

**Document register no. 319 /2021**



Recorded

in E s s e n on 22 April 2021

before the recording notary

**in the district of the Higher Regional Court of Hamm**

with offices in **Essen**

**Dr. Ulrich Irriger**

appeared today at the offices of Instone Real Estate Group AG, Grugaplatz 2-4, 45131 Essen, where the notary had gone at the request of the Management Board:

1. Dr. Foruhar Reza Madjlessi, born on June 21, 1967 in Lippstadt, business address Grugaplatz 2-4, 45131 Essen and
2. Andreas Gräf, born July 19, 1966 in Essen, business address Grugaplatz 2-4, 45131 Essen, Germany

here not acting in their own name, but as members of the Management Board with joint power of representation for

**Instone Real Estate Group AG**

with registered office in Essen, entered in the Commercial Register of the Essen Local Court under HRB 29362.

The persons appearing at the meeting identified themselves to the notary public by presenting their valid national identity cards.

The notary explained the prohibition of cooperation in accordance with § 3 Paragraph 1 Sentence 1 No. 7 BeurkG. The appeared denied the question of the notary whether a prior referral in the sense of this regulation was present.

The acting notary certifies on the basis of today's electronic inspection of the Commercial Register Essen under HRB 29362 concerning Instone Real Estate Group AG that the persons appearing are entitled in their capacity as jointly authorized members of the Management Board to jointly represent the aforementioned company.

Acting as indicated, the appearing persons requested the notarization of the following Terms of Conversion and further declarations:

## I.

**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.

## **II.**

### **Powers of Attorney**

Instone Real Estate Group AG hereby authorizes the following employees working for the notary notarizing the transaction

- a) Ms. Dagmar Tröster, head clerk,

- b) Mr. Thomas Wolters, head clerk,
- c) Mrs. Tatjana Sivkova-Zückler, notary's clerk
- d) Mrs. Kerstin Wulf, notary's clerk

all of them with their offices at Messeallee 2, 45131 Essen, Germany,

each acting alone, to make all declarations which are necessary or expedient for the execution of this deed. The authorized representatives may only make use of this power of attorney in the internal relationship if these declarations are made before the certifying notary, his officially appointed representative or administrator in office.

These minutes were read by the notary to the persons present, approved by them and signed by them and the notary personally as follows:

*[Signatures and notarial seal]*

Annex

**ARTICLES OF ASSOCIATION  
INSTONE REAL ESTATE GROUP SE**

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**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 Wertpapiershandelsgesetz (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.