

INVITATION TO THE  
ANNUAL GENERAL MEETING  
OF DIC ASSET AG, FRANKFURT AM MAIN

Wednesday, 24. March 2021 | 10:00 a.m.

/// virtual General Meeting ///

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DIC Asset AG

Frankfurt am Main

ISIN: DE 000A1X3XX4

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The Act on Measures in Corporate, Co-operative, Association, Foundation and Home Ownership Law to Combat the Effects of the COVID 19 Pandemic (*Gesetz über Maßnahmen im Gesellschafts-, Genossenschafts-, Vereins-, Stiftungs- und Wohnungseigentumsrecht zur Bekämpfung der Auswirkungen der COVID-19-Pandemie*) of 27 March 2020, last amended effective 28 February 2021 by the Act on the Further Shortening of the Residual Debt Relief Procedure and the Adjustment of Pandemic-Related Provisions in Corporate, Co-operative, Association and Foundation Law as well as in Tenancy and Lease Law (*Gesetz zur weiteren Verkürzung des Restschuldbefreiungsverfahrens und zur Anpassung pandemiebedingter Vorschriften im Gesellschafts-, Genossenschafts-, Vereins- und Stiftungsrecht sowie im Miet- und Pachtrecht*) of 22 December 2020, (COVID-19 Act) opens up the possibility of holding shareholders' meetings in 2021 without the physical presence of shareholders or their authorized representatives (virtual shareholders' meeting). In view of the COVID-19 pandemic, which is set to last for the foreseeable future, the rules of conduct adopted in this respect by the State of Hesse and the objective of avoiding health risks for shareholders, internal and external employees as well as members of the company's executive bodies, the Management Board of DIC Asset AG has decided, with the approval of the Supervisory Board, to make use of the possibility of holding a virtual shareholders' meeting.

### **Convocation of the shareholders' meeting**

We invite our shareholders to the annual general meeting, which will be held on **Wednesday, 24 March 2021, at 10:00 a.m. (CET)** (= 9:00 a.m. UTC), which will be

held as a virtual shareholders' meeting without the physical presence of shareholders or their authorized representatives.

The shareholders' meeting will be held at Gesellschaftshaus Palmengarten, Palmengartenstrasse 11, 60325 Frankfurt am Main, Germany, and will be broadcast in full length in audio and video format for shareholders or their proxies who have registered for the Annual General Meeting in due time and form via the password-protected AGM portal at

<http://www.dic-asset.de/annual-general-meeting/>

The access data for the AGM portal will be sent together with the personal invitation documents.

Shareholders and their authorized representatives (with the exception of the proxies appointed by the company) are not entitled to be physically present at the shareholders' meeting.

Shareholders and their authorized representatives are requested to comply with the special instructions on participation in the virtual shareholders' meeting on following the video and audio transmission of the shareholders' meeting as well as on exercising voting rights (no electronic participation) and on the rights of shareholders in section III.

## **I. Agenda**

- 1. Presentation of the adopted annual financial statements of DIC Asset AG and the approved consolidated financial statements as of 31 December 2020, the combined management and group management report, the report of the Supervisory Board for the fiscal year 2020 and the explanatory report of the Management Board on the information in accordance with Section 289a para. 1 and Section 315a para. 1 of the German Commercial Code (*Handelsgesetzbuch, HGB*)**

The documents submitted with respect to item 1 of the agenda can be viewed on the company's website at <http://www.dic-asset.de/annual-general-meeting/> from the time the shareholders' meeting is convened and during the shareholders' meeting. The same applies to the proposal of the Management Board for the appropriation of the profit on the balance sheet. The documents will also be explained verbally at the shareholders' meeting. The Supervisory Board has approved the annual financial statements and the consolidated financial statements drawn up by the Management Board in accordance with Sections 171, 172 of the German Stock Corporation Act (*Aktiengesetz, AktG*).

The annual financial statements are thus adopted. In accordance with the statutory provisions, therefore, no resolution of the shareholders' meeting with respect to item 1 of the agenda will be necessary.

## 2. Resolution on the use of net profits

The Management Board and the Supervisory Board propose to use DIC Asset AG's net profit of EUR 58,591,506.95 as reported as of 31 December 2020 as follows:

Distribution of a dividend of EUR 0.70 per share entitled to dividends with a payment date of 22 April 2021	EUR	56,410,919.60
Carried forward to new account	EUR	2,180,587.35
<b>Retained earnings</b>	<b>EUR</b>	<b>58,591,506.95</b>

The dividend will be paid at the shareholder's discretion either (i) exclusively in cash or (ii) for part of the dividend to settle the tax liability in cash and for the remaining part of the dividend in the form of no-par value shares of the company (hereinafter also referred to as the "**scrip dividend**") or (iii) for part of his shares in cash and for the other part of his shares as a scrip dividend. The details of the cash distribution and the possibility for shareholders to choose the scrip dividend are set out in a separate document in accordance with the Article 1 para. 4 lit. h), para. 5, sub-para. 1 lit. g) of Regulation (EU) 2017/1129 (prospectus-exempting document). This document will be made available to the shareholders on the company's website at <http://www.dic-asset.de/annual-general-meeting/> and will include, in particular, information on the number and type of shares and explanations of the reasons and details of the share offer.

The total dividend amount and the amount to be carried forward on new account in the above resolution proposal on the use of profits are based on the share capital entitled to dividends of EUR 80,587,028.00, divided into 80,587,028 no-par value shares at the time the shareholders' meeting is convened.

The number of shares entitled to dividends may change until the date the decision on the use of the balance sheet profit is made. In this case, the

Management Board and Supervisory Board will submit to the shareholders' meeting a correspondingly adjusted resolution proposal on the appropriation of profits, which continues to provide for a dividend of EUR 0,70 per no-par value share entitled to dividends; the offer to receive the dividend as a scrip dividend instead of in cash remains unaffected. The adjustment is carried out as follows: If the number of shares entitled to dividends is reduced and thus the total amount of the dividend is reduced, the amount to be carried forward on new account increases accordingly. If the number of shares entitled to dividends is increased and thus the total amount of the dividend is increased as well, the amount to be carried forward on new account will be reduced accordingly.

If the resolution proposal is adopted by the Management Board and the Supervisory Board, the following applies to the payment of the dividend:

For the distribution of dividends for the 2020 fiscal year, the company's fiscal deposit account within the meaning of Section 27 of the German Corporation Tax Act (*Körperschaftsteuergesetz*) (deposits not paid into the nominal capital) is generally deemed not used. The dividend hence is generally fully subject to taxation in accordance with the tax law applicable to the respective shareholder, regardless of how the shareholder exercises his option.

**3. Resolution on the formal approval of the actions of the members of the Management Board for the fiscal year 2020**

The Management Board and Supervisory Board propose to formally approve the actions of the members of the Management Board for the fiscal year 2020.

**4. Resolution on the formal approval of the actions of the members of the Supervisory Board for the fiscal year 2020**

The Management Board and Supervisory Board propose to formally approve the actions of the members of the Supervisory Board for the fiscal year 2020.

It is intended that the shareholders' meeting will vote on the discharge of the Chairman of the Supervisory Board, Prof. Dr. Gerhard Schmidt, separately by way of individual discharge and on the discharge of the other members of the Supervisory Board as a whole by way of overall discharge.

**5. Election of the auditor and group auditor for the fiscal year 2021 and the auditor for the audit review of the half-year financial report and a possible audit review of additional financial information**

Based on the recommendation of the audit committee, the Supervisory Board proposes to adopt the following:

The audit and tax consulting firm Rödl & Partner GmbH Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Nuremberg, is appointed as the auditor and group auditor for the fiscal year 2021 and as the auditor for the audit review of the condensed financial statements and interim management report for the first half of the fiscal year 2021 (Section 115 para. 5, Section 117 of the German Securities Trading Act (*Wertpapierhandelsgesetz, WpHG*)). In addition, the audit and tax consulting firm Rödl & Partner GmbH Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Nuremberg is appointed as the auditor if the Management Board decides to have additional financial information within the meaning of Section 115 para. 7 WpHG for the fiscal year 2021 or the fiscal year 2022 reviewed, provided that these are drawn up before the shareholders' meeting in the fiscal year 2022.

**6. Resolution on the cancellation of the existing authorization to acquire treasury shares and a new authorization to acquire and use treasury shares and also to exclude the tender right when acquiring and the subscription right when using treasury shares**

Pursuant to Section 71 para. 1 no. 8 AktG, the company requires special authorization from the shareholders' meeting to acquire treasury shares, unless such acquisition is expressly permitted by law. The most recent authorization to acquire treasury shares based on the resolution of the shareholders' meeting of 5 July 2016, will expire on 4 July 2021. So as to be able to repurchase shares in the future as well, the existing authorization is to be cancelled and a new authorization to acquire treasury shares is to be created, limited to five years.

The Management Board and Supervisory Board propose to resolve:

**a) Cancellation of the existing authorization**

To the extent not yet utilized, the authorization granted by the shareholders' meeting on 5 July 2016 to acquire treasury shares will be cancelled effective starting from the date on which the authorization takes effect pursuant to lit. b) and c) below.

**b) Authorization to acquire treasury shares**

With the prior approval of the Supervisory Board, the Management Board is authorized until 23 March 2026, to acquire treasury shares of up to a total of 10% of the company's share capital existing at the time of adopting the resolution or - if lower - at the time of exercising the authorization. Together



with other treasury shares held by the company or attributable to it under Sections 71a et seqq. AktG, the acquired shares may at no time account for more than 10% of the share capital. The authorization may not be used for the purpose of trading in treasury shares.

The authorization may be exercised as a whole or in part, on one or several occasions, in pursuit of one or multiple purposes by the company or by companies dependent upon it or majority-owned by it, or by third parties acting for their or for the company's account.

### **c) Types of acquisition**

At the Management Board's discretion and with the Supervisory Board's prior approval, such acquisition may be done (1) via the stock exchange or (2) based on a public purchase offer made to all shareholders or a public invitation to all shareholders to submit offers for sale.

- (1) If the shares are acquired via the stock exchange, the purchase price per share paid by the company (excluding incidental acquisition costs) may not exceed or fall short of the price determined by the opening auction in the Xetra trading system (or a comparable successor system) on the Frankfurt Stock Exchange on the trading day by more than 10%.

If the acquisition is based on a public purchase offer made to all shareholders or a public invitation to all shareholders to submit offers for sale,

- in case of a public purchase offer made to all shareholders, the purchase price offered per share (excluding incidental acquisition costs), or
- in case of a public invitation to all shareholders to submit offers for sale, the limits of the purchase price range determined by the company (excluding incidental acquisition costs),

may not exceed or fall short of the average closing price of the company's shares in the Xetra trading system (or a comparable successor system) on the Frankfurt Stock Exchange during the last five trading days prior to the date of the public announcement of the public purchase offer or the public invitation to submit offers for sale by more than 10%.

In case of significant deviations in the relevant price after publication of a public purchase offer addressed to all shareholders or a public invitation to all shareholders to submit offers to sell, the purchase offer or invitation to submit offers to sell may be adjusted. In such case, the average closing price of the company's shares in the Xetra trading system (or a comparable successor system) on the Frankfurt Stock Exchange during the last five trading days prior to the public announcement of the adjustment will be decisive.

The volume of the public purchase offer made to all shareholders or of the public invitation to all shareholders to submit offers for sale may be limited. If, in the case of a public purchase offer or a public invitation to submit offers to sell, the volume of shares tendered exceeds the intended repurchase volume, acquisition may be made in proportion to the shares subscribed or offered in each case; the shareholders' right to tender their shares in proportion to their shareholdings is excluded in this respect. Preferential acceptance of small numbers of up to 100 shares tendered per shareholder as well as commercial rounding to avoid arithmetical fractions of shares may be provided for. Any further tender rights of shareholders are excluded in this respect.

The volume of the public purchase offer made to all shareholders or of the public invitation to all shareholders to submit offers for sale may be subject to further provisions.

#### **d) Use of treasury shares**

With the prior consent of the Supervisory Board, the Management Board is authorized to use the treasury shares acquired under the authorization pursuant to lit. b) and c) above for all purposes permitted by law, including, without limitation, for the following purposes:

- (1) The shares may be redeemed without the requirement of a further resolution of the shareholders' meeting for the redemption or its execution. They may also be redeemed in a simplified procedure without capital reduction by adjusting the proportional arithmetical amount of the remaining no-par value shares in the company's share capital. If the redemption takes place in a simplified procedure, the Management Board is authorized to adjust the number of no-par value shares in the Articles of Association.
- (2) The shares may also be sold in a way other than via the stock exchange or on the basis of an offer to all shareholders if the purchase price to be paid in cash does not significantly fall short below the stock

market price of shares already listed with essentially equivalent features. The number of shares that are sold in this manner without a subscription right may not exceed 10% of the share capital neither at the time this authorization becomes effective nor at the time this authorization is exercised. In a direct or appropriate application of Section 186 para. 3, clause 4 AktG, the maximum amount of 10% of the share capital must include other shares which are issued or sold without a subscription right during the term of this authorization. Shares to be issued to service option and/or conversion rights or obligations under option bonds and/or convertible bonds and/or profit participation rights are to be included as well, provided these bond or profit participation rights are issued during the term of this authorization to exclude the subscription right in accordance with Section 186 para. 3, clause 4 AktG.

- (3) The shares may be sold against contribution in kind, in particular, in the context of mergers of companies, for the purpose of acquiring companies or parts of companies, equity interests in companies or other assets, or claims to the acquisition of other assets, including receivables from the company.
- (4) The shares may be used to implement a so-called scrip dividend, where shares in the company are used (including partially and optionally) to satisfy shareholders' dividend claims.
- (5) The shares may be used to satisfy subscription and exchange rights arising due to the exercise of conversion and/or option rights or due to the performance of conversion obligations under convertible bonds and/or option bonds issued by the company or one of its affiliates in which DIC Asset AG directly or indirectly holds a 100% interest.

The above authorizations may be used once or multiple times, in full or in part, individually or jointly. The authorizations under (2), (3), (4) and (5) may also be used by dependent companies or by companies in which the company holds a majority interest or by third parties acting for their or for the company's account.

The shareholders' subscription rights to treasury shares acquired under such authorization are excluded to the extent that they are used pursuant to the above authorizations under (2), (3), (4) and (5) in any way other than by sale via the stock exchange or by offer for sale to all shareholders. Moreover, in case of a sale of treasury shares by way of an offer for sale to all

shareholders, the shareholders' subscription rights may be excluded for fractional amounts.

However, the authorization to use treasury shares, excluding the shareholders' subscription rights is limited insofar as after the authorization has been utilized, the total number of the treasury shares used, excluding the shareholders' subscription rights, together with the number of other shares that have been issued or disposed of from authorized capital during the term of this authorization, excluding subscription rights, or that are to be issued under convertible and/or option bonds and/or participation rights issued during the term of this authorization, excluding subscription rights, may not exceed a total of 20% of the share capital; either the share capital at the time the authorization takes effect or the share capital existing at the time of exercising this authorization is relevant, whichever is of a lower value.

**7. Resolution on the cancellation of the existing authorized capital 2020 and creation of new authorized capital 2021, with the option of excluding subscription rights and the corresponding amendment to the Articles of Association**

The authorization of the Management Board resolved by the shareholders' meeting on 8 July 2020, with the approval of the Supervisory Board, to increase the company's share capital by up to EUR 15,814,309.00 by issuing new registered no-par value shares against contributions in cash or in kind (authorized capital 2020), which still exists in the amount of EUR 14,298,830.00 after partial utilization at the time of convening the shareholders' meeting, will be revoked and renewed.

A new authorized capital in an amount of up to EUR 16,117,405.00, equivalent to approx. 20% of the current share capital, is to be created.

Prior to cancellation of the authorized capital 2020 and the new authorized capital 2021 taking effect, it is intended to use the existing authorized capital 2020 for granting subscription rights to shareholders, to the extent required to grant a scrip dividend in accordance with the resolution to be adopted under agenda item 2.

Management Board and Supervisory Board propose to resolve:

**a) Cancellation of the authorized capital 2020**

The authorization of the Management Board resolved by the shareholders' meeting on 8 July 2020 under item 9 of its agenda, with the approval of the Supervisory Board, to increase the company's share capital by 7 July 2025 by up to EUR 15,814.309.00, by issuing new no-par value shares against

contributions in cash and/or in kind (authorized capital 2020), is cancelled with effect from the date on which the new authorized capital to be resolved under b) below and the amendment to the Articles of Association to be resolved under c) below are entered in the company's commercial register, unless it has been or will be used by the time such cancellation takes effect.

**b) Creating a new authorized capital 2021**

The Management Board is authorized, with the approval of the Supervisory Board, to increase the share capital by 23 March 2026 by up to EUR 16, 117,405.00 in total, by issuing new no-par shares once or multiple times against contributions in cash and/or in kind (authorized capital 2021). The number of shares must increase in the same proportion as the share capital.

As a matter of principle, shareholders are to be granted subscription rights. The shares may also be taken up by one or more banks or companies designated by the Management Board within the meaning of Section 186 para. 5 clause 1 AktG, with the obligation to offer them to the shareholders for subscription (indirect subscription right).

However, the Management Board is authorized, with the approval of the Supervisory Board, to exclude shareholders' subscription rights,

- in order to exclude fractional amounts from shareholders' subscription rights;
- if the new shares are issued against cash contributions and if the issue price of the new shares is not significantly lower than the stock market price of shares already listed with essentially equivalent features. The number of shares issued in this way, under exclusion of subscription rights, may not exceed 10% of the share capital, at either the time the authorization takes effect or at the time it is exercised. The maximum amount of 10% of the share capital is to include other shares issued or sold during the term of this authorization, under exclusion of subscription rights, in direct or analogous application of Section 186 para. 3 clause 4 AktG. Similarly, shares to be issued to service option and/or conversion rights or obligations under options and/or convertible bonds and/or profit participation rights are also to be included, provided that such bonds or profit participation rights are issued during the term of this authorization, under exclusion of subscription rights, in analogous application of Section 186 para. 3 clause 4 AktG;

- if the capital increase is made against contributions in kind, in particular, for the purpose of acquiring enterprises, parts of enterprises, equity interests in enterprises or other assets related to an acquisition project, or in the context of business combinations, or
- to the extent required to grant holders or creditors of options and/or convertible bonds with option and/or conversion rights or obligations, which have been or will be issued by the company or Group companies in which the company directly or indirectly holds a 100% interest, subscription rights to new shares to the extent they would be entitled as shareholders after exercising the option or conversion rights or after meeting conversion obligations as shareholders.

The Management Board is authorized, with the approval of the Supervisory Board, to determine the content of the share rights, the further details of the capital increase as well as the conditions of the issue of shares, in particular, the issue price.

The Supervisory Board is authorized to amend the wording of the Articles of Association accordingly following use the authorized capital or expiry of the period for using the authorized capital.

### **c) Amendment to the Articles of Association**

Section 5 of the Articles of Association is repealed and reworded as follows:

#### **"Section 5**

##### **Authorized capital**

The Management Board is authorized, with the approval of the Supervisory Board, to increase the share capital by 23 March 2026 by up to EUR 16,117,405.00 in total, by issuing new no-par shares once or multiple times against contributions in cash and/or in kind (authorized capital 2021). The number of shares must increase in the same proportion as the share capital.

As a matter of principle, shareholders are to be granted subscription rights. The shares may also be taken up by one or more banks or companies designated by the Management Board within the meaning of Section 186 para. 5 clause 1 AktG, with the obligation to offer them to the shareholders for subscription (indirect subscription right).

However, the Management Board is authorized, with the approval of the Supervisory Board, to exclude shareholders' subscription rights,

- in order to exclude fractional amounts from shareholders' subscription rights;
- if the new shares are issued against cash contributions and if the issue price of the new shares is not significantly lower than the stock market price of shares already listed with essentially equivalent features. The number of shares issued in this way, under exclusion of subscription rights, may not exceed 10% of the share capital, at either the time the authorization takes effect or at the time it is exercised. The maximum amount of 10% of the share capital is to include other shares issued or sold during the term of this authorization, under exclusion of subscription rights, in direct or analogous application of Section 186 para. 3 clause 4 AktG. Similarly, shares to be issued to service option and/or conversion rights or obligations under options and/or convertible bonds and/or profit participation rights are also to be included, provided that such bonds or profit participation rights are issued during the term of this authorization, under exclusion of subscription rights, in analogous application of Section 186 para. 3 clause 4 AktG;
- if the capital increase is made against contributions in kind, in particular, for the purpose of acquiring enterprises, parts of enterprises, equity interests in enterprises or other assets related to an acquisition project, or in the context of business combinations, or
- to the extent required to grant holders or creditors of options and/or convertible bonds with option and/or conversion rights or obligations, which have been or will be issued by the company or Group companies in which the company directly or indirectly holds a 100% interest, subscription rights to new shares to the extent they would be entitled as shareholders after exercising the option or conversion rights or after meeting conversion obligations as shareholders.

The Management Board is authorized, with the approval of the Supervisory Board, to determine the content of the share rights, the further details of the capital increase as well as the conditions of the issue of shares, in particular, the issue price.

The Supervisory Board is authorized to amend the wording of the Articles of Association accordingly following use the authorized capital or expiry of the period for using the authorized capital.

**d) Instruction**

The Management Board is instructed to file the resolutions and amendments to the Articles of Association pursuant to a), b) and c) above for registration with the commercial register only following registration of the implementation of the capital increase required for the granting of the scrip dividend according to agenda item 2. In the event that no resolution is passed on agenda item 2 regarding the appropriation of profits with the granting of a scrip dividend or a capital increase for the implementation of the scrip dividend is finally not carried out, the instruction pursuant to the preceding clause does not apply.

We note that in addition to the new authorized capital 2021 proposed above under cancellation of the existing authorized capital 2020, the company will not have any other authorized capital. A conditional capital 2020 in the amount of up to EUR 15,814,309.00 exists pursuant to Section 6 of the Articles of Association to service option and/or conversion rights or conversion obligations options and/or convertible bonds, which the company is authorized to issue - in certain cases even under exclusion of subscription rights - until 7 July 2025. In agenda item 6, a new authorization to acquire treasury shares in the amount of up to EUR 8,058,702.00 is proposed. Treasury shares acquired based on this authorization may be sold to the same extent (and taking into account exclusions of subscription rights on another basis up to a maximum of 20% of the share capital), also under exclusion of shareholders' subscription rights.

New shares issued from the authorized capital 2021, under exclusion of subscription rights, as well as new shares from the conditional capital 2020 that would be used to service options and/or convertible bonds issued under exclusion of subscription rights, would count towards the 20% cap of capital stock for treasury shares used under exclusion of subscription rights.

**8. Resolution on the approval of the system of remuneration for the members of the Management Board**

On 8 February 2021, the Supervisory Board of DIC Asset AG has adopted a system of remuneration for the members of the Management Board in accordance with section 87a para. 1 AktG. According to Section 120a para. 1, clause 1 AktG, which was newly introduced by the Act Implementing the



Second Shareholders' Rights Directive (*Gesetz zur Umsetzung der zweiten Aktionärsrechterichtlinie, ARUG II*) of 12 December 2019 (Federal Law Gazette (*Bundesgesetzblatt*) 2019 Part I No. 50 of 19 December 2019), at least every four years, listed companies must pass a resolution on the system of remuneration for Management Board members submitted by the Supervisory Board. The Supervisory Board will apply the system of remuneration to all service agreements with members of the Management Board of DIC Asset AG that are newly concluded, amended or extended after the expiry of two months following the initial approval of the system of remuneration by the shareholders' meeting.

The system of remuneration for the members of the Management Board is set out below under II. 4. and is available via the company's website at

<http://www.dic-asset.de/annual-general-meeting/>

The Supervisory Board proposes to resolve:

The system of remuneration for members of the Management Board resolved by the Supervisory Board and reproduced below under II. 4. is approved.

**9. Resolution on the confirmation of the remuneration of the members of the Supervisory Board**

According to Section 113 para. 3, clause 1 AktG, which was newly introduced by the Act Implementing the Second Shareholders' Rights Directive (*Gesetz zur Umsetzung der zweiten Aktionärsrechterichtlinie, ARUG II*) of 12 December 2019 (Federal Law Gazette (*Bundesgesetzblatt*) 2019 Part I No. 50 of 19 December 2019), at least every four years, listed companies must pass a resolution on the system of remuneration for Supervisory Board members. The resolution may also confirm an existing remuneration. The remuneration of the members of the Supervisory Board of DIC Asset AG is set out in Section 10 of the Articles of Association.

Section 10 of the Articles of Association states:

**" Section 10  
Remuneration**

1. *The members of the Supervisory Board will each receive a fixed remuneration in the amount of EUR 50,000.00 for each completed*

*fiscal year of their membership of the Supervisory Board, payable after expiration of the respective fiscal year and to be recognized through expenses. In addition, each member will receive EUR 2,500.00 per year for each percent of dividend distributed in excess of a percentage of ten percent, calculated based on the amount of the share capital, but not exceeding EUR 50,000.00. The chairman will receive twice the amount and the deputy chairman 1.5 times the amount of the fixed remuneration and the variable remuneration. Supervisory Board members who are on a Supervisory Board committee that has convened at least once in the fiscal year will also receive additional remuneration in the amount of EUR 10,000.00 per committee for each full fiscal year of their membership in such committee, but not exceeding EUR 20,000.00 in total. The chairman of a Supervisory Board committee will receive twice the amount of such additional remuneration. In the years of taking up or leaving office, members of the Supervisory Board will receive remuneration pro rata temporis.*

2. *In addition to the remuneration under para. 1, each member of the Supervisory Board will receive reimbursement of their expenses and any value-added tax payable on the remuneration."*

Pursuant to Sections 113 para. 3, clause 3, 87a para. 1, clause 2 AktG, the system of remuneration for the members of the Supervisory Board is presented after the proposed resolution and is available on the company's website at

<http://www.dic-asset.de/annual-general-meeting/>

The Management Board and Supervisory Board propose to resolve:

The remuneration of the members of the Supervisory Board specified in Section 10 of the Articles of Association, including the system of remuneration for the members of the Supervisory Board set out below, is confirmed.

### **System of remuneration for the members of the Supervisory Board of DIC Asset AG**

The system of remuneration takes into account the responsibility and scope of activities of the members of the Supervisory Board. By supervising the

Management Board's management activities, the Supervisory Board contributes to the promotion of the company's business strategy and its long-term development.

In addition to a fixed annual remuneration, the members of the Supervisory Board receive an annual variable remuneration based on the dividend distributed to shareholders for the respective fiscal year. The variable remuneration attainable for a fiscal year is limited in the amount. In addition, the members of the Supervisory Board will be reimbursed for their expenses and for any value-added tax payable on the remuneration.

The respective amount of remuneration considers the specific function and responsibility of the members of the Supervisory Board. In particular, the higher workload of the chairman and the deputy chairman of the Supervisory Board as well as the chairmen and members of committees are adequately taken into account.

For a member of the Supervisory Board who is not a member of a committee, the share of fixed remuneration is no less than 50% and the share of variable remuneration will not exceed 50% of the total remuneration. For a member of the Supervisory Board who is a member of a committee, the share of fixed remuneration is no less than 54.5% and the share of variable remuneration will not exceed 45.5% of the total remuneration. For a member of the Supervisory Board who is a member of more than one committee or who chairs a committee, the share of fixed remuneration is no less than 58.3% and the share of variable remuneration will not exceed 41.7% of the total remuneration.

If the deputy chairman of the Supervisory Board is not a member of a committee, the share of fixed remuneration is no less than 50% and the share of variable remuneration will not exceed 50% of his total remuneration. If the deputy chairman of the Supervisory Board is a member of a committee, the share of fixed remuneration is no less than 53.1% and the share of variable remuneration will not exceed 46.9% of his total remuneration. If the deputy chairman of the Supervisory Board is a member of multiple committees, the share of fixed remuneration is no less than 55.9% and the share of variable remuneration will not exceed 44.1% of his total remuneration.

If the chairman of the Supervisory Board is not a member of a committee, the share of fixed remuneration is no less than 50% and the share of variable remuneration will not exceed 50% of his total remuneration. If the chairman of the Supervisory Board is a member of a committee, the share of fixed remuneration is no less than 52.4% and the share of variable remuneration

will not exceed 47.6% of his total remuneration. If the chairman of the Supervisory Board is a member of multiple committees, the share of fixed remuneration is no less than 54.5% and the share of variable remuneration will not exceed 45.5% of his total remuneration.

The sole criterion for granting and for the amount of the variable remuneration is the amount of the dividend distributed to shareholders for the respective fiscal year. For each percent of dividend distributed in excess of a percentage of 10% calculated based on the amount of the share capital, the members of the Supervisory Board receive a capped fixed amount. The dividend payment is a key performance indicator for shareholders. Basing the remuneration of the Supervisory Board on this performance indicator contributes to promoting the company's success. A separate determination of the variable remuneration is not provided for.

The remuneration is payable after expiry of the respective fiscal year. Members of the Supervisory Board who are members of the Supervisory Board or of a committee for only part of the fiscal year, or who are chairman or deputy chairman of the Supervisory Board or chairman of the audit committee, receive remuneration reduced pro rata temporis.

Due to the special nature of the remuneration of the Supervisory Board, which is granted for the Supervisory Board's activities and which differs fundamentally from the activities of the employees of the company and the group, a so-called vertical comparison with the remuneration of employees is out of the question.

The remuneration of the members of the Supervisory Board of DIC Asset AG is set out in the Articles of Association. Most recently, the compensation in Section 10 of the Articles of Association was adjusted by resolution of the shareholders' meeting of 8 July 2020. The remuneration and the system of remuneration of the Supervisory Board are periodically reviewed by management. In particular, the time expended by the members of the Supervisory Board as well as the remuneration paid by other, comparable companies are critical in this regard. If the Management Board and Supervisory Board see a need to adjust the remuneration or the system of remuneration, they will submit a corresponding proposal to the shareholders' meeting; in any case, a resolution proposal on the remuneration, including the underlying system of remuneration, will be submitted to the shareholders' meeting every four years, at the latest.

The above proposal to confirm the remuneration of the members of the Supervisory Board is based on the amendment to the Articles of Association

resolved by the shareholders' meeting on 8 July 2020. The proposal at the time to amend the Articles of Association was discussed in detail by the Management Board and the Supervisory Board, as was this year's confirming resolution proposal.

The regulations applicable to avoidance and handling of conflicts of interest are also observed in the procedure for establishing and implementing the system of remuneration.

## **II. Reports to the shareholders' meeting and further information on the agenda**

### **1. Written report of the Management Board in accordance with Section 71 para. 1, no. 8, clause 5 AktG in conjunction with Section 186 para. 4, clause 2 AktG regarding item 6 of the agenda concerning the reasons for the authorization of the Management Board to exclude the tender right when acquiring and the subscription right when using treasury shares.**

Section 71 para. 1 no. 8 AktG provides for the possibility of acquiring treasury shares up to a total of 10% of the share capital on the basis of an authorization granted by the shareholders' meeting.

The company's shareholders' meeting most recently, on 5 July 2016, adopted a resolution authorizing the acquisition of treasury shares which is limited in time until 4 July 2021. A new authorization to acquire treasury shares should hence be created, which cancels the existing one and again is to apply for a period of five years.

The resolution proposal regarding item 6 of the agenda provides for authorizing the Management Board to acquire, with the prior approval of the Supervisory Board, treasury shares of up to a total of 10% of the share capital existing at the time of adopting the resolution or - if lower - at the time of exercising the authorization. Such acquisition is made via the stock exchange and based on a public purchase offer made to all shareholders or a public invitation to all shareholders to submit offers for sale. The principle of equal treatment under stock corporation law must be observed in each case. In case of the public invitation to all shareholders to submit offers for sale, the addressees of this invitation may decide how many shares they wish to offer to the company and at what price (if a price range is specified).

If the acquisition is made by means of a public purchase offer addressed to all shareholders or by means of a public invitation to submit offers for sale, the volume of the offer or invitation to submit offers for sale may be limited. This may have the effect that the volume of shares in the company offered by

shareholders exceeds the volume of shares requested by the company. In this case, an allocation must be made based on quotas. In so doing it should be possible to carry out a repartition based on the ratio of the respective shares subscribed or offered (tender quotas) rather than based on participation quotas, since the acquisition procedure can be technically handled better in this way within an economically reasonable framework. Moreover, it should be possible to provide for preferential acceptance of small numbers of up to 100 tendered shares per shareholder. This option serves to avoid fractional amounts when determining the quotas to be acquired and small residual amounts, and in this way to make it easier to technically handle the purchase of shares in an economically reasonable manner. A de facto impairment of small shareholders can also be avoided in this way. Finally, rounding in line with commercial principles should be possible to avoid arithmetical fractions of shares. The acquisition quota and the number of shares to be acquired from individual tendering shareholders insofar may be rounded as required to technically represent the acquisition of whole shares. Management Board and Supervisory Board consider the exclusion of any further tender rights of shareholders to be objectively justified.

The respective offered price or the limits of the purchase price range stipulated by the company per share (excl. incidental acquisition costs) may not exceed or fall short of the average closing price of the company's shares in the Xetra trading system (or a comparable successor system) on the Frankfurt Stock Exchange on the last five trading days prior to the date of the public announcement of the offer or the public invitation to submit offers for sale by more than 10%. In case of significant deviations in the relevant price after publication of a public purchase offer addressed to all shareholders or a public invitation to all shareholders to submit offers for sale, the purchase offer or invitation to submit offers for sale may be adjusted. In this case, the average price of the five stock exchange trading days prior to the public announcement of the adjustment will be used as a basis. The purchase offer made to all shareholders or the invitation to all shareholders to submit offers for sale may be subject to further provisions.

The additionally proposed option of disposal or use of treasury shares serves to simplify the procurement of funds. Pursuant to Article 71 para. 1 no. 8, clause 5 AktG, the shareholders' meeting may also authorize the Management Board to dispose of the shares in a form other than via the stock exchange or on the basis of an offer to all shareholders. According to the proposed resolution, the Management Board also requires the prior approval of the Supervisory Board for any use of the treasury shares.

In the alternative proposed here under agenda item 6 d) no. (2), the prerequisite is that the treasury shares are sold in accordance with Article 186 para. 3, clause 4 AktG at a price not significantly below the stock market price of already listed shares in the company with essentially equivalent features at the time of the sale. Hereby use is made of the option of a simplified exclusion of subscription rights, which is permitted by law and customary in practice. The concept of protecting shareholders against dilution is taken into account by the fact that the shares may be sold only at a price that is not significantly below that of the relevant stock market price. The final determination of the selling price for treasury shares is made shortly before the disposal. The Management Board will, with the consent of the Supervisory Board, specify the discount on the stock market price as low as this is possible at the market conditions prevailing at the time of placement. The discount on the stock market price will in no case be higher than 5% of the stock market price. Given strong competition on the capital markets, the option of selling treasury shares under exclusion of subscription rights and in a form other than via the stock exchange or by means of an offer to all shareholders is in the company's interest. This opens up the option for the company to offer its treasury shares quickly and flexibly to national and international investors, to expand the shareholder base and to stabilize the value of the share. The disposal at a purchase price that is not significantly below the stock market price and also limiting the total proportion of treasury shares that may be sold by excluding subscription rights in this way to a maximum of 10% of the share capital (at the time the authorization is taking effect and when exercising the authorization) ensure that the shareholders' financial interests are adequately protected. Other shares issued or sold during the term of the authorization under exclusion of subscription rights in direct or analogous application of Section 186 para. 3, clause 4 AktG are to be counted towards the maximum limit of 10% of the share capital. Shares to be issued to service option and/or conversion rights or obligations under option bonds and/or convertible bonds and/or profit participation rights are to be included as well, provided these bond or profit participation rights are issued during the term of this authorization to exclude the subscription right in accordance with Section 186 para. 3, clause 4 AktG. Since the treasury shares are placed at a price close to the stock market price, shareholders generally can purchase shares on the market at approximately the same terms in order to maintain their participation rate .

According to the resolution proposed under agenda item 6 d) no. (3), the company furthermore has the option of having treasury shares at its disposal, which it may offer as consideration when acquiring assets in kind, in particular

in the context of corporate mergers, the acquisition of companies, parts of companies, equity interests in companies, other assets or claims to the acquisition of other assets, including receivables from the company, if such consideration is demanded. The proposed authorization should provide the company with the necessary room to maneuver to be able to quickly and flexibly utilize opportunities for such acquisitions or mergers as they arise. This taken into account by the proposed exclusion of subscription rights. In determining the valuation ratios, the Management Board and Supervisory Board will ensure that the shareholders' interests are adequately safeguarded. In particular, they will base their assessment of the value of the treasury shares granted as consideration on the stock market price of the company's shares. However, so as not to question any results of negotiation already achieved due to possible fluctuations in the stock market price, a systematic link to a stock market price is not provided for.

Moreover, under agenda item 6 d) no. (4), the Management Board should be authorized to use treasury shares in a way other than by way of an offer to all shareholders to pay a so-called scrip dividend. In case of a scrip dividend using treasury shares, shareholders are offered the option of assigning to the company their claim to payment of the cash dividend arising under the shareholder meeting's resolution on the appropriation of profits so as to receive treasury shares in return. The implementation of a scrip dividend using treasury shares may be carried out as an offer addressed to all shareholders, observing subscription rights and in compliance with the principle of equal treatment. As regards the practical execution of the scrip dividend, only whole shares are offered to the shareholders for subscription; with regard to the portion of the dividend entitlement that does not reach the subscription price for a whole share or exceeds it, the shareholders are referred to the receiving the cash dividend and to this extent cannot subscribe for shares. As a rule, no partial rights are offered and no trade in subscription rights or fractions thereof is set up, as the shareholders receive a cash dividend on a pro rata basis instead of the subscription of treasury shares. However, the Management Board also should be authorized to exclude shareholders' subscription rights in the context of implementing a scrip dividend so as to be able to implement the scrip dividend on optimum terms. Depending on the capital market situation, it may be beneficial to structure implementing the scrip dividend using treasury shares in such a way that the Management Board indeed offers treasury shares for subscription to all shareholders entitled to dividends against assignment of their dividend claim in compliance with the general principle of equal treatment (Section 53a AktG), and therefore grants shareholders a subscription right in economic



terms. However, in so doing, the shareholders' subscription rights to new shares will be legally excluded. This exclusion of subscription rights allows for implementing the scrip dividend on flexible terms. Given the fact that all shareholders will be offered the treasury shares and that excess dividend amounts will be settled by way of paying the dividend in cash, an exclusion of subscription rights in this case appears to be justified and reasonable.

The authorization under agenda item 6 lit. d) no. (5) furthermore provides that the treasury shares acquired with the proposed authorization may be used under exclusion of the shareholders' subscription rights to satisfy conversion and/or option rights or conversion obligations under convertible bonds or option bonds issued by the company or its affiliates in which DIC Asset AG directly or indirectly holds a 100% interest. The proposed resolution does not create a new authorization to grant further conversion and/or option rights. It merely serves the purpose of giving management the option of using treasury shares to satisfy in whole or in part conversion and/or option rights or conversion obligations that have already been established on the basis of other authorizations, instead of using conditional capital. There will be no burdens on shareholders beyond the dilution effects that may be associated with an exclusion of subscription rights when issuing convertible and/or option bonds. The Management Board's flexibility instead is merely increased in that it does not necessarily need to service options and/or convertible bonds using conditional capital, but may also use treasury shares for this purpose if this appears more opportune given the specific situation in the interest of the company and its shareholders. At this time, there are not yet any conversion and/or option rights or conversion obligations that may be serviced by treasury shares; however, they might be created, for example, based on the authorization granted by the shareholders' meeting on 8 July 2020 to issue convertible and/or option bonds.

Finally, the treasury shares acquired based on this authorization resolution may be redeemed by the company according to the resolution proposed under agenda item 6 d) no. (1) without the need for the shareholders' meeting to adopt a new resolution for this purpose. Pursuant to Section 237 para. 3 no. 3 AktG, a company's shareholders' meeting may resolve to cancel its fully paid-up no-par value shares without this resulting in a need to reduce the company's share capital. The proposed authorization explicitly provides for this alternative in addition to a redemption with capital reduction. The redemption of treasury shares without capital reduction automatically increases the arithmetical share of the remaining no-par value shares in the company's share capital. The Management Board therefore should also be

authorized to carry out the required amendment to the Articles of Association with regard to a changed number of no-par value shares due to a redemption.

The shareholders' subscription rights to acquired treasury shares will be excluded insofar as pursuant to agenda item 6 d) (2) to (5), such shares are used in a way other than by sale at the stock exchange or by offer to all shareholders. Moreover, in case of a sale of treasury shares by way of an offer for sale to all shareholders, it should be possible to exclude shareholders' subscription rights for fractional amounts. The exclusion of subscription rights for fractional amounts is necessary in order to be technically able to execute the disposal of acquired treasury shares by way of an offer to the shareholders. The treasury shares excluded from the shareholders' subscription right as fractions are used in a best possible manner for the company either by selling them at the stock exchange or in another way.

The use of treasury shares under exclusion of subscription rights pursuant to the authorizations under agenda item 6 d) will be considered only insofar as the proportionate amount of the share capital represented by the treasury shares used in this way, taking into account the shares issued from authorized capital during the term of the authorization under exclusion of subscription rights, shares sold based on other authorizations under exclusion of subscription rights, and new shares to be issued based on convertible and/or option bonds or participation rights issued during the term of the authorization under exclusion of subscription rights, does not exceed 20% of the share capital in total. For this purpose, either the share capital existing at the time the authorization becomes effective or the share capital existing at the time the treasury shares are sold is relevant, on whichever of these dates the amount of share capital is the lowest. This ensures in the shareholders' interests that the option of using treasury shares under exclusion of subscription rights is limited to a total share volume of 20% of the share capital, even when taking into account all other authorizations regarding the exclusion of subscription rights.

We note that in addition to the authorization to acquire and use treasury shares proposed under agenda item 6 and the new authorized capital 2021 proposed under agenda item 7 in an amount of up to EUR 16,117,405.00 cancelling the authorized capital 2020 the company has a conditional capital of up to EUR 15,814,309.00 pursuant to Section 6 of the Articles of Association to service option and/or conversion rights or conversion obligations under bonds with options and/or convertible bonds. New shares issued from the authorized capital 2021 under exclusion of subscription rights

as well as new shares from the conditional capital 2021 that would be used to service options and/or convertible bonds issued under exclusion of subscription rights would count towards the above capital limit of 20% of the share capital for treasury shares used under exclusion of subscription rights.

When deciding on an acquisition and use of treasury shares, the Management Board will be guided solely by the best interests of the shareholders and the company.

The Management Board will inform the next shareholders' meeting of the use of the above authorizations.

**2. Written report of the Management Board pursuant to Section 203 para. 2 clause 2, 186 para. 4 clause 2 AktG on item 7 of the agenda regarding the reasons for authorizing the Management Board to exclude shareholders' subscription rights when using the authorized capital 2021**

The authorized capital 2020 resolved by the shareholders' meeting on 8 July 2020, which following partial uses has a remaining amount of EUR 14,298,830.00 at the time of convening the shareholders' meeting, is to be cancelled and renewed.

Under agenda item 7, Management Board and Supervisory Board propose to the shareholders' meeting the creation of new authorized capital 2021 in Section 5 of the Articles of Association in an amount of up to EUR 16,117,405.00, equivalent to approx. 20% of the current share capital.

Prior to cancellation of the authorized capital 2020 and the new authorized capital 2021 taking effect, it is intended to use the existing authorized capital 2020 for granting subscription rights to shareholders, to the extent required to grant a scrip dividend in accordance with the resolution to be adopted under agenda item 2.

For reasons of flexibility, the new authorized capital 2021 is to be used for capital increases both in cash and in kind. In case of capital increases from the authorized capital 2021, the company's shareholders generally have subscription rights. The shares may also be taken up by one or more banks or companies designated by the Management Board within the meaning of Section 186 para. 5 clause 1 AktG, with the obligation to offer them to the shareholders for subscription (indirect subscription right).

However, the Management Board should also be authorized, with the approval of the Supervisory Board, to exclude shareholders' subscription rights,

- in order to exclude fractional amounts from shareholders' subscription rights;
- if the new shares are issued against cash contributions and if the issue price of the new shares is not significantly lower than the stock market price of shares already listed with essentially equivalent features. The number of shares issued in this way, under exclusion of subscription rights, may not exceed 10% of the share capital, at either the time the authorization takes effect or at the time it is exercised. The maximum amount of 10% of the share capital is to include other shares issued or sold during the term of this authorization, under exclusion of subscription rights, in direct or analogous application of Section 186 para. 3 clause 4 AktG. Similarly, shares to be issued to service option and/or conversion rights or obligations under options and/or convertible bonds and/or profit participation rights are also to be included, provided that such bonds or profit participation rights are issued during the term of this authorization, under exclusion of subscription rights, in analogous application of Section 186 para. 3 clause 4 AktG;
- if the capital increase is made against contributions in kind, in particular, for the purpose of acquiring enterprises, parts of enterprises, equity interests in enterprises or other assets related to an acquisition project, or in the context of business combinations, or
- to the extent required to grant holders or creditors of options and/or convertible bonds with option and/or conversion rights or obligations, which have been or will be issued by the company or Group companies in which the company directly or indirectly holds a 100% interest, subscription rights to new shares to the extent they would be entitled as shareholders after exercising the option or conversion rights or after meeting conversion obligations as shareholders.

With regard to this authorization to exclude shareholders' subscription rights with the approval of the Supervisory Board, the Management Board submits the following report pursuant to Section 203 para. 2 clause 2, 186 para. 4 clause 2 AktG:

#### **(1) Exclusion of subscription rights for fractional amounts**

First, it should be possible to exclude the subscription right for fractional amounts. This authorization serves to ensure that a practicable subscription

ratio can be presented with regard to the amount of the respective capital increase. Without the exclusion of the subscription right with regard to the fractional amount, the technical implementation of the capital increase would be considerably more difficult, in particular in the case of a capital increase by round amounts. The new shares excluded from the shareholders' subscription rights as fractional amounts will be realized by the company as best possible, either by way of sale on the stock exchange or in another manner. Management Board and Supervisory Board therefore consider the authorization to exclude subscription rights adequate.

**(2) Exclusion of subscription rights if the issue price of the new shares is not significantly lower than the stock market price and the shares issued in this way under exclusion of subscription rights do not exceed a 10% of the share capital in total.**

It should furthermore be possible to exclude subscription rights if the new shares are issued in accordance with Section 203 para. 1 clause 1, 186 para. 3 clause 4 AktG against cash contributions in an amount not significantly lower than the stock market price, and if the total pro rata amount of the share capital represented by the issued shares does not exceed 10% of the share capital, either at the time the authorization takes effect or at the time it is exercised. The authorization enables the company to meet capital requirements even at short notice and in this way, to quickly and flexibly use market opportunities. The exclusion of subscription rights allows for very quick action without having to complete the subscription rights procedure, which is both more costly and time-consuming, and for placements close to the stock market price, i.e. without the usual discount for subscription issues. Such capital increases will furthermore enable the company to attract new investors in Germany and abroad. When exercising the authorization, the Management Board - with the approval of the Supervisory Board - will set the discount on the stock market price as low as possible in accordance with the market conditions prevailing at the time when the issue price is finally determined. The discount on the stock market price will in no case exceed 5% of the exchange price.

In addition, the extent of the cash capital increase under exclusion of subscription rights in accordance with Section 186 para. 3 clause 4 AktG) is limited to 10% of the share capital when the authorization takes effect or, if this amount is lower, when the authorization to exclude subscription rights is exercised. This 10% limit of the share capital is to include the shares issued or sold during the term of this authorization, under exclusion of subscription rights, in direct or analogous application of Section 186 para. 3 clause 4 AktG,

e.g. treasury shares. Similarly, shares to be issued to service option and/or conversion rights or obligations under options and/or convertible bonds and/or profit participation rights are also to be included, provided that such bonds or profit participation rights are issued during the term of this authorization, under exclusion of subscription rights, in analogous application of Section 186 para. 3 clause 4 AktG; This cap takes into account the shareholders' need for protection against dilution of their shareholdings. As the new shares will be placed close to the stock market price, each shareholder will be able to acquire shares on the market on approximately the same terms in order to maintain their shareholding quota.

### **(3) Exclusion of subscription rights in case of capital increases against contributions in kind**

In addition, there should be the option to exclude shareholders' subscription rights if the capital increase is made against contributions in kind, in particular, for the purpose of acquiring enterprises, parts of enterprises, equity interests in enterprises or other assets related to an acquisition project, or in the context of business combinations. This provides the company the scope required to utilize any upcoming opportunities to acquire other enterprises, equity interests in enterprises or in parts of enterprises, as well as for business combinations, but also for the acquisition of other assets that are essential to the company and related to an acquisition project, in a quick and flexible manner and in a way that preserves liquidity in order to improve the company's competitive position and strengthen its earning power. In the context of such transactions, frequently extremely high consideration has to be paid, which should or can no longer be paid in cash. In parts, the owners of attractive enterprises or other attractive acquisition targets also proactively demand shares in the purchaser as consideration. For the company to be able to acquire such enterprises or other acquisition targets, it must be able to offer shares as consideration. Since this type of acquisition usually takes place at short notice, it usually cannot be resolved by the shareholders' meeting, which generally convenes only once a year. This requires the creation of authorized capital which the Management Board - with the approval of the Supervisory Board - is able to access quickly. In such a case, the Management Board ensures that the shareholders' interests are safeguarded adequately when determining the valuation ratios. In so doing, the Management Board takes into account the stock market price of the company's shares. The Management Board will use this authorization only if subscription rights are excluded in the company's best interest in a particular case. Currently, there are no specific acquisition projects for which the option

of capital increases against contributions in kind under exclusion of subscription rights granted by the proposed authorization is to be used.

**(4) Exclusion of subscription rights to the extent this is required to grant holders or creditors of option and/or convertible bonds with option and/or conversion rights or conversion obligations a subscription right for new shares to the extent they would be entitled to after the exercise of the options or conversion rights or after the fulfilment of conversion obligations**

Finally, the subscription right should be excluded to the extent required to grant the holders or creditors of option and/or convertible bonds which were issued by the company or group companies in which the company directly or indirectly holds a 100% stake, by using the authorized capital, a subscription right to new shares that is equivalent to the subscription right they have after having exercised the option or conversion right or after the fulfilment of a conversion obligation arising from these bonds. In order to make bonds easier to place on the capital market, the corresponding option or bond terms usually include dilution protection. One possibility to provide dilution protection is to give the holders or creditors of the bonds a subscription right to the new types of shares to which they are entitled in the event of subsequent share issues. They are put in the same position they would have had if they had been shareholders already. In order to provide the bonds with such a dilution protection, the shareholders' subscription right for new shares must be excluded. This is done to facilitate the placement of the bonds and thus to protect the interest of the shareholders in the best-possible financial structure for the company.

Alternatively, it is possible to reduce just the option or conversion price to achieve such dilution protection but only to the extent the option or bond terms allow this. However, this would be more complicated and costly for the company in terms of the settlement of these bonds. It would also reduce the inflow of capital from the exercise of option and conversion rights or conversion obligations. Another possibility would be to issue bonds without dilution protection. These would be much less attractive to the market, however.

In each individual case, the Management Board and the Supervisory Board will carefully consider whether they will exercise any of the authorizations to increase the capital and exclude the subscription rights of shareholders. They will only take advantage of this possibility if, in the opinion of the Management Board and the Supervisory Board, this is in the best interest of the company and therefore its shareholders.

**3. Written report of the Management Board to the shareholders' meeting on the partial use of the authorized capital 2020 in August/September 2020 that partially excludes the subscription right**

According to Section 5 of the company's Articles of Association, the Management Board was, with the consent of the Supervisory Board, authorized until 7 July 2025 to increase the share capital, either once or several times against contribution in cash and/or in kind, by up to EUR 15,814,309.00 by issuing up to 15,814,309 new registered no-par-value registered shares (authorized capital 2020). In order to implement the scrip dividend and the resolution of the general meeting of 8 July 2020 on the appropriation of net profits, on 20 August 2020 the Management Board resolved with the Supervisory Board's approval of 21 August 2020 , to increase the company's share capital by up to EUR 7,500,000.00 to up to EUR 86,571,549.00 by issuing up to 7,500,000 new no-par value registered shares with a notional value of EUR 1.00 per no-par value share by utilizing the company's authorized capital 2020. The authorized capital 2020 was used to implement the scrip dividend.

The company's shareholders who owned the existing shares in the company on 8 July 2020, 23:59 (CEST), were entitled to participate in the capital increase, unless they subsequently sold their subscription right together with the number of pro rata dividend claims corresponding to the subscription ratio; further entitled were persons who had acquired their subscription right together with the number of pro rata dividend rights corresponding to the subscription ratio by the end of the subscription period. Persons who on 8 July 2020, at 23:59 (CEST) at night, were not owners of the existing shares in the company were not entitled to dividends and hence could not assign any pro rata dividend claims, with the effect that participation in the scrip dividend was not open to such persons, unless they had acquired subscription rights together with the number of pro rata dividend claims corresponding to the subscription ratio by the end of the subscription period and had not resold them. Pursuant to the authorization in Article 5 of the company's Articles of Association, with the approval of the Supervisory Board, the Management Board therefore has partially excluded the shareholders' subscription rights.

The exclusion of subscription rights was required in order to make sure that only shareholders entitled to dividends were able to make and assign any contribution in kind in the form of pro rata dividend claims, as shareholders who on 8 July 2020, 23:59 (CEST) were not owners of existing shares in the



company were not entitled to dividends and therefore could not assign any pro rata dividend claims.

After partial utilization, up to EUR 14,298,830.00 currently remains of the authorized capital 2020.

#### **4. System of remuneration for the members of the Management Board of DIC Asset AG (agenda item 8)**

##### **A. Introduction**

The system of remuneration for the members of the Management Board is structured in a clear and comprehensible manner. It complies with the requirements of the German Stock Corporation Act as amended by the Act Implementing the Second Shareholders' Rights Directive (ARUG II) of 12 December 2019 (Federal Law Gazette Part I 2019, no. 50).

The Supervisory Board will apply the system of remuneration to all service agreements with members of the Management Board of DIC Asset AG (also the "**company**") that are newly concluded, amended or extended after the expiry of two months following the initial approval of the system of remuneration by the shareholders' meeting (Section 87a para. 2, clause 1 AktG, Section 26j para. 1 of the Act implementing the Stock Corporation Act (EGAktG)).

The service agreements currently in place with the members of the Management Board remain unaffected.

##### **B. Details of the system of remuneration**

###### **I. Maximum remuneration (Section 87a para. 1, clause 2, no. 1 AktG)**

The total remuneration to be granted to the Management Board for one fiscal year (sum total of all remuneration amounts expended by the company for all members of the Management Board in office during the fiscal year, including annual base salary, variable remuneration components and fringe benefits) is limited to an absolute maximum amount ("**maximum remuneration**"), regardless of the fiscal year in which a remuneration component is paid.

The maximum remuneration for the chairperson(s) of the Management Board is EUR 3,000,000.00 and for an individual ordinary member of the Management Board is EUR 2,500,000.00.

**II. Contribution of remuneration to the promotion of the company's business strategy and long-term development (Section 87a para. 1, clause 2, no. 2 AktG)**

The remuneration system supports the strategic focus of DIC Asset AG and the it manages (together "**DIC Asset Group**") on a dynamic development in its two business segments, Institutional Business and Commercial Portfolio.

Payments of the short-term variable remuneration (short-term incentive - STI) require that a threshold is reached as regards the funds from operations (FFO) generated and hence are linked to a key performance indicator of DIC Asset Group. The achievement of company-related and personal annual targets is of critical significance for the amount of possible STI payments. This allows for offering incentives with regard to specific targets of key significance for the company's operational and/or strategic development.

Moreover, options on virtual shares in the company are granted as share-based variable remuneration with a focus on the long term (long-term incentive - LTI). Taking into account a vesting period of several years, this remuneration component promotes the strategic objective of long-term value enhancement, including in the interest of the company's shareholders.

Overall, the remuneration system provides the framework for an adequate remuneration of the members of the Management Board, which makes it possible to attract qualified executives and retain them at DIC Asset AG in the long term.

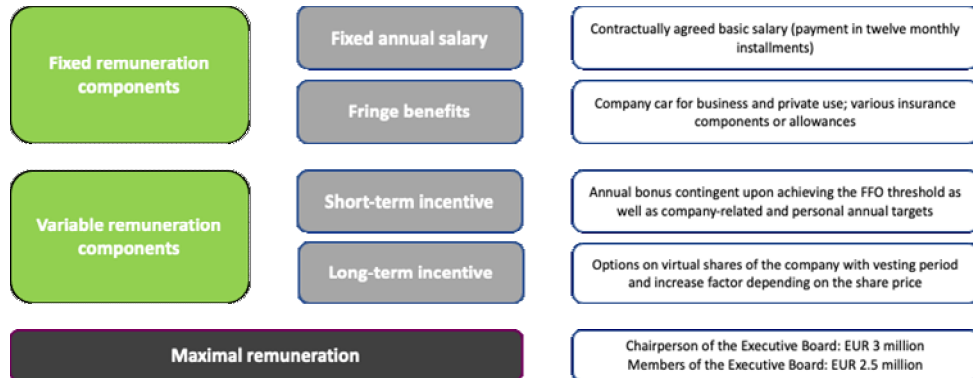
**III. Remuneration components and performance criteria for variable remuneration components (Section 87a para. 1, clause 2, 2 no. 3 and 4 AktG)**

**1. Overview of remuneration components and their relative shares in total remuneration**

The remuneration of the members of the Management Board comprises fixed and variable remuneration components. The fixed components of the remuneration of the members of the Management Board comprise a fixed annual salary and various fringe benefits.

The variable remuneration components are the short-term incentive (STI), which is based on short-term annual targets, and the long-term incentive (LTI), which is based on long-term targets.

### Key elements of Management Board remuneration



The relative shares of the individual remuneration components in the expected total annual remuneration ("**total remuneration**") based on the respective expected annual expense amounts are set out below.

The share of fixed remuneration components (annual salary, fringe benefits) in the total remuneration ranges from 30% to 100%. The share of fringe benefits hence usually ranges between 1% to 5% of the total remuneration. The share of the STI in the total remuneration ranges from 0% to 35% of the total remuneration and the share of the LTI to from 0% to 55%.

The upper limit of 100% shown for the fixed remuneration components as well as the lower limit of 0% shown for the variable remuneration components take into account the fact that the variable remuneration may not be paid at all if the performance criteria for the STI are not met or depending on the performance of the company's share price, which is relevant for the LTI.

## **2. Fixed remuneration components**

### **2.1 Fixed annual salary**

The members of the Management Board receive a fixed annual salary in twelve monthly installments, payable at the end of each calendar month.

### **2.2 Fringe benefits**

In addition, the members of the Management Board are granted contractually defined fringe benefits. The company provides each member of the Management Board with an appropriate company car as well as with a mobile phone, also for private use. Moreover, newly appointed members of the Management Board are granted a relocation allowance on a case-by-case basis in case of a change in location, and each member of the Management Board is granted contributions in the amount of 50% of the premiums paid by the respective member of the Management Board for health and long-term nursing care insurance as well as pension insurance, for which maximum amounts may be agreed to the level of the employer contributions to statutory health, long-term nursing care and pension insurance.

The members of the Management Board are furthermore covered by a directors' and officers' liability insurance (D&O insurance) with the deductible required by law, as well as by an accident insurance.

## **3. Variable remuneration components**

The variable remuneration components, including the respective performance criteria and their correlation to the company's business strategy and long-term development of the company are specified and explained below. Additional information will also be provided on the methods used to assess the achievement of the performance criteria.

### **3.1.1 Short-term incentive (STI)**

The members of the Management Board are granted the STI as a performance-related bonus with a one-year assessment period.

As a matter of principle, STI payments require that the DIC Asset Group achieves a threshold level of funds from operations (FFO) in the respective fiscal year. The specific threshold is defined in the service agreement of the respective member of the Management Board or in a

separate agreement. With funds from operations, i.e. operating profit from real estate management, a link is made to a key performance indicator of essential significance for the strategic orientation of DIC Asset Group.

The amount of STI payments is contingent upon achievement of company-related and personal annual targets, which are determined by the Supervisory Board as part of the preparation of the annual budget for the respective fiscal year. The specific amount of STI payments upon achievement of the annual targets is at the discretion of the Supervisory Board and is determined ex-post in connection with the Supervisory Board's determination of target achievement. Including company-related and personal annual targets enables the Supervisory Board to set additional individual or collective incentives for achieving specific targets of key significance for the company's operational and strategic development.

Upon expiry of the fiscal year, the Supervisory Board assesses the achievement of the set annual targets based on adequate quantity or quality data and on the achievement of the threshold for the FFO based on the company's consolidated financial statements as audited and approved by the auditor, and decides no later than by 31 May of the following year on the amount of any STI payments.

### **3.2 Long-term incentive (LTI)**

In addition, the members of the Management Board are granted options on virtual shares in the company as a share-based remuneration element with a long-term incentive effect (LTI). The options are granted once for the respective agreed term of the service agreement of the respective member of the Management Board. The number of options granted as well as the relevant settlement price for calculating the cash settlement are specified in the service agreement of the respective member of the Management Board.

The granting of the options as a share-based remuneration component contributes to an increased alignment of interests of the members of the Management Board and shareholders and promotes the strategic goal of increasing the company's value in the long term.

The options granted to the members of the Management Board are cash-settled; no shares are delivered. The options are subject to a vesting period specified in the service agreement, which is based on the term of the service agreement of the respective member of the

Management Board and generally covers between three and five years. After the expiry of the vesting period, the options may be exercised within a contractually defined period (usually within six months).

As a matter of principle, the cash payout is determined as the positive difference between the average closing price of the company's shares in a reference period of ten trading days prior to the exercise of the options and the contractually agreed settlement price. In addition, an increase factor is applied depending on the average share price achieved, with a maximum threefold increase in the amount paid out.

The options generally are subject to contractual dilution protection in the event of the issue of new shares as well as bonds with conversion or option rights.

The key terms and conditions of the granted options, including number and value, are set forth in the annual remuneration report.

**IV. Deferment periods for the payment of remuneration components (Section 87a para. 1, clause 2, no. 5 AktG)**

Options granted as LTIs may be exercised only after the expiry of a period agreed in the service agreement, which generally is based on the term of the service agreement of the respective member of the Management Board. Reference is made to the corresponding explanations in Section 3.2.

**V. Share-based remuneration (Section 87a para. 1, clause 2, no. 6 AktG)**

The options on virtual shares in the company granted as LTI and described in Section 3.2 should be considered share-based remuneration components within the meaning of Section 87a para. 1, clause 2, no. 7 AktG. With regard to further details, please refer to the descriptions in Section 3.2.

**VI. Remuneration-related transactions (Section 87a para. 1, clause 2, no. 8 AktG)**

**1. Terms and conditions of termination of remuneration-related transactions, including the respective notice periods (Section 87a para. 1, clause 2, no. 8 a) AktG)**

As service agreements of members of the Management Board are concluded for a fixed term, they do not provide for the option of an

ordinary termination. The service agreements of the current members of the Management Board have the following fixed terms:

The service agreements of Management Board members Christian Bock and Patrick Weiden expire at the end of the day on 30 June 2023.

The service agreements of CEO Sonja Wärntges and of Management Board member Johannes von Mutius expire at the end of the day on 31 December 2023.

**2. Redundancy payments (Section 87a para. 1, clause 2, no. 8 b) AktG)**

The service agreements of the members of the Management Board do not provide for any severance payments or other compensation for dismissal.

**3. Pension plans (Section 87a para. 1, clause 2, no. 8 c) AktG)**

No pensions are paid. As explained in Section III.2.2, only a contribution to pension insurance is granted.

**VII. Consideration of employees' remuneration and employment conditions when determining the system of remuneration (Section 87a para. 1, clause 2, no. 9 AktG)**

The Supervisory Board regularly reviews whether the remuneration of the members of the Management Board is adequate, including by way of comparison with the company's internal compensation structure (vertical comparison). When assessing the adequacy in vertical terms, the remuneration of the Management Board is compared with the remuneration of employees at the management level in Germany below the Management Board (F1) and also with the total workforce of DIC Asset AG and its Group companies in Germany. In the context of this vertical comparison, the ratio of remuneration of the Management Board in proportion to the compensation of the designated employees in the course of time, in particular, is taken into account.

**VIII. Procedures for determining and implementing as well as for reviewing the remuneration system (Section 87a para. 1, clause 2, no. 10 AktG)**

The Supervisory Board adopts a clear and comprehensible remuneration system for the members of the Management Board and submits the adopted remuneration system to the shareholders' meeting for approval.

The Supervisory Board reviews the system of remuneration and the adequacy of remuneration of the Execution Board at its due discretion in regular intervals and, where required, also on an ad hoc basis - and in any case at least every four years. To this end, a vertical comparison is made between the remuneration of the Management Board and the remuneration of the management level below the Management Board as well as of the workforce overall (cf. already under Section VII). In addition, level and structure of remuneration are compared with a peer group defined by the Supervisory Board which usually consists of listed companies in the real estate sector with, inter alia, a similar market position (so-called horizontal comparison).

The regulations applicable to avoidance and handling of conflicts of interest are also observed in the procedure for establishing and implementing the system of remuneration.

In the event of significant changes, but in any case, at least every four years, the system of remuneration shall be resubmitted to the shareholders' meeting for approval. If the shareholders' meeting does not approve the proposed system, the Supervisory Board will submit a revised system of remuneration to the shareholders' meeting for approval no later than at the following annual general meeting.

The Supervisory Board may temporarily deviate from the system of remuneration (procedures as well as rules and regulations on the remuneration structure) and the individual components thereof or may introduce new remuneration components if this is necessary in the long-term best interest of the company. Under said circumstances, the Supervisory Board also has the right to grant special payments to newly appointed members of the Management Board to compensate for salary losses from a previous service relationship. Deviations may also temporarily lead to a deviating amount of the maximum remuneration. A deviation from the system of remuneration is possible only on the basis of a relevant Supervisory Board resolution that confirms the extraordinary circumstances and the necessity of a deviation. In the event of a deviation, the remuneration report shall identify the specific affected components of the system of remuneration that were deviated from and explain the necessity of such deviation (Section 162 para. 1, clause 2, no. 5 AktG).



### **III. Further information on the convocation**

Any and all dates and times stated in the section "Further information on convocation" are indicated in Central European Time (CET) as applicable in Germany. In terms of Coordinated Universal Time (UTC), this means UTC = CET minus one hour.

In accordance with the decision of the Management Board and with the approval of the Supervisory Board, the shareholders' meeting will be held as a virtual shareholders' meeting on the basis of Section 1 para. 2 of the COVID-19 Act, without the shareholders or their authorized representatives being physically present. Shareholders and their authorized representatives may exercise their voting rights at the shareholders' meeting exclusively by way of postal voting (no electronic participation) or by issuing power of attorney and instructions to the proxies appointed by the company in accordance with the following provisions.

#### **Online video and audio transmission of the entire shareholders' meeting**

Shareholders who have registered for the shareholders' meeting in due form and time in accordance with the following provisions can follow the entire shareholders' meeting in audio and video via the password-protected AGM portal at

<http://www.dic-asset.de/annual-general-meeting/>

The access data for the AGM portal will be sent to the shareholders together with the personal invitation documents.

Authorized intermediaries (e.g. banks), persons or institutions equivalent in accordance with Section 135 para. 8 AktG (voting advisors, shareholders' associations and persons acting in a business capacity) as well as other authorized representatives may also follow the entire shareholders' meeting via the password-protected AGM portal using the access data sent to the shareholder.

#### **Requirements for participating in the virtual shareholders' meeting by following the video and audio transmission of the entire shareholders' meeting and exercising voting rights**

Shareholders and their authorized representatives (with the exception of the proxies appointed by the company) are not entitled to physically participate in the virtual shareholders' meeting. Pursuant to section 12 of the Articles of Association, shareholders who are registered in the share register and have registered in time for the shareholders' meeting are entitled to participate in the virtual shareholders' meeting by following the video and audio transmission of the entire shareholders' meeting and to exercise their voting rights by means of postal voting (no electronic

participation) or by issuing power of attorney and instructions to the proxies appointed by the company.

The registration must be written in text form in German or English and must be submitted to the company at least six days before the shareholders' meeting (whereby the day of the shareholders' meeting and the day it was received are not to be counted), i.e., no later than

**Wednesday, 17 March 2021, 24:00 hours (CET) (receipt),**

electronically, using the password-protected AGM portal provided by the company at <http://www.dic-asset.de/annual-general-meeting/>

or by mail, e-mail or fax at the following address:

DIC Asset AG

c/o Link Market Services GmbH

Landshuter Allee 10

80637 Munich, Germany

e-mail: [namensaktien@linkmarketservices.de](mailto:namensaktien@linkmarketservices.de)

Fax: +49 89 21027 288

The access data for the AGM portal will be sent to the shareholders together with the personal invitation documents.

### **Free availability of shares and registrations in the share register**

In relation to the company, Section 67 para. 2, clause 1 AktG sets forth that rights and obligations under shares exist only for and against the person entered in the share register. The status of the share register on the day of the shareholders' meeting shall be decisive for participation in the virtual shareholders' meeting by following the video and audio transmission of the entire shareholders' meeting and for the number of voting rights to which a duly registered shareholder or his proxy is entitled at the shareholders' meeting. Please note that for technical reasons, no changes of registrations will be recorded in the share register between the end of 17 March 2021, 24:00 hours (CET) (the so-called technical record date) and the end of the day of the shareholders' meeting (so-called registration stop). The status of the share register on the day of the shareholders' meeting therefore corresponds to the status on 17 March 2021, 24:00 hours (CET).

The shares are not suspended or blocked by a registration for the shareholders' meeting. Shareholders can therefore continue to trade their shares freely even after they have registered and despite the registration stop. However, purchasers of shares whose registration applications are received by the company after 17 March

2021 may only exercise their right to follow the video and audio transmission of the entire shareholder's meeting and their voting rights from these shares if they are authorized accordingly by the shareholder still registered in the share register. All purchasers of shares of the company that are not yet registered in the share register are therefore requested to submit registration applications as soon as possible.

### **Procedure for voting by postal vote**

Within the framework described below, shareholders have the option to cast their votes by means of postal voting without attending the shareholders' meeting. Entry in the share register and timely registration of the shareholder in accordance with the above provisions are required in this case as well. Postal votes that cannot be assigned to any proper registration are not valid.

Votes by postal vote are cast in writing or by means of electronic communication. For the transmission of electronic postal votes or for their revocation or amendment, the company provides the password-protected AGM portal on the company's website at <http://www.dic-asset.de/annual-general-meeting/>

which may be used to exercise voting rights by electronic postal voting until immediately before the start of voting (this time will be announced by the chairman of the meeting in the video and audio transmission) on the day of the shareholders' meeting (24 March 2021).

The form sent together with the personal invitation documents may be used for written postal voting. A form for written postal voting is also available on the company's website at <http://www.dic-asset.de/annual-general-meeting/>. Notwithstanding timely registration in accordance with the above provisions, written postal votes without using the AGM portal must be transmitted to the company no later than by Tuesday, 23 March 2021, at 24:00 hours (CET) (receipt), by mail, by fax or by e-mail as follows:

DIC Asset AG

c/o Link Market Services GmbH

Landshuter Allee 10

80637 Munich, Germany

e-mail: [namensaktien@linkmarketservices.de](mailto:namensaktien@linkmarketservices.de)

Fax: +49 89 21027 288

Further details on postal voting can be found on the form sent together with the personal invitation documents.

Authorized intermediaries (e.g. banks), persons or institutions equivalent in accordance with Section 135 para. 8 AktG (voting advisors, shareholders' associations and persons acting in a business capacity ) as well as other authorized representatives may also use postal voting.

### **Procedure for voting through an authorized representative**

Shareholders also have the option to have their voting rights exercised at the shareholders' meeting by the proxies appointed by the company to the extent described below. Shareholders who wish to grant power of attorney to the proxies appointed by the company must be entered in the share register in accordance with the above provisions and must register in good time for the shareholders' meeting. The proxies appointed by the company are available only for exercising voting rights and, if authorized, exercise voting rights exclusively in accordance with instructions. The proxies appointed by the company are not authorized to exercise voting rights without instructions from the shareholder. A form for granting power of attorney and issuing instructions to the proxies appointed by the company will be sent together with the invitation documents for the shareholders' meeting. Such a form is also available for download from the company's website at <http://www.dic-asset.de/annual-general-meeting/>. Powers of attorney and instructions to the proxies appointed by the company must be transmitted to the company in text form.

Notwithstanding timely registration, the issuance of powers of attorney and instructions for proxies appointed by the company is possible via the password-protected AGM portal, which is available online at

<http://www.dic-asset.de/annual-general-meeting/>

until immediately before the start of voting in the shareholders' meeting on 24 March 2021 (this time will be announced by the chairman of the meeting in the video and audio transmission). The access data for the AGM portal will be transmitted to the shareholders together with the personal invitation documents.

Notwithstanding timely registration, powers of attorney and instructions to the proxies appointed by the company which are not issued via the AGM portal must be sent to the company no later than by 23 March 2021, 24:00 hours (CET) (receipt), by mail, e-mail or fax as follows:

DIC Asset AG

c/o Link Market Services GmbH

Landshuter Allee 10

80637 Munich, Germany

e-mail: [namensaktien@linkmarketservices.de](mailto:namensaktien@linkmarketservices.de)

Fax: +49 89 21027 288

Shareholders who are registered in the share register and do not wish to exercise their voting rights themselves by postal vote or by issuing power of attorney and instructions to the proxies appointed by the company at the shareholders' meeting may also exercise their voting rights at the shareholders' meeting through an authorized representative, e.g., an intermediary (who, for example, may be a bank), a shareholders' association, a proxy adviser or any other person of their choice; this generally also applies to the right of asking questions and the option of objecting to a resolution of the shareholders' meeting by electronic means. In these cases, too, registration in the share register and timely registration for the shareholders' meeting in accordance with the above provisions are required. To the extent permitted by law, the authorized representative in turn may exercise the voting right only by postal vote or by (sub-) authorizing and instructing the proxies appointed by the company.

The granting of the power of attorney, its revocation and proof of authorization to be provided to the company require the text form in accordance with Section 134 para. 3, clause 3 AktG. The text form requirement does not apply to the authorization of a shareholders' association, a bank or other intermediaries covered by Section 135 AktG or any other person or institution equivalent to these under Section 135 AktG, nor to the revocation or proof of such authorization, and some particulars apply. The shareholders are invited to coordinate in such a case with the person or institution to be authorized in good time regarding any form of authorization which may be required as well as on the procedure for granting a power of attorney.

A form for granting power of attorney will be sent to the shareholders together with the invitation documents for the shareholders' meeting. Such a form is also available for download from the company's website at <http://www.dic-asset.de/annual-general-meeting/>. It is also possible to authorize a proxy directly via our password-protected AGM portal at <http://www.dic-asset.de/annual-general-meeting/>.

The declaration that power of attorney was granted may be addressed to the authorized representative or to the company. Proof of a power of attorney granted to the authorized representative may be provided to the company by mail, by electronic means (by e-mail), or by fax to the following address:

DIC Asset AG  
c/o Link Market Services GmbH  
Landshuter Allee 10  
80637 Munich, Germany  
e-mail: [namensaktien@linkmarketservices.de](mailto:namensaktien@linkmarketservices.de)  
Fax: +49 89 21027 288

The above means of submission as well as the AGM portal are also available if the power of attorney is to be made in the form of a declaration to the company; in this case, there is no need for a separate proof that the power of attorney was granted. The revocation of a power of attorney already granted may also be declared directly to the company by using the aforementioned means of submission or the AGM portal. We ask our shareholders to provide the company with all powers of attorney, proof of power of attorney and the revocation of a power of attorney, insofar as they are transmitted by mail or fax, by

**Tuesday, 23 March 2021, 24:00 hours (CET) (receipt).**

If a shareholder authorizes more than one person, the company may reject one or more of them.

### **Further information on the exercise of voting rights via postal vote and proxy and instructions to the proxies appointed by the company**

After timely registration, in addition to the above-mentioned methods of mail, e-mail and fax until 23 March 2021, 24:00 hours (CET) (receipt), our AGM portal will be available to shareholders for casting, revoking and/or amending votes by way of postal voting as well as for issuing, revoking and/or amending power of attorney and instructions to the proxies appointed by the company, until immediately prior to the start of voting at the shareholders' meeting (this time will be announced by the chairman of the meeting in the video and audio transmission). The access data for the AGM portal will be sent together with the personal invitation documents.

The casting of votes by postal vote and the granting of powers of attorney and instructions to the proxies appointed by the company is limited to voting on the proposed resolutions announced in advance by the company (including any adjustment to the proposed resolution on the appropriation of profits to the current number of shares entitled to dividend at the time of the resolution, as announced in the proposal) and any voting on counterproposals or election proposals of shareholders announced in accordance with Sections 126 and 127 AktG. If an individual vote is taken on an agenda item without this having been announced in

advance of the virtual shareholders' meeting, the vote cast or instruction given on this agenda item as a whole shall also be deemed to be a corresponding vote or instruction for each item of the individual vote.

If any declarations are received more than once, the declaration made last takes precedence (date of submission of the declaration). If different declarations are received via different transmission channels and it is not evident which declaration was made last, they will be considered in the following order: 1. via the AGM portal, 2. by e-mail, 3. by fax and 4. in paper form.

Please note that shareholders and their authorized representatives cannot exercise the right to speak and ask questions in accordance with Section 131 AktG at the shareholders' meeting, cannot submit motions at the shareholders' meeting and also cannot table resolutions at the shareholders' meeting, for as postal voters, they will not attend the shareholders' meeting for lack of physical presence, and the proxies appointed by the company will be available exclusively for exercising voting rights, but not for exercising other shareholder rights. Please note the information below under "Shareholders' Rights" and the information on the registration form sent together with the personal invitation documents and at

<http://www.dic-asset.de/annual-general-meeting/>.

## **Shareholders' rights**

### **Requests to supplement the agenda in accordance with Section 122 para. 2 AktG**

Shareholders whose aggregate shares represent twenty percent of the share capital or the prorated amount of EUR 500,000.00 may request that items be placed on the agenda and made public in accordance with Section 122 para. 2 AktG. Each new item must be accompanied by a statement of reasons or a draft resolution. The request must be addressed in writing to the Management Board and must be received by the company at least 30 days prior to the shareholders' meeting (whereby the day of the shareholders' meeting and the day of receipt are not to be counted), i.e., at the latest by

**Sunday, 21 February 2021, 24:00 hours (CET) (receipt).**

We kindly ask you to address such requests to the following address:

Management Board of DIC Asset AG

attn. Investor Relations/ Mr. Peer Schlinkmann

Neue Mainzer Straße 20 • MainTor

60311 Frankfurt am Main, Germany

**Counterproposals and nomination proposals by shareholders pursuant to Sections 126 para. 1, 127 AktG and Section 1 para. 2 clause 3 of the COVID 19 Act**

Shareholders may submit to the company counterproposals against a proposal from the Management Board and/or the Supervisory Board on a specific item on the agenda according to Section 126 para. 1 AktG as well as proposals for the election of auditors according to Section 127 AktG. Such counterproposals and nominations are to be addressed exclusively to the following address:

DIC Asset AG

Investor Relations

Mr. Peer Schlinkmann

Neue Mainzer Straße 20 • MainTor

60311 Frankfurt am Main, Germany

Fax: +49 69 94 54 85 8 - 9399

e-mail: [ir@dic-asset.de](mailto:ir@dic-asset.de)

Pursuant to Section 126 para. 1 AktG, the company must make counterproposals, including the name of the shareholder, any statement of reasons and any opinion of the administration, available on the company's website under <http://www.dic-asset.de/annual-general-meeting/> if the counterproposals and any reasons for this proposal have been received by the company at the address provided above at least 14 days prior to the shareholders' meeting (whereby the day of the shareholders' meeting and the day of receipt are not to be counted), i.e., at the latest by

**Tuesday, 9 March 2021, 24:00 hours (CET) (receipt).**

Proposals sent to other addresses will not be considered. The company may refrain from publishing a counterproposal under the conditions set forth in Section 126 para. 2 AktG, for example because the counterproposal would lead to a resolution of the shareholders' meeting that is contrary to the law or the Articles of Association. However, the company will not exercise its right under Section 126 para. 2 clause 1 no. 6 AktG in this respect. The statement of reasons for a counterproposal need not be made available if it exceeds a total of more than 5,000 characters. For proposals by shareholders for the election of auditors, the above sentences apply in accordance with Section 127 AktG. In addition to the cases referred to in Section 126 para. 2 AktG, a publication of nominations by shareholders may also be omitted



if the proposal does not include the name, occupation and place of residence of the proposed candidate.

Counterproposals and/or election proposals which have been submitted in due form and time in accordance with the above provisions pursuant to Sections 126, 127 AktG and which have been made available by the company are deemed to have been made during the meeting pursuant to Section 1 para. 2 clause 3 of the COVID-19 Act if the shareholder submitting the counterproposal or election proposal is duly authorized and registered for the shareholders' meeting.

**The right to information pursuant to Section 131 para. 1 AktG and the right to ask questions pursuant to Section 1 para. 2 clause 1 no. 3, clause 2 of the COVID-19 Act**

Shareholders do not have the right to request verbal information from the Management Board in the virtual shareholders' meeting in accordance with Section 131 para. 1 and 4 AktG. However, duly registered shareholders do have the right to ask questions via electronic communication in accordance with Section 1 para. 2, clause 1 no. 3 of the COVID-19 Act. The Management Board decides at its own discretion how to answer questions. Questions in foreign languages will not be considered.

The Management Board has decided, with the consent of the Supervisory Board, in accordance with Section 1 para. 2, clause 2 of the COVID-19 Act, that any questions must be submitted electronically via the password-protected AGM portal at

<http://www.dic-asset.de/annual-general-meeting/>

no later than one day prior to the general meeting, i.e. by the end of the day on 22 March 2021, 24:00 hours (CET), receipt by the company. The "Questions" button on the AGM portal is provided for this purpose. Questions received after such time or in any different way will not be considered.

Questions will be answered during the video and audio transmission of the virtual shareholders' meeting. When questions are answered during the virtual shareholders' meeting, the name of the person asking the question will only be disclosed (to the extent that questions are answered individually) if consent to disclosure of the name was given together with the transmission of the question. We retain the right to answer frequently asked questions in advance on the company's website.

**Possibility of an electronic appeal against a resolution of the shareholders' meeting pursuant to Section 1 para. 2, clause 1 no. 4 of the COVID-19 Act**

Waiving the requirement to appear at the shareholders' meeting, shareholders who have exercised their voting rights on one or more resolutions of the shareholders' meeting are given the opportunity to object to a resolution of the shareholders' meeting by way of electronic communication for the notary's record. Corresponding declarations may be submitted from the start of the shareholders' meeting until it is closed by the chairman of the meeting exclusively via our password-protected AGM portal at

<http://www.dic-asset.de/annual-general-meeting/>.

### **Further explanations and information on the company's website**

Shareholders may access the information pursuant to Section 124a AktG of the shareholders' meeting on the company's website under <http://www.dic-asset.de/annual-general-meeting/>, where such information can also be accessed during the shareholders' meeting. Further explanations of shareholders' rights pursuant to Section 122 para. 2, Section 126 para. 1, Section 127 and Section 131 para. 1 AktG as well as Section 1 para. 2, clause 1 no. 3 and no. 4, clause 2 and 3 of the COVID-19 Act can also be found under <http://www.dic-asset.de/annual-general-meeting/>.

### **Total number of shares and voting rights at the time the shareholders' meeting is convened**

The share capital of the company at the time the shareholders' meeting is convened is EUR 80,587,028.00 and is divided into 80,587,028 ordinary shares (no-par-value shares), each of which carries one voting right. The total number of shares and voting rights at the time the shareholders' meeting is convened thus amounts to 80.587.028.

Frankfurt am Main, February 2021

DIC Asset AG  
Management Board

## **Data Protection Information for Shareholders of DIC Asset AG**

The purpose of this information sheet is to inform you, as a shareholder, about the manner in which your personal data will be processed by DIC Asset AG, Neue Mainzer Straße 20 • MainTor, 60311 Frankfurt am Main, (hereinafter also referred to as “**We**” or “**DIC**”) and about the rights you have under data protection law.

### **1. Who is responsible for the data processing?**

The entity responsible for the data processing is DIC Asset AG, Neue Mainzer Straße 20 • MainTor, 60311 Frankfurt am Main, phone: +49 (0) 69 9 45 48 58-0, e-mail: [info@dic-asset.de](mailto:info@dic-asset.de).

The data protection officer of DIC Asset AG is Dr. Christian Borchers, datenschutz süd GmbH, Wörthstraße 15, 97082 Würzburg, phone: + 49 (0) 931 30 49 76-0, e-mail: [office@datenschutz-sued.de](mailto:office@datenschutz-sued.de).

### **2. For what purposes and on what legal basis will your data be processed?**

We process your personal data in compliance with the EU General Data Protection Regulation (GDPR), the German Federal Data Protection Act (BDSG), the German Stock Corporation Act (AktG) and all other relevant legislation.

DIC Asset AG processes your personal data only for the purposes stated in the German Stock Corporation Act. This includes the management of the share register, communication with shareholders and the organization of shareholders' meetings. In detail:

The shares of DIC Asset AG are no-par-value registered shares. With regard to such registered shares, Section 67 AktG provides that such shares must be entered in the company's share register, indicating the name, date of birth and the postal address as well as an e-mail address of the shareholder and the number of shares or share numbers. The shareholder is required to provide this information to the company. If you do not agree to provide this information, you cannot be entered in the share register and cannot exercise your rights as a shareholder.

The banks participating in the purchase, custody or sale of your DIC shares regularly forward this information as well as other information relevant to the

management of the share register to the share register (e.g., nationality, gender and filing bank). This is done through Clearstream Banking AG, Frankfurt, which as the central securities depository handles the technical settlement of securities transactions as well as the custody of shares for intermediaries (such as banks).

In connection with the shareholders' meeting, DIC Asset AG processes your personal data so that shareholders can register for and participate (by following the video and audio transmission of the entire shareholders' meeting) in the shareholders' meeting (e.g. examination of eligibility) and so that shareholders can exercise their rights during the shareholders' meeting (including the issuance, the revocation or the substantiation of authorizations and instructions). If you do not provide the relevant data, you will not be able to exercise voting rights or other rights related to the meeting (in particular, following the video and audio transmission of the entire shareholders' meeting). This includes the following processing operations:

In the course of the registration of a shareholder for the shareholders' meeting, DIC Asset AG processes the data required for the share register as well as the data provided by the shareholder or transferred for this occasion by its custodian bank (in particular first and last names, place of residence or address, e-mail address, number of shares, class of shares and type of ownership).

Insofar as the exercise of rights in the context of the virtual shareholders' meeting is carried out by an authorized representative, we process the personal data of the shareholder as well as the first and last name and place of residence or address and e-mail address of the authorized representative as specified in the power of attorney. In the event authorizations and instructions are given to a proxy designated by DIC, the instructions issued are also processed, and the authorization will be kept on file by the company for three years.

At the shareholders' meeting, a list of participants with the following personal data will be kept in case of representation of voting rights by the proxies appointed by the company in accordance with Section 129 of the German Stock Corporation Act (AktG): first and last name and place of residence of the shareholder who is being represented and the shareholder's representative, number of shares, class of shares, number of voting rights and type of ownership.

If a shareholder requests that items be placed on the agenda, DIC Asset AG will, if the requirements of the stock corporation law are met, publish these

items together with the name of the shareholder. In the same way, DIC Asset AG will make counterproposals and nominations of shareholders available on the website of DIC Asset AG, if the requirements of the stock exchange law are met, together with the name of the shareholder (Section 122 para. 2, Section 126 para. 1, and Section 127 AktG).

If you submit questions electronically prior to the shareholders' meeting in accordance with Section 1 para. 2 of the COVID-19 Act in conjunction with the requirements set out in the notice calling the virtual shareholders' meeting or if you object to resolutions of the shareholders' meeting electronically during the shareholders' meeting, we will process your name, date of birth, address and e-mail address and shareholder number as well as your access data to be able to process your question or objection.

In addition to processing in the context of maintaining the share register and conducting the shareholders' meeting, your personal data may also be processed to fulfill other legal obligations such as regulatory requirements and retention obligations under the German Stock Corporation Law, Commercial Code or Tax Code.

The legal basis for the processing of your personal data in each instance is Section 67e AktG in conjunction with Article 6 para. 1 c) GDPR.

In some cases, DIC Asset AG also processes your information in order to safeguard the legitimate interests of DIC Asset AG or a third party in accordance with Article 6 para. 1 f) GDPR. This is the case, for example, when, in the event of capital increases, individual shareholders must not be provided with information on subscription offers due to their nationality or residence in order not to infringe the legislation of the countries concerned. We also use your personal data to compile in-house statistics (e.g. for the presentation of shareholder development, the number of transactions or for overviews of the largest shareholders).

If you as a shareholder make use of the opportunity to submit questions in advance of the virtual shareholders' meeting and if your questions are dealt with there, your name will be mentioned only if you declare your consent to the disclosure of your name when submitting the question (Article 6 para 1 a) GDPR). Such consent is voluntary and may be revoked at any time with effect for the future. Please address the withdrawal of consent to the contact details above. Should we intend to process your personal data for any other purpose, you will be notified accordingly in advance within the framework of the statutory provisions.

### **3. With which categories of recipients, if any, will your data be shared?**

Below, we will inform you about the categories of recipients with which we share your personal data:

External service providers: We use external service providers, who process your personal data according to our instructions in compliance with Article 28 GDPR, for the administration and technical management of the share register as well as for the organization of the virtual shareholders' meeting (including preparation of the video and sound recordings and streaming of the webcast).

Shareholders/third parties: Within the scope of the statutory right of access to the list of participants at the shareholders' meeting, shareholders may, upon request, gain access to any data collected about you in the list of participants up to two years after the shareholders' meeting. The list of participants will also be made available to attending participants of the shareholders' meeting. Your personal data will furthermore be published in accordance with the statutory provisions in the context of requests to add items to the agenda, counterproposals or nominations.

Other recipients: Within the scope of legal regulations, we may be required to transmit your personal data to other recipients such as authorities and courts (e.g., when publishing voting rights notices in accordance with the provisions of the German Securities Trading Act and the notification sent to authorities in order to comply with statutory notification obligations).

### **4. How long will your personal data be stored?**

In principle, your personal data will be deleted or anonymized as soon as it is no longer necessary for the aforementioned purposes, and we are not required to keep it due to legal proof and retention obligations. Such proof and/or retention obligations arise, among other things, from the German Commercial Code, the German Tax Code and the German Anti-Money Laundering Act. For the information collected in connection with general meetings, the retention period is regularly three (3) years. Once we have become aware of the disposal of your shares, we will only store your personal data for a maximum of twelve (12) months, subject to other statutory provisions. Beyond that, we only keep personal data if this is necessary in connection with claims made against or by DIC (legal limitation period of up to 30 years).

### **5. Do we transfer personal data to no-European countries?**

We do not transfer your personal data to no-European countries.

## 6. Does automated individual decision-making take place (including profiling)?

We do not use purely automated decision-making procedures in accordance with Article 22 GDPR or any profiling.

## 7. What rights do you have?

Insofar as we process your personal data, you have the following rights with regard to the processing of your personal data within the framework of statutory requirements:

- Right to information about the data stored by the DIC about you (Article 15 GDPR);
- Right to rectification of inaccurate data stored about you (Article 16 GDPR);
- Right to deletion of your data, in particular if it is no longer necessary for the purposes for which it was originally collected (Article 17 GDPR);
- Right to restrict the processing (blocking), in particular if the processing of your data is unlawful or the accuracy of your data is disputed by you (Article 18 GDPR);
- **Right to object to the processing of your data insofar as the processing is carried out solely to protect the legitimate interests of the company (Article 21 GDPR);**
- Right to complain: Our data protection officer is available to you under the given contact details regarding any objections you may have about the processing of your personal data. This notwithstanding, you also have the right to lodge a complaint with the competent data protection authority.

The data protection supervisory authority responsible for DIC is:

Hessischer Datenschutzbeauftragter (Data Protection Officer for the State of Hesse),  
Gustav-Stresemann-Ring 1, 65189 Wiesbaden / P.O. Box 31 63, 65021 Wiesbaden,  
Germany, <https://datenschutz.hessen.de/ueber-uns/kontakt>