



## **Information on shareholder rights pursuant to sections 122 (2), 126 (1), 127, 131 (1) of the German Stock Corporation Act (*Aktiengesetz* – "AktG")**

### **I. Requests for amendments to the agenda as per section 122 (2) of the AktG**

Shareholders whose combined shareholdings add up to a one twentieth share in the registered share capital, or a proportional amount of shares amounting to € 500,000 (rounded up, this equates to 166,667 shares), may request that certain items be included in the agenda and communicated (section 122 (2) of the AktG). Each new item to be added must be accompanied by an explanation or a proposal. In accordance with section 122 (1) sentence 3, and (2) in conjunction with section 142 (2) sentence 2 of the AktG, applicants must prove that they have been holders of the relevant shares for a minimum of three months prior to the General Meeting (i.e. since 21 February 2014, 00:00 hours [CEST]).

Said application must be addressed, in writing (section 126 of the German Civil Code [BGB]) or in electronic form (qualified electronic signature (section 126 a of the German Civil Code [BGB])), to the Management Board of Aareal Bank AG and must be received by the Company no later than **20 April 2014 (24:00 hours [CEST])**, at the following address:

**Aareal Bank AG**  
**For the attention of the Management Board**  
**Paulinenstrasse 15**  
**65189 Wiesbaden, Germany**  
**E-Mail : [HV2014@aareal-bank.com](mailto:HV2014@aareal-bank.com)**

Amendments to the agenda that require publication (unless they were already communicated at the time of convocation) must be published, without undue delay following receipt of the request, in the electronic Federal Gazette and in such other media that can be assumed to distribute information throughout the entire European Union. In addition, they are also published on the internet at <http://www.aareal-bank.com> (Investor Relations -> General Meeting 2014), and communicated to the shareholders.

Legislative framework:

#### **Section 122 of the AktG (excerpt)**

“(1) The general meeting shall be called when shareholders whose combined shareholdings add up to a 20% share in the registered share capital submit a written request that the general meeting be called, stating the purpose of such meeting and the reasons for their request; said request must be addressed to the management board. The articles of association may require another form of request or make the right to request the calling of a general meeting dependent on a smaller share in the registered share capital. Section 142 (2) sentence 2 shall apply *mutatis mutandis*.

(2) Similarly, shareholders whose combined shareholdings add up to a 20% share in the registered share capital, or a proportional amount of shares amounting to €500,000, may request that certain items be included in the agenda and communicated. Each new item to be added must be accompanied by an explanation or a proposal. Any request within the



meaning of sentence 1 must be received by the company no less than 24 days (30 days for exchange-listed companies) prior to the meeting; the day of receipt shall not be included in the calculation."

## **Section 142 (2) sentence 2 of the AktG**

"Applicants must prove that they have been holders of the relevant shares for at least three months preceding the day of the general meeting and that they are holders of said shares up until a resolution has been passed on the proposal."

## **II. Motions and nominations by shareholders under section 126 (1), section 127 of the AktG**

Shareholders may lodge counter-proposals to the proposals submitted by the Management Board or Supervisory Board and submit nominations for the election of members to the Supervisory Board and the appointment of external auditors. Any such counter-proposals must also state their reasons; nominations for elections do not require any substantiation. Counter-proposals and nominations may only be sent to the following address:

**Aareal Bank AG  
Corporate Development  
Paulinenstrasse 15  
65189 Wiesbaden, Germany**

**Fax: +49 611 348-2965  
E-mail: HV2014@aareal-bank.com**

Any counter-proposals and nominations received by the Company at the aforementioned address by no later than **6 May 2014 (24:00 hours)** will be made available on the internet on <http://www.aareal-bank.com> (Investor Relations -> General Meeting 2014) immediately upon receipt, including the shareholder's name and the rationale behind the application. Any comments or statements by management will be published on the same website. Counter-proposals and nominations not addressed to the aforementioned management address, as well as counter-proposals without substantiation will not be made available by the Company on the internet. In the cases listed in section 126(2) of the AktG, the Company may refrain from the publication of a counter-proposal and its substantiation where a counter-proposal could, for example, result in the passing of a resolution by the General Meeting that is in contravention of the law or the Memorandum and Articles of Association or where material points of the substantiation contain manifestly incorrect or misleading information or insults. Substantiations of counter-proposals do not need to be made accessible where they exceed 5,000 characters in total.

Except in the cases listed in section 126 (2) of the AktG, the publication of nominations of external auditors may also be dispensed with if the nomination does not contain name, occupation and domicile of the nominated person(s).

Legislative framework:

## **Section 126 of the AktG**

"(1) Applications from shareholders, including the shareholder's name, the substantiation and any statement by the management, shall be made available to the entitled parties listed in section 125 (1) to (3), provided that the requirements stated therein are met, if the shareholder has forwarded a counter-proposal to a proposal of management



board and supervisory board on a particular agenda item, including its substantiation, no less than 14 days prior to the Company's General Meeting to the address specified in the invitation for this purpose. The day of receipt shall not be included in the calculation of the deadline. For exchange-listed companies, the making available shall be effected via the company's website. Section 125 (3) shall apply *mutatis mutandis*.

- (2) Counter-proposals and their substantiation do not need to be made available:
1. where the management board would incur criminal liability by doing so;
  2. where the counter-proposal would result in the passing of a resolution by the general meeting that is in contravention of the law or the memorandum and articles of association;
  3. where material points of the substantiation contain manifestly incorrect or misleading information or insults;
  4. where a counter-proposal of the shareholder that is based on the same issue has already been made available to the company's general meeting pursuant to section 125;
  5. where the same counter-proposal of the shareholder, including essentially the same substantiation, was made available to at least two of the company's general meetings over the past five years pursuant to section 125 and less than 20 per cent of the registered share capital represented at the general meeting voted in favour of such counter-proposal;
  6. where the shareholder indicates that he does not wish to attend the general meeting in person or to be represented by a proxy; or
  7. where, at two general meetings during the past two years, the shareholder failed, in person or by proxy, to bring forward the counter-proposal previously communicated by him.

Substantiations do not need to be made accessible where they exceed 5,000 characters in total.

- (3) Where several shareholders bring forward counter-proposals with regard to the same item to be resolved on, the management board may combine the counter-proposals and their substantiations."

### **Section 127 of the AktG**

"Section 126 shall apply *mutatis mutandis* to shareholder's nominations of members to the supervisory board or external auditors. Such nominations do not require substantiation. Furthermore, the management board does not need to make said nomination accessible if such nomination does not include the information specified in section 124 (3) sentence 3 and section 125 (1) sentence 5."

(Please note: If appropriately and systematically interpreted, section 127 of the AktG refers to section 124 (3) sentence 4 AktG and not to section 124 (3), sentence 3. Due to the German Accounting Law Modernisation Act, which came into effect on 25 May 2009, sentence 2 was newly inserted in section 124 (3) of the AktG without amending the reference in section 127 of the AktG).

### **Section 124 (3) sentence 4 of the AktG**

"Nominations to the supervisory board or for external auditors shall contain name, occupation and domicile of the nominated person(s)."

### **Section 125 (1) sentence 5 of the AktG**



"For exchange-listed companies, any nomination for election to the supervisory board shall be accompanied by information on any offices held by the nominated person(s) on other statutory supervisory boards as well as any offices held on similar governing bodies of commercial enterprises within Germany or abroad."

### **III. Right to disclosure pursuant to section 131 (1) of the AktG**

At the Annual General Meeting, every shareholder or shareholder representative may request information from the Management Board regarding the Company's affairs, its legal and business relationships with affiliated companies and the situation of the Group and the companies within the Group's scope of consolidation, provided that such information is necessary to make a reasonable assessment of the relevant agenda item. Disclosure requests at General Meetings must generally be made verbally during the debate.

Pursuant to Article 17(2) of the Company's Memorandum and Articles of Association, the Chairman of the General Meeting is authorised to set a reasonable time limit for shareholders exercising their right to speak or to ask questions. In particular, the Chairman is entitled to reasonably determine the timeframe for the proceedings and the debate on the agenda items as well as the individual enquiries and verbal contributions. The Chairman shall determine the order in which speakers take the floor and decide on any general restriction of the time allocated for making statements, the closing of the list of speakers and the closing of the discussion.

The Management Board may dispense with the answering of individual questions for the reasons listed in section 131 (3) AktG, for example if the making of such disclosure could, in accordance with prudent commercial judgement, have a serious adverse effect on the Company or one of its affiliated companies (e.g. disclosure of business secrets) or the Management Board would incur criminal liability by answering such a question. Furthermore, the Management Board may also refuse to furnish information if the same information has been continuously available on the Company's website for a duration of no less than seven days prior to the commencement of the General Meeting as well as throughout the General Meeting.

Legislative framework:

#### **Section 131 of the AktG**

- (1) "Every shareholder may request at the general meeting that the management board provide information on company matters, provided that such information is necessary to make a reasonable assessment of the relevant agenda item. This disclosure obligation also relates to the company's legal and commercial relationships to its affiliated companies. Where a company avails itself of the relief provided under section 266 (1) sentence 3, section 276 or section 288 of the German Commercial Code (*Handelsgesetzbuch* – "HGB"), every shareholder may request that, at the general meeting resolving on the annual financial statements, the annual financial statements be presented to him in the form they would have been presented, had the company not applied the aforementioned provisions. The disclosure obligation of the management board of the parent company (section 290 (1) and (2) of the HGB) at the annual general meeting, at which the consolidated financial statements and the group management report are presented, also extends to the situation of the group and the companies within the group's scope of consolidation.
- (2) The information provided must comply with the principles of diligent and conscientious rendering of accounts. The chairperson of the meeting may be authorised by virtue of



the company's articles of association, or by way of internal rules of procedure within the meaning of section 129, to set a reasonable time limit for shareholders exercising their right to speak or to ask questions; the articles of association or the internal rules of procedure may contain further stipulations in this regard.

- (3) The management board may refuse to disclose information:
1. where the making of such a disclosure could, in accordance with prudent commercial judgement, have a serious adverse effect on the company or one of its affiliated companies;
  2. where such disclosure relates to tax bases or the amount of specific taxes;
  3. regarding the difference between the carrying amount of items in the annual balance sheet and the actual higher value of such items, unless the general meeting adopts the financial statements;
  4. regarding accounting policies, provided that the specification of these policies in the notes is sufficient to present a true and fair view of the company's net assets, financial position and results of operations within the meaning of section 264 (2) of the HGB; this does not apply if the general meeting adopts the annual financial statements;
  5. where the management board would incur criminal liability by making the requested disclosure;
  6. where, with regard to a bank or financial services provider, no information is required as to the accounting policies used or any offsetting entries in the annual financial statements, management report, consolidated financial statements or the group management report;
  7. where the requested information has been continuously available on the company's website for a duration of no less than seven days prior to the commencement of the general meeting.

Disclosure cannot be refused for other reasons.

- (4) Where a shareholder has been given information outside the general meeting, in its/his/her capacity as a shareholder, this information must be given to any other shareholder at the general meeting, upon such shareholder's request, even if such information is not necessary to make a reasonable assessment of the relevant agenda item. The management board cannot refuse the disclosure of any such information by invoking the provisions of paragraph (3) sentence 1 nos. 1 to 4. Sentences 1 and 2 do not apply where a subsidiary (section 290 (1) and (2) of the HGB), a joint venture (section 310 (1) of the HGB) or an associate (section 311 (1) of the HGB) makes such disclosure to the parent company (section 290 (1) and (2) of the HGB) for the purpose of inclusion into the parent company's consolidated financial statement, and such disclosure is required for this purpose.
- (5) Where a shareholder is refused information, said shareholder may request that its/his/her query and the reason for the refusal are recorded in the minutes of the meeting."

**Article 17(2) of the Memorandum and Articles of Association reads:**

"The Chairman shall preside over the proceedings and determine the order of agenda items and the order and manner of ballots. The Chairman may set reasonable time limits for shareholders exercising their right to speak or to ask questions. In particular, the Chairman shall be entitled to reasonably determine the timeframe for the proceedings and the debate on the agenda items as well as the individual inquiries and verbal contributions. The Chairman shall determine the order in which speakers take the floor and decide on any general restriction of the time allocated for making statements, the closing of the list of speakers and the closing of the discussion."



**Aareal Bank**

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