

This version of the Notice to Shareholders (request for extension of the agenda for the Extraordinary General Meeting) is a translation from the German original, provided for the convenience of English-speaking readers. The German text shall be authoritative and binding for all purposes.

Extension of the agenda for the Extraordinary (Virtual) General Meeting of Aareal Bank AG on 9 December 2021

Request for extension of the agenda by Petrus Advisers Investments Fund L. P.

The Extraordinary (Virtual) General Meeting of Aareal Bank AG was convened for Thursday, 9 December 2021, in Wiesbaden, by way of publication in the German Federal Gazette (Bundesanzeiger) dated 2 November 2021.

Based on the request for extension of the agenda dated 8 November 2021 submitted by Petrus Advisers Investments Fund L. P., the following items for resolutions will be added to the agenda for the Extraordinary (Virtual) General Meeting on 9 December 2021 – which so far provided for a single agenda item – pursuant to sections 122 (2), 124 (1) of the German Stock Corporation Act (Aktiengesetz – “AktG”); this is hereby announced as follows.

Agenda item no. 2: Passing of a resolution on the removal of Supervisory Board members pursuant to section 103 of the AktG

It is proposed to resolve as follows:

- a) That Marija Korsch, member of the Supervisory Board (and, at the same time, its Chairman) be removed from office, effective at the end of this Extraordinary General Meeting.
- b) That Christof von Dryander, member of the Supervisory Board, be removed from office, effective at the end of this Extraordinary General Meeting.
- c) That Dietrich Voigtländer, member of the Supervisory Board, be removed from office, effective at the end of this Extraordinary General Meeting.

Resolutions shall be passed by way of separate, individual polls.

Agenda item no. 3: Passing of a resolution on by-elections of Supervisory Board members

Pursuant to section 2(1) of the Co-Determination Agreement in conjunction with Article 9 of the Memorandum and Articles of Association and sections 95, 96 (1), 101(1) of the AktG, the Supervisory Board consists of eight members to be elected by the General Meeting and four members to be elected by staff. The General Meeting is not bound by nominations when electing shareholder representatives to the Supervisory Board.

- a) In the event that Supervisory Board member Marija Korsch is removed from office at this General Meeting, or her membership on the Supervisory Board has ended otherwise (or will end otherwise, upon the end of the General Meeting), it is proposed to resolve as follows:

Mr Theodor Heinz Laber, of Unterschleissheim (Germany), businessman and former member of senior management of UniCredit Bank AG, is elected to the Supervisory Board as shareholder representative.

Mr Theodor Heinz Laber is Chairman of the Supervisory Boards of BVV Versicherungsverein des Bankgewerbes

a. G., BVV Versorgungskasse des Bankgewerbes e.V., and of BVV Pensionsfonds des Bankgewerbes AG (pension fund and mutual pension fund schemes organised for the German banking sector). Mr Laber's curriculum vitae is attached to this letter.

- b) In the event that Supervisory Board member Christof von Dryander is removed from office at this General Meeting, or his membership on the Supervisory Board has ended otherwise (or will end otherwise, upon the end of the General Meeting), it is proposed to resolve as follows:

Ms Marion Khüny, of Mödling (Austria), self-employed consultant, is elected to the Supervisory Board as shareholder representative.

Ms Marion Khüny is a member of the Supervisory Board of Erste Group Bank AG, Vienna, Austria, and of KA Finanz AG, Vienna, Austria. Ms Khüny's curriculum vitae is attached to this letter.

- c) In the event that Supervisory Board member Dietrich Voigtländer is removed from office at this General Meeting, or his membership on the Supervisory Board has ended otherwise (or will end otherwise, upon the end of the General Meeting), it is proposed to resolve as follows:

Mr Joachim Sonne, of Munich (Germany), self-employed consultant, is elected to the Supervisory Board as shareholder representative.

Mr Joachim Sonne is an independent Non-Executive Director and a member of the Audit Committee of Proximus S.A., Belgium. Mr Sonne's curriculum vitae is attached to this letter.

Said candidates are to be elected for a term of office commencing after the close of the General Meeting until, in accordance with Article 9 of the Memorandum and Articles of Association, (i) for candidates Theodor Heinz Laber and Marion Khüny, the close of the General Meeting that resolves on the formal approval for the 2022 financial year, and (ii) for candidate Joachim Sonne, the close of the General Meeting that resolves on the formal approval for the 2023 financial year.

Resolutions shall be passed by way of separate, individual polls.

Substantiation for the request for extension of the agenda, as submitted by the applicant¹⁾:

Petrus Advisers Investments Fund L.P. already voiced considerable doubt, in connection with the Annual General Meeting 2021 as to whether the Supervisory Board has the ability, in its current composition, to appropriately support Aareal Bank AG regarding the urgent tasks to be performed in the years ahead. This concern has been confirmed further since the last General Meeting. Following the absence of the Company's CEO Hermann Merkens, due to illness, the Supervisory Board failed to resolve Aareal Bank's lack of leadership and strategy in the short term. The deadlock – until the appointment of Mr Jochen Klösges as Chairman of the Management Board – has caused economic damage to the Company, and still has an effect today. Following the advances of investor Apollo over a year ago, Aareal Bank has turned into a takeover target twice within a very short time. There is still no evidence of a clearly-defined strategy on how to deal with the IT subsidiary Aareon. As a consequence, the threat exists of an unprepared sale following a drawn-out leadership vacuum, which might be detrimental to the Company and its shareholders.

Petrus Advisers Investments Fund L.P. holds the view that the current Supervisory Board offers no guarantee for targeted takeover talks. In the current situation, a partial replacement of Supervisory Board members is inevitable in order to ensure the Company's economic success.

In our view, the nominations for election as shareholder representatives are in concordance with the statutory requirements as per section 100 (5) of the AktG. The proposed candidates were identified, with the support of external advisors, on the basis of publicly available Company information regarding the skills profile for the Supervisory Board. For this purpose, the professional

and personal suitability requirements, together with various objectives to promote the diversity of the Supervisory Board (in terms of gender, professional qualification, age and geographical diversity) and its independence, as well as statutory requirements were taken into account. All relevant information was obtained and reconciled with the corresponding profile. The candidates proposed for the by-election comply with the skills profile required by the Company, and are independent as defined in section C.13 of the German Corporate Governance Code.

Moreover, each of the candidates has declared individually that they have sufficient time available for the work on the Supervisory Board, and that they will accept the mandate if elected.

Information on the candidates, as provided by the applicant:

The curricula vitae of the proposed candidates are attached to this request for extension of the agenda, providing information on the candidate's relevant knowledge, skills and professional experience, supplemented by an overview of the candidate's material activities in addition to the Supervisory Board mandate.

Theodor Heinz Laber

Mr Laber is a highly experienced bank manager holding extensive personnel and Management Board experience. Contributing his experience gained in numerous transformation processes he led in the German banking sector, and thanks to his significant IT transformation expertise and experience in property finance, he has an ideal profile for Aareal Bank AG's Supervisory Board.

Marion Khüny

Ms Khüny is an experienced bank manager, with broad-based experience in the areas of portfolio management, investment banking and risk management, as well as corporate governance.

Joachim Sonne

Mr Sonne commands very extensive experience: besides M&A and Corporate Finance, covering the areas of technology and software in particular.

¹⁾ Please note that the following is a convenience translation of the request by the applicant and the curricula vitae provided in German.

Curricula vitae of the candidates proposed by the applicant, as provided by the applicant:

Theodor Heinz Laber

Date of birth: 22 September 1953

Nationality: German

Residential address: Unterschleissheim, Germany

Independence: (x)

Expertise

Broad-based experience in personnel management, operating experience in the areas of efficiency enhancement, integration/mergers, property finance experience, significant IT management experience

Professional career

- 04/2019 to date** Offices held on supervisory boards, including as Chairman of BVV (staff pension scheme for bank employees, with € 30 billion in assets under management, as well as on boards of trustees (e.g. at Hypo-Kulturstiftung, which operates the Kunsthalle in Munich)
- 01/2018 – 03/2019** Co-management of the German branch of UBIS (UniCredit's IT and back-office entity)
- 01/2006 – 12/2017** Member of senior management, UniCredit Bank AG, Munich
- 03/2003 – 12/2005** Divisional head of Bayerische Hypo- und Vereinsbank AG
- 09/2001 – 02/2003** Chief Operating Officer, HVB Real Estate Bank AG (responsible for operating and HR integration of three property finance banks: Bayerische Handelsbank, Süddeutsche Bodenkreditbank, and Vereinsbank Nürnberg)
- 09/1998 – 08/2001** Head of HR, Bayerische Hypo- und Vereinsbank AG (merger of Bayerische Hypotheken- und Wechselbank and Bayerische Vereinsbank in terms of HR and regarding employer/employee relationships)
- 05/1994 – 08/1998** Head of HR, Bayerische Vereinsbank AG (involving several M&A deals, from due diligence to HR integration, e.g. for Vereins- und Westbank, Hamburg, and BPH Cracow)
- 08/1976 – 04/1994** Various positions in the HR department of Bayerische Vereinsbank AG (including Head of Advisory & personnel development/employer branding), as well as in corporate projects such as overhead value analysis

Education

- 1972 – 1976** Business management studies, with a degree in business administration (Diplom-Betriebswirt)
- 1969 – 1971** Bayer. Staatsbank, vocational training (bank officer)
- 1963 – 1969** Albrecht-Gymnasium grammar school, Munich

Additional engagement as a member of an executive body with other companies

Chairman of the Supervisory Board of BVV
 Member of the Board of Trustees, Hypo-Kulturstiftung



Mag. Marion Khüny

Date of birth: 18 May 1969

Nationality: Austrian

Residential address: Mödling, Austria

Independence: (x)

Expertise

Experienced manager with proven skills in portfolio management, investment banking, risk management, and Supervisory Board governance. Strong focus on the development of staff, combined with the ability to adapt to new professional challenges and different cultures. Broad knowledge of the entire banking industry (comprising commercial banking, investment banking, as well as risk and treasury management).

Professional career

05/2017 to date	Erste Group Bank AG, Vienna (member of the Supervisory Board)
09/2017 to date	KA Finanz, Vienna (member of the Supervisory Board)
04/2019 to date	Senior advisor, Oaknorth Analytical Intelligence (London)
06/2017 - 04/2019	Senior advisor to a family office (Monaco)
03/2015 - 09/2016	Member of the Divisional Board, Commerzbank AG (Frankfurt)
11/2008 - 12/2014	Head of Division, UniCredit Bank AG/UniCredit Group (Munich/Milan)
11/2003 - 10/2008	Co-head of proprietary credit trading – Managing Director, UniCredit Group/Bank Austria AG (Vienna)
12/1997 - 10/2003	Senior fund manager – VP, Deutsche Asset Management (DWS) (Frankfurt)
01/1995 - 11/1997	Portfolio Manager, EM bonds/distressed loans, Creditanstalt AG (Vienna)
06/1993 - 12/1994	Trainee programme, Creditanstalt AG (Vienna)

Internships

03/1993	Creditanstalt AG (London, UK)
Summer 1992	Austrian Foreign Trade Delegation (Johannesburg/South Africa)
Summer 1991	König AG (automotive supplier) (Rankweil/Austria)

Education

10/1988 - 03/1993	Magister in International Economics, Leopold-Franzens University (Innsbruck/Austria)
09/1990 - 07/1991	8 PhD, MBA, BA courses in economics, marketing – Marquette University (Milwaukee/USA) Chartered Financial Analyst (CFA), German Association for Financial Analysis and Asset Management (DVFA)



Joachim Sonne

Date of birth: 25 May 1974

Nationality: German

Residential address: Munich, Germany

Independence: (x)

Expertise

Long-standing experience in the capital markets, and regarding M&A issues Extensive technology industry expertise Extensive experience in personnel management, having managed the EMEA TMT division of J.P. Morgan Experience in examining and approval of loan applications, including participation in credit committees. Independent advisor to telecommunications and technology companies regarding strategy and raising capital. Experience on audit committees.

Professional career

Since 2021	Senior advisor for global investment opportunities in telecommunications infrastructure – AustralianSuper Pty
Since 2019	Independent non-executive director and member of the audit committee, Proximus S.A. (Brussels, Belgium)
2016 – 2019	Managing Director, Co-head of Telecommunications, Media and Technology EMEA, J.P. Morgan (London, United Kingdom)
2011 – 2015	Managing Director, Head of Telecommunications Investment Banking EMEA, J.P. Morgan (London, United Kingdom)
2010 – 2011	Executive Director, M&A Germany, J.P. Morgan (Frankfurt, Germany)
2006 – 2010	Executive Director, Telecommunications and Media Investment Banking, J.P. Morgan (New York, USA)
1998 – 2005	Vice President, Telecommunications, Media & Technology Investment Banking, J.P. Morgan (London, United Kingdom)

Education

1995 – 1998	European Master of Management studies focusing on finance and controlling, EAP, European School of Management (Graduate Business Manager – Diplom-Kaufmann)
1993 – 1995	Pre-degree exam in business administration and economics, University of Passau
1993	University entrance exam (Abitur), Albert-Einstein Gymnasium, Munich

Additional engagement as a member of an executive body with other companies

Independent advisor to telecommunications and technology companies regarding strategy and raising capital
Active investor in early-stage and growth companies

Statements by the Management Board and the Supervisory Board regarding the request for extension of the agenda

Statement by the Management Board:

In accordance with the assignment of responsibilities under German corporate law, the Management Board does not consider itself in a position to comment on the request by Petrus Advisers Investments Fund L.P. for removal of identified members of the Supervisory Board, nor will it comment on the proposed replacement candidates for election to the Supervisory Board. However, the Management Board would like to point out that Supervisory Board members Ms Korsch, Mr von Dryander and Mr Voigtländer were elected with a large majority, and that an equally-worded request for removal of said persons submitted by the applicant was already rejected by the Annual General Meeting on 18 May 2021.

Statement by the Supervisory Board:

1. Statement regarding agenda item no. 2: request for extension of the agenda and application for removal of Supervisory Board members

The entire Supervisory Board continues to have no doubts concerning the extensive personal and professional skills of Supervisory Board members Marija Korsch, Christof von Dryander and Dietrich Voigtländer, as well as their personal reliability. The Supervisory Board's assessment has not changed since the Annual General Meeting on 18 May 2021, in connection of which the Supervisory Board already commented on an identical (and unsuccessful) request for removal of Supervisory Board members put forward by Petrus Advisers Investments Fund L.P.

There continues to be no need for withdrawing confidence in Mr von Dryander, who was newly elected to the Supervisory Board only at the Annual General Meeting on 27 May 2020, or in Mr Voigtländer, who was re-elected at that meeting – each with an overwhelming majority. Once again, the applicant has pre-

sented no evidence that these persons have not exercised their office without objections. The same applies to Ms Korsch, who has held the Chair of the Supervisory Board since 2012.

The Supervisory Board also points out that extensive discussions concerning the Supervisory Board's skills profile, its composition, the structure of its committees and the terms of office of its members took place in preparation for the Annual General Meeting 2020 – with all material investors as well as proxy advisors. Investor Petrus Advisers Investment Fund L.P. was included in this discussion, in great detail and on equal terms. Candidates proposed by Petrus Advisers were included in this clearly structured, transparent and professionally managed personnel selection process. This corporate governance sounding led to shortened terms of office of Supervisory Board members, the introduction of a so-called staggered board, as well as new appointments to the Supervisory Board (in the sense of a Board refreshment). Specifically, Ms Jana Brendel and Mr Christof von Dryander were won for a candidacy. The selection process, during which the Nomination Committee had selected these two candidates from among more than 90 profiles (and following a "fit and proper" examination conducted by BaFin and the ECB), was transparently communicated in the form of information provided regarding agenda item no. 6 of the Annual General Meeting. This highly transparent and broadly explored corporate governance reform met with resounding support by shareholders at the 2020 Annual General Meeting: the six candidates for election to the Supervisory Board received between 99.68 per cent and 99.72 per cent of votes. This also applies to the Supervisory Board members, Messrs von Dryander and Voigtländer, whose removal Petrus Advisers Investments Fund L.P. has once again proposed, and who were given a vote of confidence by the Annual General Meeting on 18 May 2021, where the resolution for their formal approval received a large majority.

The applicant's repeated submission of identical requests for removal of Supervisory Board members, twice within the course of half a year even though the facts have been unchanged, appears questionable. On the contrary, since the request for extension of the agenda submitted in April, which the Annual General Meeting

on 18 May 2021 dealt with, a new CEO was appointed; the Bank consistently implemented its strategy since the beginning of the 2021 financial year; and the Bank's financial results are within the guidance given at the outset of the 2021 financial year, providing evidence of a successful business performance.

Regarding the alleged absence of a sustainable strategy for the Company and the alleged insufficient performance by the Supervisory Board to fulfil its duties, as claimed by Petrus Advisers Investments Fund L.P.: the Supervisory Board, and the Chairman of the Supervisory Board, have comprehensively advised the Management Board regarding the Group's future strategic orientation at any time. The Supervisory Board was involved in all material decisions made by Aareal Bank Group, also – and in particular – in monitoring implementation of the “Aareal Next Level” strategy, which has the unanimous support of the Supervisory Board. This also applies to supporting the comprehensive 360-degree review of the “Aareal Next Level” strategy carried out in the autumn of 2020: Aareal Bank AG published key aspects of this review in January 2021, and further details in February 2021. This served to sharpen the focus regarding material aspects of “Aareal Next Level”, making Aareal Bank Group ready for a changed environment once the coronavirus pandemic has been overcome. The results posted for the 2021 financial year to date are evidence to this effect.

The Supervisory Board would also like to refer to the extremely positive response by the capital markets and sector experts to the adjusted strategic programme – also reflected in the share price response, which was up by approximately 6 per cent on the day of publication of key aspects in January 2021, and by around 17 per cent on the day of the detailed publication in February 2021.

The Supervisory Board comments as follows regarding the succession process for Hermann J. Merckens, the Chairman of the Management Board who retired due to illness: The Supervisory Board already concerned itself with the succession issue in December 2020, as a matter of precaution, even though there were no indications at that time that the CEO would not return within the foreseeable future. To support the process,

a renowned HR consultancy was mandated with the search for candidates in December 2020 too. This procedure, which was initiated as a precautionary measure, was intensified during the course of the CEO's absence, depending on the insights at each time. This enabled the Supervisory Board to present a successor shortly after it had become aware that the CEO would not be able to return, due to illness. In this context, it is important to note that the appointment of a bank's CEO requires regulatory approval. To this extent, the Supervisory Board has expedited the process for the succession of Mr Merckens, the Chairman of the Management Board, who retired due to illness, in good time, and in a focused and successful manner.

Furthermore, the Management Board's operability was assured at any time, based on internal organisational measures taken by the Supervisory Board, and by the commitment of the other members of the Management Board, who performed beyond their duties. Contrary to the applicant's claims, the orderly succession process has not compromised the Bank's business activities.

The Supervisory Board does not recognise any connection – as suggested by Petrus Advisers – between the succession process and current discussions with financial investors interested in a takeover of the Bank. If the Bank is approached by investors, it is the duty of the Management Board to sound out whether this might be in the interests of the Company and its stakeholders. The significant interest shown by financial investors is evidence of the attractiveness and sustainability of the Bank's business model, and of the viability of the “Aareal Next Level” strategy implemented by Aareal Bank AG, which has significant growth potential in all of its three segments. Evidence for this growth potential is provided by the accelerated expansion of the loan portfolio to approximately € 30 billion, as well as by the successful implementation of the Value Creation Programme and the six M&A transactions concluded by Aareon in 2021 to date. The Supervisory Board closely follows the ongoing takeover discussions, taking its related monitoring duties very seriously indeed.

Against this background, the Supervisory Board proposes to the General Meeting to vote against the

removal of the Chairman and the members of the Supervisory Board – Ms Korsch, Mr von Dryander, and Mr Voigtländer – proposed under agenda item no. 2.

**2. Statement regarding agenda item no. 3:
request for extension of the agenda and appli-
cation for by-elections of Supervisory Board
members**

There is no reason for the by-election of three individuals to the Supervisory Board, as proposed by Petrus Advisers Investments Fund L.P., for the reasons stated with regard to the request for extension of the agenda under agenda item no. 2.

Furthermore, it is uncertain whether these candidates would in fact comply with regulatory requirements for assumption of office, as set out within the framework of a mandatory examination of suitability and reliability by the German Federal Financial Supervisory Authority (BaFin) in particular.

Therefore, the Supervisory Board proposes to the General Meeting to vote against the elections of Mr Laber, Ms Khüny and Mr Sonne, as proposed under agenda item no. 3.

Wiesbaden, November 2021

Aareal Bank AG

The Management Board

Aareal Bank AG

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