

EXPLANATIONS ON DISCLOSURES IN ACCORDANCE WITH SECTION 289A AND SECTION 315A (1) OF THE GERMAN COMMERCIAL CODE

TAG Immobilien AG is a capital market-oriented Company as defined in Section 264d of the German Commercial Code. Therefore, information on equity, the equity structure, and voting rights are required in accordance with Section 289a and Section 315a (1) of the German Commercial Code. The information provided in the following is based on the conditions that existed as of 31 December 2019:

Composition of share capital

The Company's share capital stands at EUR 146,498,765.00 as of the reporting date, unchanged from the previous year. As in the previous year, it is divided into 146,498,765 shares. The computed pro rata amount of share capital attributable to each share is EUR 1.00. All shares carry the same rights. Each share entitles the owner to one vote; the dividend entitlement is determined by the number of shares held.

Limitations on voting rights and transfer of shares

Restrictions on voting rights may arise from the provisions of the Companies Act. For example, under certain circumstances, shareholders are prohibited from voting as per Section 136 (1) of the German Stock Corporation Act (AktG). In accordance with Section 71b of the AktG, the Company is not entitled to exercise any voting rights resulting from the currently 161,815 treasury shares (previous year: 177,115) that are earmarked for issue as employee shares and for long-term variable remuneration of the Management Board. The Company's Articles of Association do not provide for restrictions on voting rights. The Company's shareholders are not limited by the law or by the Articles of Association when it comes to the acquisition or sale of shares. The Management Board is not aware of any contractual restrictions on voting rights or the transfer of shares

Direct or indirect voting shares exceeding 10%

The Company is aware of only one direct or indirect holding of more than 10% of its voting rights at the reporting date, based on reports submitted to it pursuant to the German Securities Trading Act (WpHG), i.e. that of The Capital Group Companies Inc., USA. The Company has not been notified of other direct or indirect interests in TAG's capital that reach or exceed 10%, nor is it aware of any.

Shares with special rights conferring powers of control

There are no shares with special rights conferring powers of control.

Voting right controls on shares held by employees

Employees who own capital shares in TAG exercise their control rights like other shareholders in accordance with the statutory provisions and the Articles of Association. There is no indirect control of voting rights.

Appointment and dismissal of members of the Management Board, amendments to the Articles of Association

The appointment and dismissal of members of the Management Board is carried out in accordance with Sections 84 and 85 of the German Stock Corporation Act and the Company's Articles of Association. Management Board members are appointed by the Supervisory Board for a maximum term of five years. A reappointment or extension of the term for a maximum of five years is permitted.

According to the Articles of Association, the Supervisory Board may appoint a Chairman and a Deputy Chairman. The Supervisory Board has not exercised this power to date. The Management Board consists of at least two people. The Supervisory Board can revoke the appointment of Management Board members and the Chairman of the Management Board if there is good cause.

Amendments to the Articles of Association are based on Sections 179 and 133 of the German Stock Corporation Act and the provisions of the Articles of Association. Any amendment to the Articles of Association requires a resolution by the Annual General Meeting. However, the Company's Supervisory Board is authorised in accordance with Section 11 of the Articles of Association to resolve amendments that only affect the Articles of Association. Section 20 of the Articles of Association provides that in accordance with Section 179 (2) sentence 2 of the German Stock Corporation Act – in the absence of mandatory legal provisions to the contrary – a shareholders' resolution to change the Articles of Association can in principle be passed by a simple majority of the votes cast and the share capital represented in the vote.

The law stipulates, in several instances, a larger majority of 75% of the capital shares represented in the vote – e.g. for certain capital measures and the exclusion of subscription rights.

Authorisation of the Management Board to issue new shares (authorised and contingent capital) and repurchase shares

In a resolution passed at the Annual General Meeting on 23 May 2018, 'Authorised Capital 2018' was agreed and the Management Board, subject to the Supervisory Board's approval, was authorised to increase the Company's share capital by a total amount of no more than EUR 29m by issuing up to 29m no-par value ordinary shares on a cash and/or non-cash basis, once or on repeated occasions, on or before 22 May 2023. The Management Board has not utilised this authorisation to date.

By resolution of the Annual General Meeting on 23 May 2018, the Conditional Capital 2017/I approved by the Annual General Meeting on 16 May 2017 was redefined as Conditional Capital 2018/I. The Management Board was authorised to conditionally increase the Company's share capital by up to EUR 29,000,000.00 by issuing up to 29,000,000 new shares. The conditional capital increase serves to grant shares to holders of convertible bonds and/or options that are issued by the Company or by a direct or indirect holding of the Company pursuant to the authorisations by the Annual General Meetings of 14 June 2013, 19 June 2015, 16 May 2017, or of 23 May 2018. In each case, the new shares shall be issued at a conversion or option price to be determined in accordance with the aforementioned authorising resolutions. The conditional capital increase shall only be carried out to the extent that use is made of conversion or option rights, or corresponding obligations are to be fulfilled, and unless other forms of fulfilment are used to service them.

The ordinary General Meeting on 17 June 2016 issued a new authorisation to acquire treasury shares representing up to 10% of the available share capital on the effective date or upon exercise of this authorisation, whichever is lower, up until 16 June 2021. The Company may not utilise this authorisation for the purpose of trading in treasury shares. This authorisation may not be used by the Company for the purpose of trading in treasury shares. In addition to the usual, legally mandated use options, it also includes the authorisation to assign and transfer the shares to members of the Management Board as part of their variable remuneration.

The Company has made partial use of this authorisation. At 31 December 2019, the total number of TAG shares held as treasury shares was 161,815 (previous year: 177,115) TAG shares. Reference is made here to the disclosures to be made in this regard, pursuant to Section 160 (1) No. 2 of the German Stock Corporation Act (AktG), which can be found in the Notes to the annual financial statements of TAG Immobilien AG prepared in accordance with the German Commercial Code (HGB).

Material agreements of the Company that are subject to a change of control following a takeover bid

TAG has lines of credit totalling EUR 27.6m (previous year: EUR 16.5m), which require the bank's approval in the event of a change of shareholder, or in the case of a change of control at the level of TAG Immobilien AG, may otherwise lead to the loans being terminated. In addition, there are numerous change-of-control provisions in the subsidiaries' loan agreements and in their general terms and conditions. Although these primarily apply only at the level of the subsidiaries and in the event of a change in their shareholders, the possibility of the lender invoking change-of-control rights in the event of a change in the indirect shareholder cannot be ruled out.

The two corporate bonds totalling EUR 250m issued, as well as the promissory note loan totalling EUR 102m, have special change-of-control provisions, which obligate the Company to buy back the bonds at terms stated in detail in the terms of the bond or the promissory note. In the case of the EUR 262.0m convertible bond issued in the 2017 financial year, there are special conversion options, or adjustments to the conversion price for bondholders, in the event of a change of control.

The agreements made in connection with a transfer of 5.07% each (10.14% in total) of the shares in a subsidiary to two co-investors in the years 2016 and 2018 also stipulate provisions for a change of control in TAG's shareholder structure. In this case, the co-investor is entitled to rights of disposal and may terminate their investment in the subsidiary prematurely, with TAG liable for compensating for any losses in value.

In addition, the members of the Management Board have a special right of termination in the event of any change in TAG's current shareholder structure. If this special right of termination is utilised, they are entitled to claim a settlement based on the remaining period of service contract as of the date of termination. Further details can be found in the remuneration report below.

Company remuneration agreement with the members of the Management Board or employees in the event of a takeover bid

Apart from the special termination right of the Management Board members already mentioned in the previous paragraph, there are no compensation agreements that have been concluded with the members of the Management Board or employees in the event of a takeover bid.

Hamburg, April 2020

The Management Board