between the parties, adopt a resolution to terminate the negotiations with the Company's Management Board on the conclusion of an Involvement Agreement. This resolution would terminate the procedure for employee involvement, section 16(2) sentence 1 SEBG. As a consequence, the statutory standard rules would not apply in accordance with section 16(2) sentence 2 SEBG. Please refer to the statements under section 8.8 for the other legal consequences.
- (iii) Lastly, the procedure for employee involvement would be concluded if the Management Board of the Company and the SNB are unable to reach an agreement on the conclusion of an Involvement Agreement within the statutory six-month period or, as the case may be, by the expiry of the period extended by mutual agreement between the parties, section 22(1) no. 2 SEBG. If the SNB has not taken a decision to terminate the negotiations in accordance with section 16(1) sentence 1 SEBG, the statutory standard rules would apply in accordance with section 22(1) no. 2 SEBG and the employee involvement procedure is ended. Please refer to the statements under section 8.9 for the legal consequences.

Section 9

Other impacts of the conversion on the employees and their representative bodies

- 9.1 The employment relationships of the employees of the Company and also of the subsidiaries are not affected by the conversion. Similarly, with the exception of the procedure for the involvement of the employees described in section 8, the conversion of the Company into an SE does not produce any impacts for the employees of the Instone Group on the participation rights of the employees in the Company and the companies of the Instone Group.
- 9.2 Similarly, no changes result from the conversion for the existing employee representative bodies at Instone Real Estate Development GmbH and its establishments.

- 9.3 No other measures that would have impacts on the employees are envisaged or planned as a consequence of the conversion.

Section 10 **Auditor**

Deloitte GmbH Wirtschaftsprüfungsgesellschaft, Düsseldorf, is appointed as the auditor of the annual and consolidated financial statements for the first financial year of Instone Real Estate Group SE and also as the auditor for any review of the interim financial reports to be prepared during the year before the next Annual General Meeting. The first financial year of Instone Real Estate Group SE is the calendar year in which the conversion of the Company is entered in the commercial register of the Local Court of Essen.

Section 11 **No other rights or special advantages**

- 11.1 Parties within the meaning of section 194(1) no. 5 UmwG and/or article 20(1) sentence 2 (f) of the SE regulation are not granted any rights beyond the shares specified in section 3.5. Special measures with regard to these parties are not provided for. Out of an abundance of caution from a legal perspective, it is pointed out that special rights (e.g. conversion, option or profit participation rights) of owner of securities other than shares remain unaffected on account of the continuity principle; any special rights continue intact in the legal form of the SE. No special measures are envisaged for the owners of these rights.
- 11.2 Parties within the meaning of article 20(1) sentence 2 (g) of the SE regulation are not granted any special advantages in the course of the conversion. Out of an abundance of caution from a legal perspective, it is pointed out that, without prejudice to the decision-making authority under Company law of the Supervisory Board of Instone Real Estate Group SE, it can be assumed that the members of the Company's Management Board currently in office will be appointed members of the Management Board of Instone Real Estate Group SE (see section 6.2). Furthermore, all members of the Company's Supervisory Board in office at the time the conversion is registered will become members of the Supervisory Board of Instone Real Estate Group SE upon the Conversion Date (see section 7.2).

Section 12 **Conversion costs**

The Company bears the costs incurred for the official recording of these terms of conversion and their preparation and implementation up to the amount of EUR 1,500,000 laid down in article 26.3 of the Articles of Association of Instone Real Estate Group SE.

ARTICLES OF ASSOCIATION INSTONE REAL ESTATE GROUP SE

I. General provisions

§ 1

Legal form and company name; registered office; financial year

1.1 The company is a European company (Societas Europaea); the name of the company is

Instone Real Estate Group SE.

1.2. The registered office of the company is in Essen.

1.3. The financial year is the calendar year.

§ 2

Purpose of the company

2.1. The purpose of the company is the acquisition, development, construction, leasing, management and sale or other use of land and buildings as well as equity investments in other companies that are active in this field of business.

2.2. The company is authorised to conduct all transactions and to take all measures that are connected with the purpose of the company pursuant to article 2.1 or that are suitable for indirectly serving this purpose. It may acquire and sell developed and undeveloped properties as well as land rights in this connection.

2.3. The company is authorised to establish, to acquire or to invest in other companies, especially companies where their business purpose extends in full or in part to the business purpose of the company pursuant to article 2.1. The company may establish branches in Germany and abroad.

2.4. The company can sell each of its equity investments or split off its business or assets in full or in part or transfer the business or assets to affiliated companies. The company can furthermore combine companies in which it has an equity interest under its management and/or limit itself to administering the equity interest(s) and enter into company agreements of all kinds as well as spin off its operations in full or in part to companies in which it has a majority equity interest or transfer these operations to such companies.

2.5. The company can limit itself to fulfilling only parts of the business purpose.

§ 3

Notices; transmission of information

3.1. The notices of the company are made in the Federal Gazette, unless otherwise stipulated by mandatory provisions of the law.

3.2. In accordance with section 49(3) of the Wertpapierschhandelsgesetz (WpHG – German Securities Trading Act), the company is entitled to send information to the shareholders by means of electronic data transfer.

II. Share capital and shares, authorised/contingent capital

§ 4

Share capital

4.1. The share capital of the company amounts to

forty-six million nine hundred and eight-eight thousand three hundred and thirty-six euros (EUR 46,988,336).

4.2. The share capital of the company has been paid in full by way of the conversion of Instone Real Estate AG into a European company (SE).

4.3. The share capital is divided into forty-six million nine hundred and eighty-eight thousand three hundred and thirty-six (46,988,336) no-par value shares. The notional amount of the share capital attributable to each no-par value shares is one euro (EUR 1.00).

§ 5

Form of the shares; share certification

5.1. The shares are bearer shares. Shares from a capital increase are also bearer shares, unless otherwise provided for in the resolution on the capital increase.

5.2. The company is authorised to issue certificates for individual shares (individual certificates) or for several shares (global certificates). The right of the shareholders to be issued with certificates for their respective shares is excluded in so far as this is permitted by law and the issuing of a certificate is not required in accordance with the rules of the stock exchange on which the shares are admitted.

5.3. The form and content of the share certificates as well as of any dividend warrants and renewal coupons are determined by the Management Board in consultation with the Supervisory Board. The same applies for bonds and promissory notes.

5.4. During a capital increase, the profit participation of the new shares can be regulated in divergence from section 60(2) sentence 3 of the Aktiengesetz (AktG – German Stock Corporation Act).

§ 6

Authorised capital

6.1. The Management Board is authorised, with the approval of the Supervisory Board, to increase the share capital of the company on one or more occasions by up to eight million four hundred and fifty thousand euros (EUR 8,450,000.00) by issuing up to eight million four hundred and fifty thousand (8,450,000) new no-par value bearer shares against cash and/or non-cash contributions (Authorised Capital 2018) by the twenty-eighth of June two thousand and twenty-three (28 June 2023).

6.2. Shareholders shall in principle be granted subscription rights. In accordance with section 186(5) AktG, the shares can also be acquired by one or more credit institutions or entities operating in accordance with section 53(1) sentence 1 or section 53b(1) sentence 1 or (7) of the Kreditwesengesetz (KWG – German Banking Act) with the obligation to offer them to the shareholders of the company for subscription (indirect subscription rights). The Management Board is authorised, however, with the approval of the Supervisory Board, to exclude the shareholders' subscription rights for one or more capital increases as part of the Authorised Capital 2018:

- (a) in order to exclude fractional amounts from the shareholders' subscription rights;
 - (b) if this is necessary in order to grant to holders of conversion or option rights arising from or in connection with bonds, profit participation rights and participating bonds or creditors of bonds furnished with conversion obligations (or a combination of these instruments) that have been or will be issued by the company or by companies dependent on or majority-owned by the company a subscription right to new no-par value bearer shares of the company in the extent to which they would be entitled after the option or conversions rights are exercised or after conversion obligations are fulfilled, or if the company exercises an option in respect of such bonds, profit participation rights and participating bonds to grant shares in the company in full or in part instead of paying the cash amount that is due.
 - (c) to issue shares against cash contributions if the issue amount of the new shares is not significantly less, within the meaning of sections 203(1) and (2) and 186(3) sentence 4 AktG, than the market price of the shares that are already listed and the notional amount in the share capital attributed to the new shares issued subject to the exclusion of the subscription rights in accordance with section 186(3) sentence 4 AktG does not in total exceed ten percent (10%) of the share capital either at the time this authorisation comes into effect or at the time that it is exercised. Shares that are issued or that are to be issued to serve conversion or option rights arising from or in connection with bonds, profit participation rights and participating bonds or creditors of bonds furnished with conversion obligations or a combination of these instruments or when an option is exercised by the company to grant shares in the company instead of paying the cash amount due from or in connection with bonds, profit participation rights and participating bonds or creditors of bonds furnished with conversion obligations shall be deducted from this number if these bonds were issued in application mutatis mutandis of section 186(3) sentence 4 AktG subject to the exclusion of the subscription rights during the term of this authorisation. Furthermore, treasury shares of the company that are disposed of during the term of this authorisation subject to the exclusion of the shareholders' subscription rights in accordance with section 71(1) no. 8 sentence 5, second half of the sentence in conjunction with section 186(3) sentence 4 AktG shall also be deducted from the maximum limit of ten percent (10%) of the share capital;
 - (d) to issue shares in return for non-cash contributions in particular for – but not limited to – the purposes of acquiring (also indirectly) companies, parts of companies, equity investments in companies or other assets (including receivables), properties and property portfolios in connection with an acquisition project, or to serve conversion or option rights and conversion obligations arising from or in connection with bonds, profit participation rights and participating bonds or creditors of bonds furnished with conversion obligations or a combination of these instruments that are issued in return for non-cash contributions; or
 - (e) to carry out a stock dividend, in the course of which shares of the company are used (also in part and/or optionally) to fulfil the shareholders' dividend claims.
- 6.3. The Management Board is authorised, with the approval of the Supervisory Board, to define the further content of the share rights (including a profit participation for the new shares deviating from section 60(2) sentence 3 AktG) and the terms and conditions of the share issue. The Supervisory Board will be authorised, after the Authorised Capital 2018 is utilised or after the deadline for utilising the Authorised Capital 2018 has elapsed, to amend the wording of the Articles of Association.

§ 6a Authorised Capital 2021

- 6a.1. The Management Board is authorised, with the approval of the Supervisory Board, to increase the share capital of the company on one or more occasions by up to eight million euros (EUR 8,000,000.00) by issuing up to eight million (8,000,000) new no-par value bearer shares in return for cash and/or non-cash contributions (**Authorised Capital 2021**) by 8 June 2026.

6a.2. Shareholders shall in principle be granted subscription rights. In accordance with section 186(5) AktG, the shares can also be acquired by one or more credit institutions or entities operating in accordance with section 53(1) sentence 1 or section 53b(1) sentence 1 or (7) of the Kreditwesengesetz (KWG – German Banking Act) with the obligation to offer them to the shareholders of the company for subscription (indirect subscription rights). The Management Board is authorised, however, with the approval of the Supervisory Board, to exclude the shareholders' subscription rights for one or more capital increases as part of the Authorised Capital 2021:

- (a) in order to exclude fractional amounts from the shareholders' subscription rights;
- (b) to issue shares against cash contributions if the issue amount of the new shares is not significantly less, within the meaning of sections 203(1) and (2) and 186(3) sentence 4 AktG, than the market price of the shares that are already listed and the notional amount in the share capital attributed to the new shares issued subject to the exclusion of the subscription rights in accordance with section 186(3) sentence 4 AktG does not in total exceed ten percent (10%) of the share capital either at the time this authorisation comes into effect or at the time that it is exercised. Shares that are issued or that are to be issued to serve conversion or option rights arising from or in connection with bonds, profit participation rights and participating bonds or creditors of bonds furnished with conversion obligations or a combination of these instruments or when an option is exercised by the company to grant shares in the company instead of paying the cash amount due from or in connection with bonds, profit participation rights and participating bonds or creditors of bonds furnished with conversion obligations shall be deducted from this number if these bonds were issued in application mutatis mutandis of section 186(3) sentence 4 AktG subject to the exclusion of the subscription rights during the term of this authorisation. Furthermore, treasury shares of the company that are disposed of during the term of this authorisation subject to the exclusion of the shareholders' subscription rights in accordance with section 71(1) no. 8 sentence 5, second half of the sentence in conjunction with section 186(3) sentence 4 AktG shall also be deducted from the maximum limit of ten percent (10%) of the share capital;
- (c) to issue shares in return for non-cash contributions in particular for – but not limited to – the purposes of acquiring (also indirectly) companies, parts of companies, equity investments in companies or other assets (including receivables), properties and property portfolios in connection with an acquisition project; or
- (d) to carry out a stock dividend, in the course of which shares of the company are used (also in part and/or optionally) to fulfil the shareholders' dividend claims.

Under this authorisation, shares can be issued subject to the exclusion of the subscription rights only if the total of the new shares together with new shares from authorised capital or treasury shares that have been issued or disposed of by the company during the term of this authorisation up to the time it is utilised by utilising another authorisation where the shareholders' subscription rights are excluded, and also together with rights that are issued during the term of this authorisation up to the time it is utilised by utilising another authorisation where the subscription rights are excluded and that allow or require the exchange into or the subscription for shares of the company, do not account for a notional amount of the share capital of more than 10% in total of the share capital. The key factor for calculating the limit of 10% of the share capital is the amount of the share capital at the time that this authorisation comes into effect. If the amount of the share capital is lower at the time that this authorisation is exercised, this lower value shall be used.

6a.3. The Management Board will be authorised, with the approval of the Supervisory Board, to define the further content of the share rights (including a profit participation for the new shares deviating from section 60(2) sentence 3 AktG) and the terms and conditions of the share issue. The Supervisory Board will be authorised, after the Authorised Capital 2021 is utilised or after the deadline for utilising the Authorised Capital 2021 has elapsed, to amend the wording of the Articles of Association.

§ 7

Contingent Capital 2021

7.1. The share capital of the company is contingently increased by up to EUR 4,698,833.00 (in words: four million six hundred and ninety-eight thousand eight hundred and thirty-three euros) by issuing up to 4,698,833 (in words: four million six hundred

and ninety-eight thousand eight hundred and thirty-three) new no-par value bearer shares with dividend rights from the start of the financial year in which they are issued (**Contingent Capital 2021**).

- 7.2. The contingent capital increase serves to grant shares to the bearers or creditors of warrant or convertible bonds that are issued by the company or other companies dependent on or majority-owned by the company in accordance with the authorisation of the Annual General Meeting of 9 June 2021 under item 8 (2) of the agenda. It will be carried out only to the extent that the option or conversion rights under the warrant and convertible bonds referred to above are exercised or conversion obligations from such bonds are fulfilled and to the extent that they are not served by treasury shares or new shares from the authorised capital. The issue amount of the new shares is equal here to the option or conversion price to be set in accordance with the specified authorisation.
- 7.3. The Management Board is authorised to stipulate the further details of the implementation of the contingent capital increase.

§ 8

Two-tier system, executive bodies

The company has a two-tier system. The executive bodies of the company are the management organ (Management Board), the supervisory organ (Supervisory Board) and the Annual General Meeting.

III. Management Board

§ 9

Composition; adoption of resolutions; rules of procedure

- 9.1. The Management Board consists of no fewer than two persons.
- 9.2. The Supervisory Board appoints the members of the Management Board and determines how many members there shall be. It can appoint substitute Management Board members. The Supervisory Board can appoint a Chair of the Management Board as well as a Deputy Chair of the Management Board.
- 9.3. The members of the Management Board are appointed for a period of no more than five years. They can be reappointed.
- 9.4. The Management Board is quorate only when all of its members have been invited and at least half of the members, including the Chair of the Management Board or the Chief Financial Officer, attend the meeting and take part in the voting on combined resolutions and resolutions outside of meetings. A Management Board consisting of only two people is quorate only if all members of the Management Board take part in the resolution.
- 9.5. The Management Board adopts resolutions on all matters by a simple majority of the votes cast, unless otherwise stipulated by law. Each Management Board member has one vote. Abstentions are regarded as votes that have not been cast. In the event of a tie, the Chair of the Management Board shall have the casting vote, if at least three Management Board members are appointed.
- 9.6. The Supervisory Board has the right to issue rules of procedure for the Management Board. If the Supervisory Board does not issue rules of procedure for the Management Board, the Management Board draws up rules of procedure for itself by a unanimous resolution of the Management Board members; these rules require the approval of the Supervisory Board.

§ 10
Management

- 10.1. The Management Board is independently responsible for managing the company. It has to conduct the business in accordance with the legal provisions, these Articles of Association and the rules of procedure laid down for the Management Board.
- 10.2. The following types of business transactions may be conducted only with the approval of the Supervisory Board:
- (a) commencement of new lines of business or material changes, expansions or restrictions of existing lines of business of the company (unless these have been submitted to the Annual General Meeting for approval);
 - (b) the annual planning, including the financial and investment planning and the personnel development estimated on this basis; and
 - (c) the formation, acquisition, sale or winding-up of companies or parts of companies (including mergers, asset transfers and conversions) as well as the acquisition and disposal of equity investments in companies (including changes to the equity share) outside of the investment plan that has been approved; an exception to this is provided for measures that concern project companies.
- 10.3. The Supervisory Board can make specific other types of business transactions of the Management Board subject to its approval.
- 10.4. The Supervisory Board can issue approval in advance for a specific group of business transactions generally or for the event that the individual transaction satisfies certain conditions; this approval is revocable.

§ 11
Representation

The company is represented by two members of the Management Board or by one member of the Management Board together with an authorised signatory. The Supervisory Board can decide that all or individual members of the Management Board are authorised to represent the company on their own. The members of the Management Board are authorised to enter into legal transactions in the name of the company with themselves as representatives of a third party (exemption from the prohibition on multiple agency of section 181, 2nd alternative, of the Bürgerliches Gesetzbuch (BGB – German Civil Code)).

IV. Supervisory Board

§ 12
Composition; election

- 12.1. The Supervisory Board consists of five members.
- 12.2. The members of the Supervisory Board are each elected for the period up to the end of the Annual General Meeting that resolves on the granting of formal approval for the fourth financial year after the term of office begins, unless the Annual General Meeting decides on a shorter term of office for all or individual Supervisory Board members at the time of the election. The financial year in which the term of office begins is not included in the calculation of the term of office. Members of the Supervisory Board can be re-elected.
- 12.3. Substitute members can be elected for all or individual Supervisory Board members at the same time as the Supervisory Board members are elected; the substitute members take the place of the Supervisory Board member who resigns before

the term of office ends and for whom they have been elected as substitute member, unless a new Supervisory Board member is elected by the Annual General Meeting before the resignation becomes effective. The term of office of a substitute member who takes the place of the Supervisory Board member who has resigned expires at the end of the next Annual General Meeting at which a new Supervisory Board member is elected. The term of office of the substitute members expires at the latest upon the expiry of the term of office of the Supervisory Board member who has resigned.

- 12.4. The successor to a member who resigns before their term of office expires is appointed for the remainder of the term of office of the member who has resigned, unless the Annual General Meeting determines a different term of office as set out in article 12.2.
- 12.5. Each member of the Supervisory Board and each substitute member can resign from office by giving written notice to the company, represented by the Management Board. It is sufficient if the notice is submitted to one member of the Management Board. Two weeks' notice has to be given for the resignation. The Management Board can agree to shorten the notice period or to waive the need to comply with the notice period. Resignation with immediate effect is possible in any event if there is good cause.

§ 13

Chair; Deputy; committees

- 13.1. The Supervisory Board elects the Chair and their deputy from among its members. The election is held at a meeting that is held without being specially convened following the Annual General Meeting at which the members of the Supervisory Board are elected. The term of office of the Chair and of their Deputy is the same as their term of office as members of the Supervisory Board, unless a shorter term of office is decided at the time of the election. If the Chair or their Deputy resign from office before the end of their term of office, the Supervisory Board has immediately to conduct a new election for the remaining term of the member who has resigned.
- 13.2. The oldest present member of the Supervisory Board in terms of age chairs the election of the Chair of the Supervisory Board.
- 13.3. The Deputy has the rights and duties of the Chair (only) when the Chair is prevented from performing their function unless otherwise stipulated by law, these Articles of Association or the rules of procedure of the Supervisory Board.
- 13.4. The Supervisory Board can set up committees, in particular an Audit Committee, from among its members and delegate specific tasks to them. The Supervisory Board determines the duties and procedures of the committees in its rules of procedure or by separate resolution.

§ 14

Remuneration

- 14.1. The members of the Supervisory Board receive basic fixed annual remuneration of of seventy five thousand euros (EUR 75,000.00). The Chair of the Supervisory Board receives double this amount, the Deputy Chair receives one and a half times this amount.
- 14.2. Members of the Audit Committee receive additional fixed annual remuneration of fifteen thousand euros (EUR 15,000) and members on other committees of the Supervisory Board receive additional fixed annual remuneration of seven thousand five hundred euros (EUR 7,500.00). The Chair of each committee receives double the relevant fixed remuneration.

- 14.3. All the remuneration specified above is payable after the end of the financial year. Supervisory Board members who have been members of the Supervisory Board or of a committee of the Supervisory Board only for part of the financial year receive the corresponding remuneration pro rata temporis for this financial year. The company reimburses to the members of the Supervisory Board the value added tax to be paid on their remuneration.
- 14.4. The company reimburses to the members of the Supervisory Board the reasonable expenses incurred in the performance of their official duties. The value added tax is reimbursed by the company if the members of the Supervisory Board are entitled to invoice the value added tax separately to the company and exercise this right.
- 14.5. The company provides the members of the Supervisory Board with insurance protection, in particular in the form of liability insurance (D&O insurance), to cover the statutory liability arising from the Supervisory Board work.

§ 15

Meetings

- 15.1. The Chair of the Supervisory Board, in their absence the Deputy Chair, convenes the meetings of the Supervisory Board, indicating the items of the agenda at the same time. Motions on items of the agenda must be announced in such good time before the meeting that it is also possible for members of the Supervisory Board who do not attend the meeting to cast a written vote.
- 15.2. The invitation convening the meeting can be sent in writing, by e-mail or by fax.
- 15.3. At the request of the Supervisory Board, the Management Board is required to attend meetings and to report to the Supervisory Board on an ongoing basis in the scope laid down by law, these Articles of Association and the rules of procedure of the Management Board.
- 15.4. If an item of the agenda has not been duly and properly announced, a resolution may be adopted on the item only if no Supervisory Board member present objects. In such an event, Supervisory Board members who are not present are to be given the opportunity to object to the resolution within a reasonable period to be determined by the Chair or, in their absence, by the Deputy Chair. The resolution takes effect only when the Supervisory Board members who were absent do not object within this period or when they approve the resolution.
- 15.5. The Supervisory Board must hold no fewer than two meetings every six months of the calendar year. It additionally holds meetings as often and as soon as the interests of the company require. Where justified in exceptional cases, these meetings can be conducted by conference call or video conference on the instruction of the Chair of the Supervisory Board or, in their absence, on the instruction of the Deputy Chair.
- 15.6. Each Supervisory Board member or the Management Board can request, while stating the purpose and the reasons for this, that the Chair of the Supervisory Board or, in their absence, the Deputy Chair convene the Supervisory Board without undue delay. A meeting of this kind must take place within two (2) weeks of being called. If the request is not met, the Supervisory Board member or the Management Board can themselves convene the Supervisory Board by announcing the facts and issuing an agenda.

§ 16

Adoption of resolutions; minutes

- 16.1. The Supervisory Board is quorate during meetings when all members have been invited and at least half of the members of which the Supervisory Board has to consist participate in the adoption of the resolution. A member who abstains is

also regarded as participating. Supervisory Board members who are absent can take part in the adoption of resolutions of the Supervisory board or of its committees by arranging to have their votes submitted in writing by other Supervisory Board members.

- 16.2. Unless otherwise stipulated by law or these Articles of Association, the Supervisory Board adopts its resolutions by a simple majority of the votes cast. An abstention does not count as a vote cast. If the vote is tied, a new vote is held and this also produces a tied vote, the Chair of the Supervisory Board shall have the casting vote.
- 16.3. Resolutions can furthermore be adopted by votes that are cast and submitted in writing, by telephone, by-email, by telefax or in an equivalent manner to the Chair of the Supervisory Board or, in their absence, to the Deputy Chair. Resolutions can also be adopted using a procedure where votes are submitted via various permitted communication channels as well as where some votes are cast at the meeting and some as submitted via other permitted communication channels – also at a later time – by members who are not present. Each of these cases require either that all members take part in the adoption of the resolution or the Chair of the Supervisory Board mandates a procedure of this kind for the adoption of the resolution and at least half of the members of which the Supervisory Board has to consist participate in the adoption of the resolution. The Chair of the Supervisory Board can in any event set a reasonable period for the vote. Members of the Supervisory Board do not have a right to object to instructions of the Chair pursuant to this article 16.3.
- 16.4. Minutes of the meetings and resolutions of the Supervisory Board have to be produced, which have to be signed by the Chair or, in their absence, the Deputy Chair. Copies of the minutes shall be circulated to the members of the Supervisory Board without undue delay after they are signed. The minutes shall report the place and date of the meeting, the participants, the items of the agenda items, the main content of the discussions and the resolutions of the Supervisory Board. Resolutions adopted outside of meetings are recorded in writing and signed by the Chair or, in his absence, by the Deputy Chair, or by a member designated by the Supervisory Board to do so, with copies circulated to all members of the Supervisory Board without undue delay.

§ 17

Representation

Declarations of intent of the Supervisory Board and of its committees are issued in the name of the Supervisory Board by the Chair or, in their absence, by the Deputy Chair. The Chair or, in their absence, the Deputy Chair is authorised to receive declarations for the Supervisory Board. Section 78(2) sentence 2 AktG remains unaffected.

§ 18

Powers

- 18.1. The duties and rights of the Supervisory Board are determined by the law and these Articles of Association. The engagement of the auditor of the financial statements following their election by the Annual General Meeting also comes under the responsibility of the Supervisory Board.
- 18.2. The Supervisory Board adopts rules of procedure for itself within the framework of the statutory regulations and the provisions of these Articles of Association.
- 18.3. The Supervisory Board is authorised to decide on amendments and additions to these Articles of Association that relate solely to their wording.

V. Annual General Meeting

§ 19

Venue, convening

- 19.1. The Annual General Meeting is held at the registered office of the company or in another German city with at least one hundred thousand (100,000) inhabitants.
- 19.2. Unless a different period is stipulated by law, the Annual General Meeting has to be convened no fewer than thirty (30) days before the date of the Annual General Meeting by a notice published in the Federal Gazette. The minimum notice period is extended by the day of the registration deadline in section 19.3. The calculation of the period is subject to the statutory regulations.
- 19.3. Only the shareholders who register for the Annual General Meeting and furnish proof of their shareholding are entitled to participate in the Annual General Meeting and to exercise their voting rights. The registration and proof of shareholding must be received by the company no less than six (6) days before the Annual General Meeting in written or electronic form (section 126b BGB) at the address indicated for this in the invitation convening the meeting. The day of the Annual General Meeting and the day that the registration is received shall not be counted.
- 19.4. Proof of the shareholding in accordance with section 67c(3) AktG is sufficient as proof of eligibility pursuant to section 19.3. The proof has to relate to the beginning of the twenty-first day before the Annual General Meeting.
- 19.5. The Management Board is authorised to allow parts or all of the Annual General Meeting to be broadcast by means of a video and audio feed. It announces this when convening the Annual General Meeting.
- 19.6. The Management Board is authorized to stipulate that shareholders may take part in the Annual General Meeting even if they do not attend the venue and do not make use of a proxy and may exercise all or some of their rights in full or in part by means of electronic communication. If the Management Board makes use of this authorisation, it announces the further details of the procedure when convening the Annual General Meeting. Shareholders who attend the meeting in accordance with sentence 1 are neither entitled to file an objection to the resolutions of the Annual General Meeting, nor do they have the authority to contest them pursuant to section 245(1) no. 1 of the AktG

§ 20

Chairing of meetings

- 20.1. The Annual General Meeting is chaired by the Chair of the Supervisory Board or another member of the Supervisory Board to be designated by the Chair. If the member of the Supervisory Board designated as the chair of the meeting is prevented from performing this function, the Supervisory Board members present at the Annual General Meeting elect the chair of the meeting. If an election in accordance with the above procedure is not held, the chair of the meeting is elected by the Annual General Meeting. A person who is not a member of the Supervisory Board can also be elected in the cases described in sentence 2 and sentence 3.
- 20.2. The chair of the meeting presides over the meeting. They determine the order in which the items of the agenda are dealt with as well as the nature and order of the votes. The chair of the meeting can determine the order in which contributors speak and is authorised to impose reasonable time limits on the shareholders' right to ask questions and to speak. They are in particular entitled at the start or in the course of the Annual General Meeting to set a reasonable time frame for the full proceedings of the Annual General Meeting, for individual items of the agenda, or for individual contributors to speak or ask questions.

§ 21
Voting

- 21.1. Each share confers one vote at the Annual General Meeting.
- 21.2. Voting rights can be exercised by proxies. The proxy, its revocation and proof of the authorisation in relation to the company must be issued in written or electronic form. The details regarding the issuing of these proxies, their revocation and the proof provided to the company are announced in the invitation convening the meeting, in which a simplification of the requirements can also be specified. Section 135 AktG remains unaffected.
- 21.3. The Management Board is authorised to stipulate that shareholders may cast their votes in writing or by means of electronic communication even if they do not attend the Annual General Meeting (postal voting). If the Management Board makes use of this authorisation, it announces the further details of the procedure for the postal vote when convening the Annual General Meeting.
- 21.4. The resolutions of the Annual General Meeting are adopted by a simple majority of the votes cast, unless a larger majority is stipulated by mandatory legal regulations. In the absence of mandatory statutory provisions to the contrary, amendments to the Articles of Association require a two thirds majority of the votes cast or, if at least half of the share capital is represented, a simple majority of the votes cast. If the law stipulates that resolutions of the Annual General Meeting additionally require a majority of the share capital represented in the adoption of the resolution, a simple majority of the share capital represented in the adoption of the resolution is sufficient, if permitted by law. A motion is regarded as rejected if the vote is tied.
- 21.5. Resolutions that can be adopted under the conditions set out in article 21.4 sentence 2 by a simple majority of the votes include in particular, but are not limited to, all resolutions of the Annual General Meeting on
- (a) capital increases with subscription rights of the shareholders in return for contributions (section 182(1) AktG),
 - (b) capital increases from company funds (section 207(2) AktG in conjunction with section 182(1) AktG), and
 - (c) the issuing of convertible bonds, participating bonds and other instruments to which the shareholders have a subscription right (section 221 AktG).
- 21.6. A majority comprising at least three quarters of the votes cast is required for the removal of members of the Supervisory Board who have been elected where nominations were not binding. This also applies to any amendment of this article 21.6 itself.

§ 22
Audio and video transmissions

On the instruction of the chair of the meeting, parts or all of the Annual General Meeting can be broadcast by means of a video and audio feed. The broadcast can also be conducted in a form that provides the public with unlimited access. The form of the broadcast has to be announced in the invitation convening the meeting.

VI. Annual financial statements; appropriation of the profits

§ 23

Annual financial statements

The annual financial statements and the consolidated financial statements are prepared, audited and approved in accordance with the statutory regulations.

§ 24

Appropriation of the profits

The Annual General Meeting decides on the appropriation of the net retained profit resulting from the approved annual financial statements. The Annual General Meeting can decide to distribute a non-cash dividend in place of or in addition to the cash dividend.

VII. Final provisions

§ 25

Place of jurisdiction

By subscribing for or acquiring shares or interim certificates of the company, the shareholders are subject in all disputes with the company or members of the executive bodies of the company to the general place of jurisdiction of the company in the absence of any mandatory statutory regulations to the contrary. This also applies for disputes in which compensation is claimed for damage caused by public capital market information that is incorrect or misleading or has not been disclosed. Foreign courts do not have jurisdiction for disputes of this kind.

§ 26

Formation; formation expenses; costs of the conversion

- 26.1. The share capital of the company is provided in the amount of thirty-six million nine hundred and eighty-eight thousand three hundred and thirty six euros (EUR 36,988,336.00) by way of the non-cash contribution resulting from the change of form of Instone Real Estate Group N.V., a Dutch public limited company (*naamloze vennootschap*) with its registered office in Amsterdam, entered in the Dutch commercial register (*Handelsregister van de Kamer van Koophandel*) under registration number 60490861.
- 26.2. The costs incurred by the creation of the company and the costs of the change of form of the company into the legal form of a public limited company are borne by the company up to an amount of one million five hundred thousand euros (EUR 1,500,000.00).
- 26.3. The company bears the costs of the formation of Instone Real Estate Group SE resulting from the conversion of Instone Real Estate Group AG into the legal form of an SE up to the amount of one million five hundred thousand euros (EUR 1,500,000).

§ 27

Severability clause

- 27.1. Should one of the provisions of these Articles of Association or a provision incorporated in them in the future be invalid or unenforceable in full or in part or lose its validity or enforceability at a later date, the validity of the remaining provisions shall not be affected by this. The same shall apply if it should emerge that these Articles of Association contain a gap or omission in the regulations.

- 27.2. A reasonable provision shall be agreed to replace the invalid or unenforceable provision or to fill the regulatory gap that, to the extent possible in law, comes as close as possible to what the shareholders would have agreed if they had been aware that these Articles of Association were invalid, unenforceable or there was a gap or omission.
- 27.3. If the invalidity of a provision is based on a measure of performance or time (deadline or date) defined in these Articles of Association, the measure of performance (time or date) that is permitted by law and that comes as close as possible to the intention of the shareholders shall be agreed.

III. Further information on the invitation

In accordance with section 1(1),(2) and 3 of the Gesetz über Maßnahmen im Gesellschafts-, Genossenschafts-, Vereins-, Stiftungs- und Wohnungseigentumsrecht zur Bekämpfung der Auswirkungen der COVID-19-Pandemie (C19-AuswBekG – German Act Concerning Measures Under the Law of Companies, Cooperative Societies, Associations, Foundations and Commonhold Property to Combat the Effects of the COVID-19 Pandemic) of 27 March 2020 as amended by the Gesetz zur weiteren Verkürzung des Restschuldbefreiungsverfahrens und zur Anpassung pandemiebedingter Vorschriften im Gesellschafts-, Genossenschafts-, Vereins- und Stiftungsrecht sowie im Miet- und Pachtrecht (German Act on the Further Shortening of the Residual Debt Relief Proceedings and on the Adjustment of Pandemic-Related Provisions in the Law of Companies, Cooperative Societies, Associations, Foundations and Rental and Lease Law) of 22 December 2020, the Management Board has determined, with the approval of the Supervisory Board, that the Annual General Meeting will be held as a virtual meeting without shareholders or their authorised representatives attending in person. Holding the Annual General Meeting in this way leads to modifications in the processes of the Annual General Meeting and in shareholders' rights.

We therefore ask the shareholders to pay special attention to the following information on registering for the Annual General Meeting, exercising voting rights and other shareholder rights.

1. TOTAL NUMBER OF SHARES AND VOTING RIGHTS

At the time of convening the Annual General Meeting, the share capital of the Company amounts to EUR 46,988,336, divided into 46,988,336 no-par value bearer shares, each granting one vote at the Annual General Meeting. The Company does not hold any treasury shares at the time of convening the Annual General Meeting.

2. REQUIREMENTS FOR PARTICIPATING IN THE MEETING AND EXERCISING VOTING RIGHTS

In accordance with Article 18(3) of the Articles of Association, only the shareholders who register for the Annual General Meeting and provide evidence of their shareholdings are entitled to participate in the Annual General Meeting and to exercise their voting rights. They must provide evidence of shareholdings relating to the start of the 21st day before the Annual General Meeting, i.e. to **19 May 2021 (12:00 a.m., CEST)** (the record date). Evidence of shareholdings in accordance with section 67c(3) AktG is sufficient.

The Company must receive registration in written or electronic form (section 126b of the Bürgerliches Gesetzbuch (BGB – German Civil Code)) in German or English at the following address (by post, fax or e-mail) at least six days before the Annual General Meeting, not including the day of the Annual General Meeting or the day of receipt, therefore by no later than the end of **2 June 2021 (midnight, CEST)**:

Instone Real Estate Group AG
c/o Computershare Operations Center
80249 Munich
Fax: + 49 89 30903 74675
e-mail: anmeldestelle@computershare.de

The Company must receive evidence of shareholdings at the above address no later than the sixth day before the Annual General Meeting, i.e. by no later than the end of **2 June 2021 (midnight, CEST)**.

Only those shareholders who have provided evidence of their shareholdings on time will be authorised to participate in the Annual General Meeting and exercise their voting rights. Authorisation to participate in the Annual General Meeting and the extent of voting rights will be exclusively determined by shareholdings as at the record date. The record date is not a

restriction on disposals of shares; in particular, they can be acquired or sold regardless of the record date. Disposals of shares after the record date do not affect the right to participate or the extent of voting rights. The same applies to acquisitions of additional shares after the record date. Persons who did not hold any shares as at the record date and who only became shareholders thereafter are not entitled to participate in the Annual General Meeting on 9 June 2021 or to vote at it, unless they have been otherwise authorised to do so.

3. PROCEDURE FOR VOTING BY POSTAL VOTE

Shareholders can submit and amend their votes by way of written or electronic postal vote. In particular, votes can be sent electronically using the access-protected InvestorPortal of Instone Real Estate Group AG at <https://ir.de.instone.de/websites/instonereal/English/6000/annual-general-meeting.html>. This option exists until **immediately before the start of voting at the Annual General Meeting on 9 June 2021**.

The form reproduced in the registration confirmation can be used to send postal votes by other means. The form for postal voting can also be downloaded on the Company's website at <https://ir.de.instone.de/websites/instonereal/English/6000/annual-general-meeting.html>. Votes sent by post, fax or e-mail must be received at the following address (post, fax or e-mail) by **8 June 2021 (midnight, CEST)** to count at the Annual General Meeting:

Instone Real Estate Group AG
c/o Computershare Operations Center
80249 Munich
Fax: + 49 (0) 89 30903 74675
e-mail: anmeldestelle@computershare.de

Postal votes sent by means other than the InvestorPortal can also be amended or revoked using the InvestorPortal.

4. PROCEDURE FOR PROXY VOTING

4.1 Authorisation of a third party

Shareholders can also have their voting rights or other rights in connection with the Annual General Meeting exercised by an authorised representative, e.g. by their custodian bank or a shareholder association. In the event of proxy voting as well, shareholders must register on time as set out above under "Requirements for participating in the meeting and exercising voting rights".

Written or electronic form is required to grant or revoke power of attorney and to provide proof of authorisation (see 4.2 below for exceptions for voting representatives in accordance with section 135 AktG). The authorisation form contained in the registration confirmation can also be used to grant power of attorney.

The authorisation form can also be downloaded on the Company's website at <https://ir.de.instone.de/websites/instonereal/English/6000/annual-general-meeting.html>.

Power of attorney can be granted or revoked either:

- (1) in written or electronic form sent to the Company exclusively at the following address (by post, fax or e-mail)
Instone Real Estate Group AG
c/o Computershare Operations Center
80249 Munich
Fax: + 49 89 30903 74675
e-mail: anmeldestelle@computershare.de
or submitted using the InvestorPortal of Instone Real Estate Group AG at <https://ir.de.instone.de/websites/instonereal/English/6000/annual-general-meeting.html>; or

- (2) in written or electronic form sent to the authorised representative.

If the power of attorney is issued to the authorised representative in written or electronic form, unless stipulated otherwise by section 135 AktG (see 4.2), the Company must receive proof, in written or electronic form, of this authorisation. Proof of authorisation can be sent to the Company at the above address, including the electronic channel described there (e-mail), or submitted using the InvestorPortal of Instone Real Estate Group AG.

Such authorised representatives cannot attend the Annual General Meeting in person. They can only exercise the voting rights conveyed by the shareholders they represent by way of postal voting or by granting (sub-) power of attorney to the voting right representatives appointed by the Company.

4.2 Proxy voting through an intermediary, shareholder association or equivalent persons (section 135 AktG)

If power of attorney is granted to an intermediary, a shareholder association or an equivalent person or institution in accordance with the provisions of stock corporation law, written or electronic form is not required to grant or revoke power of attorney in accordance with the statutory provisions. It is sufficient if the declaration of power of attorney is verifiably held by the authorised representative. Intermediaries, shareholder associations and equivalent persons or institutions in accordance with section 135 AktG can stipulate different regulations for their own authorisation; please ask your authorised representative in this regard. The Company does not require separate proof of authorisation in such cases.

The comments under 4.1, final paragraph, apply accordingly.

4.3 Authorisation of voting representatives of the Company

We offer all shareholders and their authorised representatives the opportunity to be represented by our voting representatives. If you authorise voting representatives appointed by the Company, they must be issued instructions for exercising voting rights. The authorisation and the instructions must be issued in written or electronic form. In particular, authorisations and instructions for the voting representatives of the Company can be issued, amended or revoked using the access-protected InvestorPortal of Instone Real Estate Group AG at <https://ir.de.instone.de/websites/instonereal/English/6000/annual-general-meeting.html> until immediately before the start of voting at the Annual General Meeting on 9 June 2021.

In order to authorise voting representatives by other channels, the authorisation and instruction form reproduced in the registration confirmation and available for download at the Company's website <https://ir.de.instone.de/websites/instonereal/English/6000/annual-general-meeting.html> can also be used. Authorisations and instructions sent by post, fax or e-mail must be received at the following address (post, fax or e-mail) by 8 June 2021 (midnight, CEST) to count at the Annual General Meeting:

Instone Real Estate Group AG
c/o Computershare Operations Center
80249 Munich
Fax: + 49 (0) 89 30903 74675
e-mail: anmeldestelle@computershare.de

Power of attorney can be revoked or instructions can be amended by post, fax or e-mail provided that this is also received in written or electronic form at the above address by 8 June 2021 (midnight, CEST). Power of attorney can be revoked or instructions can be amended using the InvestorPortal even if the InvestorPortal was not used to issue the power of attorney.

Voting representatives cannot be authorised to exercise shareholders' right to ask questions, put forward motions or file objections.

5. SUPPLEMENTARY MOTIONS FOR THE AGENDA AT THE REQUEST OF A MINORITY IN ACCORDANCE WITH SECTION 122(2) AKTG

Shareholders whose combined shares constitute at least a pro rata amount of the share capital of Instone Real Estate Group AG of EUR 500,000 (500,000 shares) can request that items be added to the agenda and announced. Each new item must be accompanied by a statement of grounds or proposed resolution. The request must be submitted to the Management Board of Instone Real Estate Group AG and must be received by the Company at least 30 days before the Annual General Meeting (not counting the day of receipt or the day of the Annual General Meeting), therefore by no later than **9 May 2021 (midnight, CEST)**, at the following address:

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

Applicants must provide evidence that they have held the required minimum number of shares for at least 90 days before the day their request is received by the Management Board of Instone Real Estate Group AG and that they will hold these shares until the Management Board makes its decision.

6. COUNTER-MOTIONS AND NOMINATIONS BY SHAREHOLDERS IN ACCORDANCE WITH SECTIONS 126(1), 127 AKTG IN CONJUNCTION WITH SECTION 1(2) C-19-AUSWBEKG

Counter-motions and nominations by shareholders in accordance with sections 126, 127 AktG must be sent exclusively to the following address (by post, fax or e-mail):

Instone Real Estate Group AG
Investor Relations
Grugaplatz 2-4
45131 Essen
Germany
Fax: +49 (0) 201 45355 886
e-mail: hauptversammlung@instone.de

All counter-motions and nominations to be published in accordance with sections 126, 127 AktG will be made available to the other shareholders on the Internet at <https://ir.de.instone.de/websites/instonereal/English/6000/annual-general-meeting.html>, together with the name of the shareholder, the statement of grounds required for counter-motions and any position taken by management, provided that they are received at the above address by no later than **25 May 2021 (midnight, CEST)**.

Motions or nominations from shareholders that must be made available in accordance with section 126 or section 127 AktG are deemed to have been declared at the meeting if the shareholder putting forward the motion or nomination has the proper authorisation and has registered for the Annual General Meeting.

7. SHAREHOLDERS' RIGHT TO ASK QUESTIONS IN ACCORDANCE WITH SECTION 131(1) AKTG IN CONJUNCTION WITH SECTION 1(2) SENTENCE 1 NO. 3 C-19-AUSWBEKG

Shareholders who have properly registered have the right to ask questions by way of electronic communication. The Management Board will decide at its due discretion how it will answer questions.

Questions from shareholders must be **submitted exclusively by way of electronic communication using the access-protected InvestorPortal of Instone Real Estate Group AG at <https://ir.de.instone.de/websites/instonereal/English/6000/annual-general-meeting.html>** by no later than one day before the Annual General Meeting, not including the day of the Annual General Meeting or the day of receipt, therefore by no later than **7 June 2021 (midnight, CEST)**. **Questions cannot be asked during the Annual General Meeting.**

8. DOCUMENTS/PUBLICATIONS AND BROADCAST OF THE ANNUAL GENERAL MEETING ON THE WEBSITE

From the time that the Annual General Meeting is convened, all documents to be made available in accordance with section 124a AktG will be published on the Company's website at <https://ir.de.instone.de/websites/instonereal/English/6000/annual-general-meeting.html>. This website also contains further explanations of shareholders' rights in accordance with sections 122(2), 126(1), 127 and 131(1) AktG in conjunction with section 1(2) C19-AuswBekG plus other information, in particular on participation in the Annual General Meeting and on issuing power of attorney and instructions.

In connection with the conversion of Instone Real Estate Group AG into a European company (SE – Societas Europaea) proposed under item 10, in particular the following documents will be available on the Company's website and will be available for viewing by shareholders in the offices of Instone Real Estate Group AG during normal business hours from the time the Annual General Meeting is convened:

- ▶ the notarised Conversion Plan of 22 April 2021 for the Conversion of Instone Real Estate Group AG into a European company (SE – Societas Europaea), including the Articles of Association of Instone Real Estate Group SE attached as an Annex
- ▶ the conversion report of the Management Board of Instone Real Estate Group AG of 23 April 2021;
- ▶ the certificate of the court-appointed independent expert, Deloitte GmbH Wirtschaftsprüfungsgesellschaft, Düsseldorf, of 19 April 2021 in accordance with Article 37 of Council Regulation (EC) No. 2157/2001 of 8 October 2001 on the Statute for a European Company; and
- ▶ the adopted annual financial statements and management reports of Instone Real Estate Group AG for the 2020, 2019 and 2018 financial years.

Our shareholders and their authorised representatives can also watch the entire Annual General Meeting from **10:00 a.m. (CEST) on 9 June 2021** using the access-protected InvestorPortal of Instone Real Estate Group AG at <https://ir.de.instone.de/websites/instonereal/English/6000/annual-general-meeting.html>.

9. OBJECTING TO A RESOLUTION AT THE ANNUAL GENERAL MEETING

In accordance with section 245 no. 1 AktG in conjunction with section 1(2) sentence 1 no. 4 C19-AuswBekG, shareholders and authorised representatives who have exercised voting rights can declare an objection to a resolution of the Annual General Meeting from the time it commences until it is closed by the Chairman on 9 June 2021 using the access-protected InvestorPortal of Instone Real Estate Group AG at <https://ir.de.instone.de/websites/instonereal/English/6000/annual-general-meeting.html>.

All times stated refer to Central European Summer Time (CEST) as applicable to Germany. In relation to Coordinated Universal Time (UTC), UTC = CEST minus two hours.

Essen, April 2021

Instone Real Estate Group AG
The Management Board

INFORMATION FOR SHAREHOLDERS ON DATA PROTECTION REGARDING THE COLLECTION OF DATA FOR THE PURPOSES OF THE ANNUAL GENERAL MEETING

On the basis of the applicable data protection provisions, in connection with the Annual General Meeting on 9 June 2021, the Company processes personal data (in particular the name, date of birth, address and other contact data for the shareholder, number of shares, type of share ownership, possibly the name and address of any shareholder representative authorised by the respective shareholder) as the controller as referred to by data protection law. Information for shareholders on data protection can be found on the Company's website at <https://ir.de.instone.de/websites/instonereal/English/6000/annual-general-meeting.html>.
