

Deutsche Wohnen AG
Frankfurt am Main

ISIN DE0006283302

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Invitation to the 2010 Annual General Meeting

The shareholders of our Company are hereby invited to attend the

2010 Annual General Meeting

on

Tuesday, 15 June 2010

at 10:30 a.m.

at the

Japan-Center, Taunustor Conference-Center,

Taunustor 2,

60311 Frankfurt am Main

I. Agenda

- 1. Presentation of the adopted annual financial statements as at 31 December 2009, the approved consolidated financial statements as at 31 December 2009, the company and the group management report as at 31 December 2009, the report of the Supervisory Board for financial year 2009 and the explanatory report of the Management Board regarding the information provided in accordance with Section 289 subsection 4 and Section 315 subsection 4 of the German Commercial Code [*Handelsgesetzbuch*; HGB]**

The Supervisory Board has approved the annual financial statements prepared by the Management Board, which is thereby adopted [*festgestellt*]; furthermore, it has approved the consolidated financial statements. Therefore, the General Meeting will not adopt a resolution concerning this agenda item no. 1. Instead, the aforementioned documents are to be made available to the General Meeting and to be explained by the Management Board or – in the case of the report of the Supervisory Board – by the chairperson of the Supervisory Board. Shareholders have the opportunity to ask questions concerning the proposed resolutions within the scope of their right to obtain information.

- 2. Resolution on the discharge of the Management Board for financial year 2009**

The Management Board and the Supervisory Board propose that the acting members of the Management Board during financial year 2009 be granted discharge with respect to this period.

- 3. Resolution on the discharge of the Supervisory Board for financial year 2009**

The Management Board and the Supervisory Board propose that the acting members of the Supervisory Board during financial year 2009 be granted discharge with respect to this period.

- 4. Appointment of the auditor of the individual and the consolidated financial statements as well as, if applicable, for the audit-like review of the half-year financial report for financial year 2010**

Based on the recommendation of the audit committee [*Prüfungsausschuss*], the Supervisory Board proposes that the following resolution be adopted:

Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart, is appointed as auditor of the individual and the consolidated financial statements and, if applicable, as auditor for the audit-like review of the half-year financial report for financial year 2010.

- 5. Resolution on the new election of members of the Supervisory Board**

The acting members of the Supervisory Board, Dr. Andreas Kretschmer (deputy chairperson) and Mr. Matthias Hünlein, whose term of office each ends upon conclusion of the 2010 General Meeting, are to be elected by individual election as members of the Supervisory Board for a further term of office.

- a) Election of Dr. Andreas Kretschmer as member of the Supervisory Board

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The Supervisory Board proposes to elect as member of the Supervisory Board Dr. Andreas Kretschmer, Düsseldorf, general manager of Ärzteversorgung Westfalen-Lippe, an institution of the Ärztekammer Westfalen-Lippe KöR (an organisation under public law [*Körperschaft des öffentlichen Rechts*]), Münster, for a period ending upon the conclusion of the General Meeting that adopts a resolution concerning the discharge of the members of the Supervisory Board for financial year 2014.

Dr. Kretschmer is a member of the following legally required supervisory boards or comparable domestic and foreign supervisory bodies of business enterprises:

- BIOCEUTICALS Arzneimittel AG, Bad Vilbel, chairman of the supervisory board;
- IVG Institutional Funds GmbH, Wiesbaden, member of the supervisory board;
- Private Life Biomed AG, Hamburg, chairman of the supervisory board
- Biofrontera AG, Leverkusen, deputy chairman of the supervisory board; and
- TRITON Managers Limited, St. Helier, advisory committee.

b) Election of Mr. Matthias Hünlein as member of the Supervisory Board

Furthermore, the Supervisory Board proposes to elect as member of the Supervisory Board Mr. Matthias Hünlein, Oberursel, managing director of Tishman Speyer Properties Deutschland GmbH, Frankfurt am Main, for a period ending upon the conclusion of the General Meeting that adopts a resolution concerning the discharge of the members of the Supervisory Board for financial year 2014.

Mr. Hünlein is a member of the following legally required supervisory boards or comparable domestic and foreign supervisory bodies of business enterprises:

- A.A.A. Aktiengesellschaft Allgemeine Anlagenverwaltung, Frankfurt am Main, member of the supervisory board.

Pursuant to Section 7 subsection 1 of the articles of association in conjunction with Section 96 subsection 1 and Section 101 subsection 1 AktG [*Aktiengesetz*; German Stock Corporation Act], the Supervisory Board consists of six members who are to be elected by the General Meeting. It is not subject to employee co-determination [*Arbeitnehmermitbestimmung*]; in particular, Section 1 DrittelbG [*Drittelbeteiligungsgesetz*; German law on a one-third participation of employee representatives] does not apply. The General Meeting is not obliged to elect nominated candidates.

6. Resolution on the authorisation to acquire and use own shares, including the authorisation to redeem acquired own shares and to carry out a capital reduction

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In order to acquire and use own shares, the Company requires a special authorisation by the General Meeting in accordance with Section 71 subsection 1 no. 8 AktG unless [such actions] are explicitly permitted by law. Since the authorisation issued by the General Meeting on 16 June 2009 will expire on 15 December 2010, it is intended to propose to the General Meeting that the Company again be authorised to acquire own shares. Pursuant to Section 71 subsection 1 no. 8 AktG as amended by the ARUG [*Gesetz zur Umsetzung der Aktionärsrechterichtlinie*; German Shareholders' Directive Implementation Act] on 30 July 2009, the authorisation period is now no longer limited to not more than 18 months, but may now be issued for up to five years. In order to dispense with the need for the General Meeting to adopt an appropriate resolution every year, it is intended to make use of this option.

The Management Board and the Supervisory Board propose that the following resolution be adopted:

- a) The authorisation granted by the General Meeting on 16 June 2009 for the acquisition and use of own shares shall lapse at the time at which the new authorisation becomes effective.
- b) The Management Board shall be authorised until 14 June 2015 and subject to the approval of the Supervisory Board to acquire own shares of the Company representing up to 10% of the current share capital, while observing the principle of equal treatment [*Gleichbehandlungsgrundsatz*] (Section 53a AktG). The shares acquired in accordance with this authorisation together with other own shares of the Company that the Company has already acquired, still owns, or that can be attributed to it according to Sections 71a et seqq AktG must not exceed 10% of the Company's share capital at any time.

The authorisation may also be exercised by companies the Company controls or in which it holds a majority interest or by third parties acting for account of the Company or of companies it controls or in which it holds a majority interest (Section 71d clauses 1 and 2 AktG). The authorisation may be exercised in total or in partial amounts, once or repeatedly.

The authorisation must not be used for the purpose of trading in own shares.

- c) The own shares may be acquired via the stock exchange or by means of a public offer to buy directed to the Company's shareholders, or via a public request for the submission of offers to sell directed to the Company's shareholders.
 - (1) If the own shares are acquired via the stock exchange, the purchase price per share (excluding the incidental costs of acquisition [*Erwerbsnebenkosten*]) must not fall below or exceed the arithmetic mean of the closing prices of the Company's shares in XETRA trading or in trading via a comparable successor system at the stock exchange in Frankfurt am Main by more than 10% during the past five days of trading prior to acquiring [the shares] or [prior to] assuming an obligation to acquire [the shares].
 - (2) If the own shares are acquired by way of a public offer to buy directed to all shareholders or a public request to submit offers to sell directed to

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the Company's shareholders, the purchase price or the range of purchase prices per share (excluding the incidental costs of acquisition) must not fall below or exceed the arithmetic mean of the closing prices of the Company's shares in XETRA trading or in trading via a comparable successor system at the stock exchange in Frankfurt am Main during the past five days of trading prior to publication of the offer or of the public request to submit offers to sell by more than 10%.

The volume of the offer to buy and / or the request to sell may be restricted. If the shares offered by the shareholders exceed the overall volume of the Company's offer to buy and / or request to sell, the shares shall be accepted in accordance with the proportion of the overall amount of the offer to buy and / or the request to sell in relation to the total amount of shares offered by shareholders. However, [the Company] may stipulate that smaller quantities of up to 100 offered shares per shareholder are acquired on a preferential basis. The offer to buy and / or the request to sell may stipulate further conditions.

- d) The Management Board is authorised to sell the shares acquired by the Company or by a company it controls or in which it holds a majority interest or in other ways pursuant to Section 71d AktG on account of the above or an earlier authorisation via the stock exchange or via an offer directed to all shareholders or – in each case subject to the approval of the Supervisory Board – to use [them] as follows:
- (1) Issuance in return for non-cash contributions, especially – but not limited to – within the scope of mergers [*Unternehmenszusammenschlüsse*] or for the acquisition of companies, parts of companies or participations in companies;
 - (2) Sale in return for cash payment to the extent that such [sale] occurs at a price that does not substantially fall below the market value of shares in the Company of the same type and with the same terms of issue at the time of the sale (simplified exclusion of subscription rights under Section 186 subsection 3 clause 4, Section 71 subsection 1 no. 8 clause 5, last half of the sentence AktG). This authorisation is limited to a total of up to 10% of the current share capital or, if this figure is lower, to 10% of the Company's share capital outstanding at the time this authorisation is exercised; against this maximum limit of 10% of the share capital, the proportion of those shares in the share capital shall be offset that during the term of this authorisation were issued or sold while excluding shareholders' subscription rights in accordance with Section 186 subsection 3 clause 4 AktG applied directly or *mutatis mutandis*, or that were issued or are to be issued for the purpose of servicing convertible bonds or bonds with warrants [*Wandel-, Optionsschuldverschreibungen*] or profit-participation rights [*Genussrechte*] or participating bonds [*Gewinnschuldverschreibungen*] (and / or combinations of these instruments) that include conversion or option rights [*Wandlungs-, Optionsrechte*] or establish conversion obligations [*Wandlungspflicht*] and that were issued during the term of this authorisation;
 - (3) Issuance in fulfilment of obligations of the Company under conversion and option rights and / or conversion obligations from convertible bonds

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or bonds with warrants and / or profit-participation rights or participating bonds (and / or combinations of such instruments) issued by the Company or by companies it controls or in which it holds a majority interest that include conversion or option rights or establish conversion obligations; or

- (4) Redemption [*Einziehung*] associated with a contemporaneous reduction of the share capital, without such redemption or its execution requiring an additional resolution by the General Meeting. The redemption may also be carried out without reducing the share capital by adjusting the prorated share of the share capital of the other shares in accordance with Section 8 subsection 3 AktG. In this case, the Management Board shall be authorised to adjust the number of shares stated in the articles of association.

The shareholders' subscription rights concerning the own shares of the Company shall be ruled out to the extent that these shares are used in accordance with the preceding authorisations contained in items nos. (1) through (3) of this sub-paragraph d). Furthermore, and subject to the approval of the Supervisory Board, the Management Board may in the case of a sale of own shares in the context of an offer to the shareholders of the Company exclude shareholders' subscription rights for residual amounts, and also where the own shares are to be offered to holders of the bonds with conversion or option rights or conversion obligations or warrants issued by the Company or by an affiliated company [*verbundenes Unternehmen*] to the extent that they would be entitled to participate in the offer after having exercised their conversion or option rights and / or after fulfilling the conversion obligation.

The foregoing authorisations for the use of own shares pursuant to items nos. (1) and (2) of this sub-paragraph d) may only be used to the extent that the maximum exclusion of shareholders' subscription rights corresponds to not more than 20% of the Company's share capital outstanding at the time that this authorisation is exercised. Against this maximum limit, the proportionate amount of the share capital is to be offset that is attributable to those shares that (i) have been issued during the term of the authorisation by way of capital increases in return for non-cash contributions [*Sacheinlagen*] excluding shareholders' subscription rights, (ii) have been issued or sold during the term of this authorisation excluding shareholders' subscription rights in accordance with Section 186 subsection 3 clause 4 AktG applied directly or *mutatis mutandis*, or (iii) were issued for the purpose of servicing convertible bonds or bonds with warrants or profit-participation rights or participating bonds (and / or combinations of such instruments) that include conversion or option rights or establish a conversion obligation or that are yet to be issued in the case that the subscription rights are exercised in full or the conversion obligation is claimed.

The above authorisations concerning the use of own shares may be exercised with respect to all or some of the acquired own shares, once or repeatedly, and individually or collectively.

The authorisations in items nos. (1) through (3) of this sub-paragraph d) may also be exercised by companies that the Company controls or in which it

holds a majority interest or by third parties for account of the Company or companies it controls or in which it holds a majority interest.

Report of the Management Board pursuant to Section 71 subsection 1 no. 8 clause 5, Section 186 subsection 4 clause 2 AktG regarding the exclusion of subscription rights when selling own shares pursuant to agenda item no. 6

Regarding agenda item no. 6, the Management Board has submitted a written report pursuant to Section 71 subsection 1 no. 8 clause 5 AktG and Section 186 subsection 4 clause 2 AktG on the reasons for the exclusion of shareholders' subscription rights in the context of the sale of own shares and the issue price. The report will be made available on the Company's website at <http://www.deutsche-wohnen.com/html/2072.php> from the time the General Meeting is called. It will also be available at the General Meeting. The report will be published as follows:

The Management Board and the Supervisory Board propose that the Management Board be authorised until 14 June 2015 to acquire own shares in the Company; the shares that are to be acquired on account of this authorisation together with other shares in the Company that the Company has already acquired and still owns must not constitute more than 10% of the share capital of the Company at the time that the resolution is adopted, i.e., 8,184,000 shares.

Furthermore, the Management Board is to be authorised subject to the approval of the Supervisory Board to use the own shares acquired in accordance with this or an earlier authorisation via the stock exchange or by means of an offer to all shareholders or – in each case subject to the approval of the Supervisory Board – as follows, excluding shareholders' subscription rights:

First, the Management Board shall be authorised to offer the acquired own shares to third parties subject to the approval of the Supervisory Board as consideration, *inter alia*, within the scope of mergers or acquisitions of companies, parts of companies or participations, excluding shareholders' subscription rights. Experience shows that in the case of mergers with companies or acquisitions of companies or participations, shares in the Company are also regularly demanded as (partial) consideration. The proposed authorisation is intended to provide the Company with the flexibility required in order to quickly and flexibly take advantage of arising opportunities for mergers with companies and for the acquisition of participations by issuing shares in the Company without having to resort to the authorised capital [*genehmigtes Kapital*]. The proposed exclusion of shareholders' subscription rights takes this [fact] into consideration. If opportunities for such mergers or acquisitions of companies, parts of companies or participations in companies materialise, the Management Board will examine diligently whether it should exercise the authority to issue own shares while excluding subscription rights. It will do so if granting shares in Deutsche Wohnen AG is in the Company's interests. Only if these requirements are met will the Supervisory Board also grant its approval.

Second, the Management Board shall also be authorised to sell the acquired own shares in exchange for cash payments excluding shareholders' subscription rights – in cases other than in the context of mergers with companies or within the scope of acquisitions of companies, parts of companies or participations – outside of the stock exchange. A requirement for this is that the sale of the

shares occurs in exchange for a cash payment at a price that does not substantially fall short of the quoted share price for the Company's shares of the same class and with the same terms of issue at the time of the sale. The legal basis for this simplified exclusion of subscription rights is Section 186 subsection 3 clause 4 AktG in conjunction with Section 71 subsection 1 no. 8 clause 5, last half of the sentence AktG. Any discount with respect to the current quoted share price will probably not exceed 3%, but will in any case not exceed 5% of the quoted share price. Furthermore, the number of the shares that are to be sold must not exceed 10% of the Company's share capital registered at the time of the sale of the shares. Against this maximum limit, other shares are to be offset that were issued or sold during the term of the authorisation excluding shareholders' subscription rights pursuant to Section 186 subsection 3 clause 4 AktG applied directly or *mutatis mutandis*. Against this maximum limit of 10% of the share capital, the proportion of the share capital is thus to be offset that is attributable to those shares of the Company that have been issued during the term of the authorisation within the scope of a capital increase excluding shareholders' subscription rights in accordance with Section 186 subsection 3 clause 4 AktG applied directly; shares are also to be offset that are issued, were issued or are yet to be issued during the term of the authorisation excluding shareholders' subscription rights pursuant to Section 186 subsection 3 clause 4 AktG applied *mutatis mutandis* for the purpose of servicing bonds with warrants or convertible bonds or profit-participation rights with conversion or option rights. This authorisation is likewise intended to enhance the Company's flexibility. For instance, it should enable the Company to offer shares to financial or strategic investors, and in doing so achieve the highest possible sales price, and thus the strongest possible improvement for the Company's own resources, by setting a price that is close to the market. The Company can thus react to favourable situations on the stock market quickly and flexibly and generate a higher influx of funds than in the case of an offer to all shareholders including shareholders' subscription rights. Therefore, the proposed authorisation is in the Company's and its shareholders' interests. Since the sales price is determined along the lines of the quoted share price, the shareholders' interests are adequately protected. The shareholders have the possibility to maintain their relative participation by purchasing shares by way of the stock exchange.

Third, the Management Board is also to be authorised subject to the approval of the Supervisory Board to use the acquired own shares excluding shareholders' subscription rights to fulfil the Company's obligations from conversion and option rights and / or conversion obligations from convertible bonds or bonds with warrants and / or profit-participation rights or participating bonds (and / or combinations of such instruments) issued by the Company or by a company it controls or in which it holds a majority interest that include conversion or option rights or establish conversion obligations. The proposed authorisation is intended to enable the Company to avoid the creation of new shares from conditional capital [*bedingtes Kapital*] for the protection of the subscription rights of the creditors of the aforementioned financing instruments if the Company already possesses own shares. In particular, this is also in the shareholders' interest, because a dilution of the shareholders by issuing new shares is thereby avoided. If the Management Board exercises this authority, the shares shall be issued to the entitled persons in the issue amount stipulated in the terms of the respective convertible bond or bond with warrants and / or the profit-participation rights including conversion or option rights or the participating bond.

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Fourth, the Management Board shall be authorised in the case of a sale of the own shares within the scope of an offer addressed to all shareholders of the Company to exclude shareholders' subscription rights for fractional amounts subject to the Supervisory Board's approval. The exclusion of subscription rights for fractional amounts facilitates a round subscription ratio and is required in order to make an offer of acquired own shares by way of an offer to buy, addressed to the shareholders, technically feasible. The available fractional amounts excluded from the shareholders' subscription rights are disposed of in the manner that is best for the Company, either by way of sale, via the stock exchange, or in other ways.

Fifth, the Management Board is also to be authorised subject to the approval of the Supervisory Board to exclude shareholders' subscription rights to the extent that the Company wishes to offer the own shares to the holders of the bonds with conversion or option rights or conversion obligations or warrants issued by the Company or by an associated company to the extent to which they would be entitled to participate in the offer after having exercised their conversion or option right or after the conversion obligation has been fulfilled. The Company is thereby to be enabled to offer holders of the aforementioned financing instruments anti-dilution protection that makes the financing instruments more attractive and thus promotes their successful issue and a higher inflow of funds to the Company.

The foregoing authorisations for the (i) issuance in return for non-cash contributions and (ii) sale in return for cash payments may only be used to the extent that the maximum exclusion of shareholders' subscription rights corresponds to not more than 20% of the Company's share capital outstanding at the time that this authorisation is exercised. (which corresponds to 16,368,000 shares given the current share capital). Against this maximum limit, the proportionate amount of the share capital is to be offset that is attributable to those shares that (i) have been issued during the term of the authorisation by way of capital increases in return for non-cash contributions excluding shareholders' subscription rights, (ii) have been issued or sold during the term of this authorisation excluding shareholders' subscription rights in accordance with Section 186 subsection 3 clause 4 AktG applied directly or *mutatis mutandis*, or (iii) were issued for the purpose of servicing convertible bonds or bonds with warrants or profit-participation rights or participating bonds (and / or combinations of such instruments) that include conversion or option rights or establish conversion obligations or that are yet to be issued in the event that the subscription rights are exercised in full or the conversion obligation is claimed. As a result, in addition to limiting the acquisition of own shares to 10% of the current share capital (corresponding to 8,184,000 shares), [the resolution] provides for a further limit regarding the options for using own shares that offer shareholders additional anti-dilution protection.

There are no concrete plans for exercising the authorisation for acquiring and selling own shares. The Management Board will report on any exercise of this authorisation in future General Meetings in accordance with Section 71 subsection 3 clause 1 AktG.

7. Resolution on the cancellation of the authorisation of 17 June 2008 for the issue of stock options and the associated conditional capital III

The Management Board and the Supervisory Board are of the opinion that the authorisation for the issue of stock options for the establishment of a so-called Performance Share Program granted by the General Meeting on 17 June 2008 in agenda item no. 12 can no longer be used sensibly due to the development of the share price since this resolution has been adopted and [due to] the changes in the share capital as a result of the share capital increase that was carried out in October 2009. Therefore, the Management Board and the Supervisory Board propose that the following resolution be adopted:

The authorisation granted by resolution of the General Meeting of 17 June 2008 in agenda item no. 12 for the issue of stock options for the establishment of a so-called Performance Share Program and the associated so-called conditional capital III are cancelled. To this end, Section 4d of the articles of association shall be cancelled.

8. Resolution on the amendment to Sections 3, 4a, 10 and 11 of the articles of association, *inter alia*, with respect to ARUG

On 1 September 2009, the ARUG [*Gesetz zur Umsetzung der Aktionärsrechterichtlinie*; German Shareholders' Directive Implementation Act]) came into effect. ARUG, *inter alia*, amended the periods required under the AktG concerning the calling and preparation of general meetings. In particular, the provisions concerning the period for calling [a general meeting] (Section 123 subsection 1, Section 123 subsection 2 clause 5 AktG, the period for registration (Section 123 subsection 2 AktG) and the period for submitting documentation of share ownership (Section 123 subsection 3 AktG) were changed.

In effect, the current provision contained in the articles of association concerning the period for calling the General Meeting (Section 10 subsection 4 clause 2 of the articles of association) stipulates a period that is one day longer than the minimum period required by the new legal provision. Depending on the individual case, this seemingly minor discrepancy may mean that the earliest possible date for a general meeting that needs to be held urgently in the interests of the Company may actually be delayed by a considerably longer period than only one day compared to the date that would be possible under the [new] legal provisions governing such periods. Therefore, [the Company] proposes to reduce the period stipulated in the articles of association to the new [minimum] period required by law.

Moreover, the provisions governing the eligibility to participate as well as the period for registration and submission of documentation [of share ownership] (Section 10 subsections 6 and 7 of the articles of association) are to be adjusted appropriately to correspond to the new legislation.

Furthermore, the provision in the articles of association governing the authorisation for exercising voting rights in the General Meeting (Section 11 subsection 2 of the articles of association) is to be adjusted to correspond to the statutory provision in Section 134 subsection 3 clause 3 AktG as amended by ARUG by way of including a reference to the act.

Furthermore, and unless determined otherwise by the Management Board, the transmission of notifications to shareholders is to be limited to electronic communications (Section 128 subsection 1 clause 2, first half of the sentence, Section 125 subsection 2 clause 2 AktG); the [relevant] provision contained in

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the articles of association (Section 3 subsection 2 of the articles of association) is to be amended accordingly.

Also, [the draft resolutions] propose to include in the articles of association authorisations of the Management Board in accordance with Section 118 AktG as amended by ARUG with respect to (i) an online participation of shareholders in General Meetings (Section 118 subsection 1 clause 2 AktG), (ii) absentee voting [*Briefwahl*] (Section 118 subsection 2 AktG), and (iii) the possibility of video and audio transmission of the General Meeting (Section 118 subsection 4 second alternative AktG), which means that the articles of association need to be modified in the latter instance (Section 10 subsection 3 of the articles of association) and supplemented in the two previously mentioned instances (Section 10 subsections 11 and 12 of the articles of association).

Furthermore, the procedure regarding subsequent elections in the case of inconclusive election results [*Stichentscheidung*] in the context of elections of persons [*Personalwahlen*] (Section 11 subsection 4 of the articles of association) is to be adjusted – irrespective of ARUG – such that the procedure corresponds to the voting procedure for such elections that is common for listed companies with a large group of shareholders and that it is worded such that the provision can also be applied above and beyond its current wording if the election in question concerns more than one position [*Mandat*].

Finally, the Management Board and the Supervisory Board propose to cancel the – unnecessary – special provision concerning the authorisation of the Supervisory Board to amend the wording of the articles of association in the context of the use of the existing authorised capital (Section 4a subsection 4 of the articles of association).

- a) Modification of Section 10 subsection 4 clause 2 of the articles of association (period for calling [the General Meeting])

The current wording of Section 10 subsection 4 clause 2 of the articles of association reads as follows:

"(4) (...). The General Meeting is to be called at least thirty days before the day at the end of which the shareholders must register prior to the [General] Meeting pursuant to subsection 7, stating the agenda; the day of the announcement and the last day of the time for registration shall not count."

The Management Board and the Supervisory Board propose that the following resolution be adopted:

Section 10 subsection 4 clause 2 of the articles of association shall be revised and shall read as follows:

"(4) (...). Calling [the General Meeting] shall be subject to the [minimum] period required by law."

- b) Modification of Section 10 subsections 6 and 7 of the articles of association (eligibility to participate as well as the periods for registration and providing documentation [of share ownership])

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The current wording of Section 10 subsections 6 and 7 of the articles of association reads as follows:

"(6) Holders of bearer shares shall only be entitled to participate in the General Meeting and to exercise the voting rights if they have registered on time for the General Meeting pursuant to subsection 7. In order to exercise the rights associated with bearer shares, holders of bearer shares must also provide documentation to the Company that they are entitled to participate in the General Meeting and to exercise the voting rights. To this end, documentation in text form [*Textform*] (Section 126b BGB [*Bürgerliches Gesetzbuch*; German Civil Code]) prepared by the custodian bank regarding the share ownership by the end of the seventh day prior to the day of the General Meeting must be presented in the German or English language. The documentation must refer to the effective date specified by law.

(7) The registration pursuant to subsections 5 and 6 shall occur with the Management Board in writing, by fax or, if the Management Board so resolves, in another manner as specified by the Management Board (in particular by electronic means), at the Company's place of business, or at such a place as specified in the invitation, at the latest on the seventh day prior to the day of the General Meeting. If the last day of the time period is a Sunday, a recognised statutory holiday at the Company's place of business, or a Saturday, the next business day shall constitute the last day. Within the meaning of this provision, a Saturday shall not constitute a business day."

The Management Board and the Supervisory Board propose that the following resolution be adopted:

Section 10 subsections 6 and 7 of the articles of association shall be revised and shall read as follows:

"(6) Holders of bearer shares shall only be entitled to participate in the General Meeting and to exercise the voting rights if they have registered on time for the General Meeting pursuant to subsection 7. In order to exercise the rights associated with bearer shares, holders of bearer shares must also provide documentation to the Company that they are entitled to participate in the General Meeting and to exercise the voting rights. To this end, documentation of share ownership issued by the custodian bank must be provided. The documentation must refer to the relevant date specified by law.

(7) The registration pursuant to subsections 5 and 6 and the documentation pursuant to subsection 6 clause 2 must be received by the Management Board at the Company's place of business or at another location as set forth in the invitation [and must be received] in text form (Section 126b BGB) and in the German or English language at least six days prior to the General Meeting. The day of the General Meeting and the day on which the registration and the documentation is received shall not count."

- c) Modification of Section 11 subsection 2 of the articles of association (exercise of voting rights by authorised representatives)

The current wording of Section 11 subsection 2 of the articles of association reads as follows:

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"(2) The right to vote may also be exercised by a shareholder's authorised representative. A written power of attorney shall be required and sufficient for authorisation. The Company shall appoint one proxy or several proxies for exercising the voting rights of the shareholders in accordance with their instructions. Powers of attorney for the proxy of the Company can be issued in writing, by fax or by other modern means of communication (such as e-mail) in a manner specified by the Management Board in each case. Details, in particular regarding formal requirements and periods for issuing and revoking the powers of attorney, shall be published at the time the invitations to the General Meeting are sent out.

The Management Board and the Supervisory Board propose that the following resolution be adopted:

Section 11 subsection 2 of the articles of association shall be revised and shall read as follows:

"(2) The right to vote may be exercised by an authorised representative. The statutory provisions shall govern the power of attorney, its revocation and the documentation of authorisation. The invitation to the General Meeting may contain facilitated [procedures] [*Erleichterungen*]. Regarding the authorisation of Company-designated proxies, if any, the invitation to the General Meeting may stipulate different requirements within the scope permitted by law."

- d) Modification of Section 3 subsection 2 of the articles of association (limitation of the transmission of the notifications to shareholders by way of electronic communications pursuant to Section 128 subsection 1 clause 2, first half of the sentence, Section 125 subsection 2 clause 2 AktG)

The current wording of Section 3 subsection 2 of the articles of association reads as follows:

"(2) The Company shall be entitled to transmit information to its shareholders by way of data transmission subject to their approval information. The adequate period for filing an objection pursuant to Section 30b subsection 3 no. 1 letter d) WpHG [*Wertpapierhandelsgesetz*; German Securities Trading Act] shall be one month."

The Management Board and the Supervisory Board propose that the following resolution be adopted:

Section 3 subsection 2 of the articles of association shall be revised and shall read as follows:

"(2) Notifications to the shareholders pursuant to Section 125 subsection 1 in conjunction with Section 128 subsection 1 AktG as well as under Section 125 subsection 2 AktG, and subject to the conditions set forth in Section 30b subsection 3 no. 1 letters b) through d) WpHG, and notwithstanding Section 30b subsection 1 WpHG, shall be transmitted exclusively by way of electronic communications unless the Management Board determines another legally permissible form. The same shall apply to the transmission of such notifications of the Company to shareholders by third parties."

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- e) Incorporation of Section 10 subsection 11 in the articles of association (authorisation of the Management Board to provide for online participation by shareholders in the General Meeting in accordance with Section 118 subsection 1 clause 2 AktG)

The Management Board and the Supervisory Board propose that the following resolution be adopted:

Section 10 of the articles of association shall be supplemented by the following, new subsection 11:

"(11) The Management Board is authorised to specify in the invitation to the General Meeting that shareholders may take part in the General Meeting also without being [physically] present at its location and without an authorised representative and can exercise all or individual rights in part or in total by way of electronic communications (online participation). The Management Board may determine further details regarding the scope and procedure of such online participation."

- f) Incorporation of Section 10 subsection 12 in the articles of association (authorisation of the Management Board to permit absentee voting in accordance with Section 118 subsection 2 AktG)

The Management Board and the Supervisory Board propose that the following resolution be adopted:

Section 10 of the Articles of Association shall be supplemented by the following, new subsection 12:

"(12) The Management Board is authorised to specify in the invitation to the General Meeting that shareholders may also cast their votes in writing or by way of electronic communications without the need to take part in the meeting (absentee voting). The Management Board may determine further details concerning the absentee voting procedure."

- g) Modification of Section 10 subsection 3 of the articles of association (authorisation of the Management Board to provide for video and audio transmission of the General Meeting in accordance with Section 118 subsection 4 second alternative AktG)

The current wording of Section 10 subsection 3 of the articles of association reads as follows:

"(3) Audio and video transmission of the Company's General Meeting by means of modern communication media (such as the internet) shall be permissible. The type of transmission shall be announced in the invitation."

The Management Board and the Supervisory Board propose that the following resolution be adopted:

Section 10 subsection 3 of the articles of association shall be revised and shall read as follows:

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"(3) The Management Board is authorised to specify in the invitation to the General Meeting that the video and audio transmission of the Company's General Meeting via electronic media is permitted in a manner it may determine."

- h) Modification of Section 11 subsection 4 of the articles of association (election of persons)

The current wording of Section 11 subsection 4 of the articles of association is as follows:

"(4) If during the first round of voting the required majority is not achieved, a second round of voting shall be conducted [to decide the election] between the two persons who received the most votes in their favour. During the second round of voting, the highest number of votes shall decide; in the case of a parity of votes, the chairperson shall draw lots."

The Management Board and the Supervisory Board propose that the following resolution be adopted:

Section 11 subsection 4 of the articles of association shall be revised and shall read as follows:

"(4) If within the scope of an election – also to the extent that [such election] is carried out by way of successive voting on several proposed resolutions – no candidate achieves the required majority with respect to individual or all of the open positions (first round of voting), the resolution shall be subject to a new vote (second round of voting). In the second round of voting, candidates shall only be eligible for election if they were also nominated in the first round of voting. Furthermore, the maximum number of eligible candidates shall correspond to twice the number of positions that remain to be filled after the first round of voting; if otherwise a larger number of candidates were to be nominated, a resolution shall be adopted regarding the election of those [candidates] whose election was approved in the first round of voting with the highest absolute number of votes. Candidates shall be [deemed] elected in the second round of voting if their election was approved by the highest absolute number of votes in this round of voting."

- i) Cancellation of Section 4a subsection 4 of the articles of association (special provision regarding the authorisation of the Supervisory Board to amend the articles of association in the context of using the authorised capital)

The Management Board and the Supervisory Board propose that the following resolution be adopted:

Section 4a subsection 4 of the articles of association shall be deleted.

II. Further information regarding the General Meeting

1. Information regarding the availability of documents

As of [the date of] the invitation to the General Meeting, the following documents will be available at the Company's website at <http://www.deutsche-wohnen.com/html/2072.php> together with the other information that is to be made available in accordance with Section 124a AktG:

- a) adopted annual financial statement for Deutsche Wohnen AG as at 31 December 2009,
- b) approved consolidated financial statements for Deutsche Wohnen AG as at 31 December 2009,
- c) management report for the Company as at 31 December 2009,
- d) group management report as at 31 December 2009,
- e) report of the Supervisory Board for financial year 2009,
- f) explanatory report by the Management Board concerning information provided in accordance with Section 289 subsection 4 and Section 315 subsection 4 HGB,
- g) report by the Management Board pursuant to Section 71 subsection 1 no. 8 clause 5, Section 186 subsection 4 clause 2 AktG regarding the exclusion of subscription rights when selling own shares pursuant to agenda item no. 6
- h) Additional information pursuant to Section 121 subsection 3 clause 3 no. 3 AktG on the shareholders' rights under Section 122 subsection 2, Section 126 subsection 1, Section 127, Section 131 subsection 1 AktG.

The documents will also be on display during the General Meeting.

2. Overall number of shares and voting rights

At the time of publishing this invitation, the Company's share capital amounts to €81,840,000 and is composed of 81,840,000 no-par value shares. Therefore, the total number of shares and voting rights at the time of the invitation to the General Meeting is 81,840,000 each.

3. Participation in the General Meeting

- a) Participation of holders of bearer shares [*Inhaberaktionäre*]

Holders of bearer shares in our Company are entitled to participate in the General Meeting and to exercise voting rights in the General Meeting if they are shareholders of the Company at the beginning of the 21st day prior to the [date of the] General Meeting, *i.e.*, on **Tuesday, 25 May 2010, 00:00 midnight Central European Summer Time** (effective date for the documentation [of share ownership] [*Nachweisstichtag*]) and have registered for the General Meeting within the required deadline and have documented their share ownership to the Company.

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Registration must take place in writing, by fax or by e-mail [sent] to the address set forth below at the end of this section a).

Documentation of share ownership may be provided by means of a certificate in text form prepared in German or English by the domestic or foreign custodian bank. The documentation must refer to the effective date for the documentation [of share ownership], *i.e.*, to Tuesday, 25 May 2010, 00:00 midnight Central European Summer Time.

This means that holders of bearer shares who have acquired their shares after the effective date for the documentation [of share ownership] cannot take part in the General Meeting. Holders of bearer shares who sell their shares after the effective date for the documentation [of share ownership] are nonetheless entitled in relation to the Company to take part in the General Meeting and exercise voting rights, provided they have registered on time and provide documentation of share ownership. The effective date for the documentation [of share ownership] has no influence on the marketability of the shares and has no relevance with respect to the entitlement to dividends.

The registration of the holders of bearer shares and documentation of share ownership must be received by the Company no later than **Tuesday, 8 June 2010, 24:00 midnight Central European Summer Time** at the following address:

Deutsche Wohnen AG
c/o Computershare HV-Services AG
Prannerstraße 8
80333 München

or by e-mail
DWAG-HV2010@computershare.de

or at the following fax number
+ 49 (0) 89 / 30 90 37- 46 75

After the Company has received the registration and the documentation of share ownership, admission tickets to the General Meeting will be sent to the holders of bearer shares. In order to ensure that the admission tickets are received on time, we kindly ask the holders of bearer shares to register [for the General Meeting] and obtain the documentation of their share ownership in good time. Presenting the admission ticket on the day of the General Meeting facilitates the inspection at the admission gate; [however], it is not a prerequisite for taking part in the General Meeting and exercising voting rights.

b) Participation of registered shareholders [*Namensaktionäre*]

Our Company's registered shareholders are entitled to participate in the General Meeting and to exercise voting rights if they are registered in the Company's share register on the day of the General Meeting and the Company has received their registration no later than **Tuesday, 8 June 2010, 24:00 midnight Central European Summer Time** in writing, by fax

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or by e-mail [sent] to the address set forth above at the end of the preceding section a).

The Company will send the invitation to the General Meeting directly to registered shareholders who are registered in the share register. For registered shareholders whose custodian bank is registered in the share register on their behalf, it is intended to send the documents via the custodian bank. Specific details regarding the General Meeting are stated in the documents that will be sent to the registered shareholders.

Deletions, new registrations and changes in the share register shall not take place within the last six days prior to the General Meeting as well as on the day of the General Meeting itself (Section 10 subsection 5 clause 2 of the articles of association). Therefore, buyers of shares whose applications for the transfer of the registered shares are not received by the Company with sufficient lead time for [carrying out] the transfer before Wednesday, 9 June 2010, are not entitled to participate and exercise the voting rights associated with these shares in the General Meeting. In such cases, participation and voting rights shall remain with the shareholder registered in the share register until the time at which the transfer has been registered.

After the Company has received the registration, admission tickets to the General Meeting will be sent to the registered shareholders. In order to ensure that the admission tickets are received on time, we kindly ask the registered shareholders to register in good time. Presenting the admission ticket on the day of the General Meeting facilitates the inspection at the admission gate; [however], it is not a prerequisite for taking part in the General Meeting and exercising voting rights.

Further details regarding the participation in the General Meeting shall be sent to the shareholders together with the admission ticket. [Such details] are also provided at the Company's website at <http://www.deutsche-wohnen.com/html/2072.php>.

4. Proxy voting

It is also possible for shareholders to exercise their voting rights in the General Meeting via an authorised representative such as a financial institution, an association of shareholders, or another person (Section 134 subsection 3 clause 1 AktG). Also in this case, a timely and formally correct registration and – in the case of holders of bearer shares – the timely documentation of share ownership or – in the case of registered shareholders – the registration in the share register is required in accordance with the above section 3 [entitled] "Participation in the General Meeting". If a shareholder authorises more than one person, the Company may refuse [to accept] one or more [such persons] (Section 134 subsection 3 clause 2 AktG).

- a) If neither a financial institution nor an association of shareholders nor other persons or institutions equivalent to [such persons or institutions] pursuant to Section 135 subsection 8 and subsection 10 in conjunction with Section 125 subsection 5 AktG is authorised, the issuance of the authorisation, its revocation and the documentation of authorisation in relation to the Company require the text form (Section 126b BGB). The power of attorney shall be issued in relation to the Company or directly in

relation to the authorised representative. For this purpose, shareholders may use the power of attorney form that they receive together with the registration documentation (registered shareholders) or upon registration together with the admission ticket (holders of bearer shares and registered shareholders). A power of attorney form is also provided at the Company's website at <http://www.deutsche-wohnen.com/html/2072.php>. Shareholders can use the registration address mentioned above in section 3.a) for sending the documentation of authorisation by mail, fax or e-mail. The same applies with respect to the issuance of the power of attorney by way of declaration in relation to the Company; in this case, separate documentation regarding the issuance of the authorisation is not required. Irrespective of the foregoing, authorised representatives can also document their authorisation by presenting the power of attorney at the admission gate on the day of the General Meeting.

- b) Regarding the authorisation of financial institutions, associations of shareholders or persons or institutions equivalent to [such persons or institutions] pursuant to Section 135 subsection 8 and subsection 10 in conjunction with Section 125 subsection 5 AktG as well as for the revocation and the documentation of authorisation, the statutory provisions, in particular Section 135 AktG, as well as the requirements of the aforementioned [persons or institutions] apply. Therefore, shareholders are kindly requested when authorising a financial institution, an association of shareholders or an equivalent person or institution to coordinate with [such persons or institutions] in good time regarding the potentially required form of the power of attorney.
- c) As an additional service, the Company also offers its shareholders [the possibility] of authorising Company-designated proxies prior to the General Meeting [to vote] in accordance with their instructions. The powers of attorney for the proxies designated by the Company require the text form (Section 126b BGB). The Company-designated proxies must be given instructions regarding all agenda items. The power of attorney cannot be exercised with respect to those agenda items for which instructions have not been issued; this means that the proxies will abstain when the respective votes are cast. The proxies are obliged to vote in accordance with the instructions. The proxies will not exercise the [shareholders'] right to ask questions and to speak. Shareholders have the option of using the appropriate form that is available on the Company's website at <http://www.deutsche-wohnen.com/html/2072.php> for authorising proxies and issuing instructions. Shareholders who do not wish to make use of this [option] are kindly requested to use the power of attorney and the voting forms that will be sent together with the registration documentation (registered shareholders) and/or upon registration together with the admission ticket (holders of bearer shares and registered shareholders). Powers of attorney and instructions for the Company-designated proxies shall be sent by mail, fax or e-mail to the registration address set forth above in section 3.a). The authorisation for the proxies together with the instructions transmitted in this manner must be received no later than **Friday, 11 June 2010, 24:00 midnight Central European Summer Time**. Powers of attorney and instructions that are received at a later time will not be taken into consideration.

5. Information concerning the rights of shareholders under Section 122 subsection 2, Section 126 subsection 1, Section 127, Section 131 subsection 1 AktG

In the following paragraphs, we inform our shareholders about certain rights they have in the context of the General Meeting. Additional information in this regard is presented on the Company's website at <http://www.deutsche-wohnen.com/html/2072.php>.

a) Requests for inclusion of additional agenda items (Section 122 subsection 2 AktG)

Shareholders whose shares collectively represent 5% of the share capital (corresponding to €4,092,000 and 4,092,000 shares) or the proportionate sum of €500,000 (corresponding to 500,000 shares) may demand in the same manner as pursuant to Section 122 subsection 1 AktG that subject matters be included in the agenda and be made public. Each new subject matter must include a statement of reasons or a draft resolution.

Requests for inclusion [of additional agenda items] shall be directed to the Management Board in writing (Section 126 BGB) and must be received by the Company at least 30 days prior to the [General] Meeting, *i.e.*, no later than **Saturday, 15 May 2010, 24:00 midnight Central European Summer Time**. They may be sent to the following address:

Deutsche Wohnen AG
Management Board
attention Mr. Jörg Herwig
Mecklenburgische Straße 57
14197 Berlin

Requests for inclusion [of additional agenda items] received at a later time will not be taken into consideration. Proposers must document with respect to the minimum share ownership that they have held the shares for at least three months prior to submitting the motion and that they have held the shares until [the time at which] they submitted their motion (cf. Section 142 subsection 2 clause 2 in conjunction with Section 122 subsection 1 clause 3, subsection 2 clause 1 AktG).

b) Counter-motions concerning draft resolutions proposed by the administrative department and nominations (Section 126 subsection 1, Section 127 AktG)

Each shareholder has the right to submit counter-motions in the General Meeting in opposition to the [resolutions] proposed by the Management Board and / or the Supervisory Board regarding a specific agenda item stating reasons (Section 126 subsection 1 AktG), or to nominate [candidates] for the election of Supervisory Board members or auditors (Section 127 AktG). Counter-motions and / or nominations received by the Company at the address specified below at least 14 days prior to the General Meeting, not counting the day of receipt and the day of the General Meeting, *i.e.*, no later than **Monday, 31 May 2010, 24:00 midnight Central European Summer Time**, will immediately be made available on the website at <http://www.deutsche-wohnen.com/html/2072.php>, including the shareholder's name, reasons and any comments by the administrative

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department (cf. Section 126 subsection 1 clause 3 AktG). Counter-motions together with reasons and nominations by shareholders shall only be sent to one of the following addresses:

(1) Postal address:

Deutsche Wohnen AG
Investor Relations
Mecklenburgische Straße 57
14197 Berlin

(2) Fax [number]:

+ 49 (0) 30 89 786-509

(3) E-mail address:

ir@deutsche-wohnen.com

Counter-motions and nominations not addressed in the aforementioned manner or not received before the deadline will not be taken into consideration. The right of each shareholder to submit counter-motions regarding the various agenda items or to nominate [candidates] during the General Meeting also without prior communication to the Company observing the formal requirements and deadlines shall remain unaffected.

The Company may refrain from making available counter-motions and the [associated] reasons or nominations if grounds for exclusion [*Ausschlussstatbestände*] pursuant to Section 126 subsection 2 AktG exist, for instance because the counter-motion would lead to a resolution by the General Meeting that violates laws or the articles of association. [Statements of] reasons for counter-motions do not need to be made available if they contain more than 5,000 characters in total.

Furthermore, a nomination also does not need to be made available pursuant to Section 127 AktG if the nomination does not state the name, the current occupation, and the place of residence of the person nominated as member of the Supervisory Board or the auditor, and if the nomination of candidates for the Supervisory Board does not also contain information on the membership in other supervisory boards that are required by law.

c) Shareholder's right to obtain information (Section 131 subsection 1 AktG)

Under Section 131 subsection 1 AktG, each shareholder is entitled upon request to receive information from the Management Board on matters concerning the Company to the extent that the information is required in order to reasonably assess the subject-matter of the agenda. The Management Board's obligation to provide information also includes the Company's legal and commercial relationships to associated companies as well as the situation of the Group and the companies that are included in the consolidated financial statements (cf. Section 131 subsection 1 clause 2 and clause 4 AktG).

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The Management Board may refuse to provide information under certain conditions specified in greater detail in Section 131 subsection 3 AktG, for instance because providing such information could in accordance with a reasonable commercial assessment result in disadvantages for the Company or associated companies that are not merely insignificant, or [because] the information was continuously available on the Company's website for at least seven days prior to the beginning of as well as during the General Meeting.

6. Publications on the Company's website

The information and documents that are to be made available on the Company's website in accordance with Section 124a AktG, including this invitation to the General Meeting, motions [submitted] by shareholders as well as additional information concerning the rights of shareholders under Section 122 subsection 2, Section 126 subsection 1, Section 127, Section 131 subsection 1 AktG are set forth on the website at <http://www.deutsche-wohnen.com/html/2072.php>.

Frankfurt am Main, May 2010

Deutsche Wohnen AG
Management Board