

Final draft dated 12 March 2024

MERGER AGREEMENT

between

AAREAL ESTATE AG

as Transferring Company

and

AAREAL BANK AG

as Acquiring Company

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Merger Agreement
("Agreement")

concluded between:

- (1) **Aareal Estate AG**, a German public limited company according to the laws of the Federal Republic of Germany with registered offices in Wiesbaden, business address: Paulinenstraße 15, 65189 Wiesbaden, entered in the Commercial Register of Wiesbaden District Court under HRB number 12806,

– hereinafter "**Transferring Company**" –

and

- (2) **Aareal Bank AG**, a German public limited company according to the laws of the Federal Republic of Germany with registered offices in Wiesbaden, business address: Paulinenstraße 15, 65189 Wiesbaden, entered in the Commercial Register of Wiesbaden District Court under HRB number 13184,

– hereinafter "**Acquiring Company**" –

The Parties under (1) and (2) are hereinafter referred to jointly as the "**Parties**" and individually as "**Party**".

PRELIMINARY REMARKS

- (A) The Transferring Company is entered in the commercial register of Wiesbaden District Court under HRB number 12806. The share capital of the Transferring Company amounts to €2,500,100.00 and is divided into 2,500,100 registered shares. The deposits on the shares have been paid in full.
- (B) The sole shareholder of the Transferring Company is Westdeutsche Immobilien Servicing AG with registered offices in Mainz, business address: Kantstraße 1, 55122 Mainz, entered in the commercial register of Mainz District Court under HRB number 40640.
- (C) The sole shareholder of Westdeutsche Immobilien Servicing AG is the Acquiring Company. The Acquiring Company is entered in the commercial register of Wiesbaden District Court under HRB number 13184. The Acquiring Company's share capital amounts to €179,571,663.00 and is divided into 59,857,221 no-par-value registered shares. The deposits on the shares have been paid in full.
- (D) The Transferring Company owns no property.
- (E) The Transferring Company is due to be merged with the Acquiring Company by way of absorption.

- (F) The draft of this Agreement was submitted to the commercial registers of the Transferring Company and of the Acquiring Company pursuant to section 61 sentence 1 of the German Transformation Act (**Umwandlungsgesetz – UmwG**).
- (G) The documents required pursuant to section 63 (1) of the UmwG will be available for shareholders to view on the premises of the Transferring Company and the Acquiring Company from 25 March 2024 onwards.
- (H) The Acquiring Company has been entered in the commercial register for more than two years, which means that the provisions of section 52 (3), (4), (7) to (9) of the AktG on post-formation agreements do not apply by analogy in accordance with section 67 of the UmwG.

Now, therefore, the contracting parties agree as follows:

Section 1

Transfer of assets

- (1) The Transferring Company shall transfer all of its assets including all rights and obligations by way of dissolution without being wound up pursuant to section 2 (1) of the UmwG to the Acquiring Company (merger by way of absorption).
- (2) The merger shall be based on the balance sheet of the Transferring Company as at 31 December 2023 as the closing balance sheet, issued with the auditor's unqualified audit opinion.
- (3) Internally, the takeover of the assets of the Transferring Company by the Acquiring Company shall take place with effect from the end of 31 December 2023 (transfer cut-off date for tax purposes). From the start (00:00 hours) of 1 January 2024, all actions and transactions of the Transferring Company shall be considered to have been taken for the account of the Acquiring Company (merger cut-off date).

Section 2

Consideration

No consideration is granted for the asset transfer. All shares in the Transferring Company are in the hands of Westdeutsche Immobilien Servicing AG, entered in the commercial register of Mainz District Court under HRB number 40640, which waives the allotting of shares in the Acquiring Company pursuant to section 68 (1) sentence 3 of the UmwG.

Section 3

Special privileges and advantages

- (4) No rights within the meaning of section 5 (1) number 7 of the UmwG are conferred upon individual shareholders or the holders of special privileges. Nor are any measures within the meaning of this provision planned for such persons.
- (5) No special advantages within the meaning of section 5 (1) number 8 of the UmwG are granted to a member of the management board or supervisory board or to an auditor of one of the companies involved or to the auditor of the merger.

Section 4

Consequences of the merger for employees and their representatives and the measures provided in this respect

- (6) The Transferring Company currently has a staff of five. Once the merger takes effect the existing employment relationships with the Transferring Company shall be transferred to the Acquiring Company on the employer side by way of universal succession in accordance with section 20 (1) number 1 of the UmwG. Employees' length of service shall not be affected by the transfer of the employment relationships. No plans exist on the employer side to terminate the employment relationships that are transferred to the Acquiring Company. This does not affect the right to termination for other reasons.
- (7) (2) To the extent that the Transferring Company has made commitments to occupational pension benefits ("**pension commitments**"), the Acquiring Company shall enter into these pension commitments once the merger takes effect by virtue of law. This applies to pension commitments given to company pensioners or to (former) employees who have already left the company with a vested pension entitlement as well as to pension commitments to active employees. For the latter, ongoing vesting periods shall not be interrupted by the merger. The length of service earned at the Transferring Company will instead be included in full in respect of the vesting and of the amount of pension entitlement by virtue of law. Furthermore, transferred employees shall, as a general rule, be able to earn further increases in future entitlement according to the rules of their current pension commitment in the context of the employment relationship they will then have with the Acquiring Company.

Where future entitlements or claims from direct pension commitments (so-called direct commitments) of the Transferring Company are currently protected against insolvency – in addition to the statutory insolvency protection – by a contractual trust arrangement with Aareal Pensionsverein e.V., the Acquiring Company shall, once the merger takes effect by virtue of law, enter into this contractual trust arrangement so that corresponding direct commitments will continue to be safeguarded through the contractual trust arrangement after the merger takes effect.

- (8) The employees affected by the merger shall be informed of the transfer of their employment relationships in good time before the merger takes effect, in particular with regard to the expected time of transfer and the prospective measures with regard to the employees.
- (9) The Transferring Company has a Works Council. The draft of the Merger Agreement was forwarded to the Works Council on 21 March 2024. Receipt has been acknowledged.
- (10) As at the reference date of 31 December 2023 the Acquiring Company had a total of 1,045 employees at eleven (international) locations (of which 989 in Germany), for whom the merger has no immediate consequences.
- (11) The Acquiring Company has a Works Council and a General Works Council at the Wiesbaden location. Furthermore, a Group Works Council has been established. In addition, the following other employee representative committees exist: the Executive Staff Representative Committee and the Representatives for Disabled Staff. The draft of the Merger Agreement was forwarded to the competent members of the Works Council of the Acquiring Company for its operations in Wiesbaden, to the General Works Council and the Group Works Council on 21 March 2024. Receipt has been acknowledged in each case. With the merger the responsibility of the Works Council of the Transferring Company for the transferred employees shall come to an end. The office of the Works Council of the Transferring Company shall end. On absorption the Works Council of the Acquiring Company shall become responsible for the transferred employees. The same applies to the Representatives for Disabled Staff and the Executive Staff Representative Committee of the Acquiring Company (if the employees include executive staff).
- (12) The General Works Agreement applicable in the operations of the Transferring Company shall not continue; this includes individual rights. For the employees transferred by way of universal succession the provisions of the General Works Agreement of the Acquiring Company shall apply.
- (13) The Transferring Company is not a member of an employers' association which is a party to collective agreements. By contrast, the Acquiring Company is an ordinary member of the German Employers' Association of the Private Banking Industry (Arbeitgeberverband des privaten Bankgewerbes e.V.) and thus bound by collective labour law in terms of the collective agreements. Where the employees concerned are members of trade union ver.di, the collective agreements applicable to the Acquiring Company by virtue of collective bargaining shall apply from the date of transfer to the extent that the employment relationship also falls within the scope of the above-mentioned collective agreements in other respects.
- (14) Once the merger takes effect, the mandates of all members of the Supervisory Board of the Transferring Company shall end as this company as a legal entity being acquired

will cease to exist as a result of the merger. The mandates of the members of the Acquiring Company's Supervisory Board will not change as a result of the merger.

- (15) Since the Transferring Company ceases to exist as a result of the merger, it cannot be liable for obligations resulting from the employment relationship, independently of when they were created. Instead, the Acquiring Company alone will be liable for all existing and future obligations. According to section 22 of the UmwG, the employees involved in the merger are entitled to demand the provision of security, provided they file their claim against the Transferring Company or the Acquiring Company in writing, citing the merits and the amount of such claim, within six months of the day on which the entry of the merger in the commercial register kept at the registered office of the Transferring Company or the Acquiring Company whose creditors they are, inasmuch they cannot demand satisfaction of their claims and if they can demonstrate satisfactorily that the merger will jeopardise the performance of the claim they hold. The employees involved shall not have this right if, in the event of insolvency, they are entitled to preferred satisfaction of their claims out of cover funds that were created for their protection pursuant to the stipulations of the law and that are monitored by the state. This also includes, for example, the protection of pension entitlements provided by the German insurance guarantee fund (Pensions-Sicherungs-Verein aG).
- (16) Neither the Transferring Company nor the Acquiring Company are planning measures to the detriment of the employees on the occasion of the merger. Only in individual cases will changes to the employment contract be made (which are positive from an objective perspective), in consultation with the employees affected. No relocations are planned. Furthermore, all employees affected by the merger shall be grouped according to the remuneration system of the Acquiring Company.

Section 5

Effective date of the merger

The merger takes effect on entry of the merger in the commercial register of the Acquiring Company as acquiring legal entity (section 20 of the UmwG).

Section 6

Consequences for the control and profit transfer agreement

The control and profit transfer agreement entered into between Westdeutsche Immobilien Servicing AG, entered in the commercial register of Mainz District Court under HRB number 40640, as the controlling company, and the Transferring Company as the controlled company, on 18 February 2020 shall expire once the merger takes effect.

Section 7

Costs

The costs incurred as a result of the Merger Agreement and its implementation shall be borne by the Acquiring Company even if, contrary to expectations, the merger were not to take effect.

Section 8

Final provisions

- (17) Should provisions of this Agreement be wholly or partially invalid or unenforceable or subsequently lose their legal validity or enforceability, this will not affect the validity of the remaining provisions of this Agreement. The same applies if it transpires that this Agreement contains loopholes. In place of the invalid or unenforceable provision or to fill the loophole, an appropriate provision shall apply which, as far as legally possible, comes closest to what the Parties intended or would have intended according to the meaning and purpose of this Agreement if they had considered the point when concluding this Agreement.
- (18) The Parties are obliged to record in an appropriate form by means of a formal amendment or addition to the wording of the agreement what is valid under paragraph (17).

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