

**TAG Immobilien AG**  
Hamburg

ISIN DE0008303504 / WKN 830350

We hereby invite our shareholders to the **131st annual general meeting** taking place at **11:00 am on Friday, 13 June 2014** at Haus der Patriotischen Gesellschaft, Trostbrücke 6, 20457 Hamburg.

**I.**  
**Agenda**

- 1. Presentation of the duly adopted financial statements and the approved consolidated financial statements for 2013, the management reports for TAG Immobilien AG and the Group, the report of the Supervisory Board, the Management Board's proposal for the appropriation of the profit and the explanatory report on the disclosures made in accordance with Sections 289 (4) and 315 (4) of the German Commercial Code for 2013.**

In accordance with the applicable statutory provisions, a resolution on this item of the agenda is not planned as the Supervisory Board approved the annual financial statements and the consolidated financial statements on 9 April 2014, meaning that they have been duly adopted. The shareholders will vote on the allocation of the Company's unappropriated surplus under Item 2 of the agenda. The relevant statutory provisions merely provide for the shareholders to be informed of the documents referred to in this item of the agenda by granting them an opportunity of examining them. They do not provide for the shareholders to pass any resolutions on them at the annual general meeting.

- 2. Proposal for the appropriation of profit**

The Management Board and the Supervisory Board propose that the unappropriated surplus as of 31 December 2013 of EUR 96,901,437.49 be allocated as follows:

Payment of a dividend of EUR 0.35 for each of the 131,298,317 shares entitled to receive a dividend for 2013:

Total:	EUR 45,954,410.95
Amount to be carried forward:	EUR 50,947,026.54
Unappropriated surplus:	EUR 96,901,437.49

The dividend will be paid on 16 June 2014.

**3. Resolution to ratify the actions of the Management Board for 2013**

The Management Board and the Supervisory Board recommend that the shareholders pass a resolution to ratify the actions taken in 2013 by the persons who were members of the Management Board in 2013.

**4. Resolution to ratify the actions of the Supervisory Board for 2013**

The Management Board and the Supervisory Board recommend that the shareholders pass a resolution to ratify the actions taken in 2013 by the persons who were members of the Supervisory Board in 2013.

**5. Election of auditors for the annual financial statements and consolidated financial statements for fiscal 2014**

The Supervisory Board recommends that the shareholders pass a resolution to appoint KPMG AG Wirtschaftsprüfungsgesellschaft, Berlin, as

- a) statutory auditors of the annual financial statements and consolidated financial statements for 2014;
- b) statutory auditors to perform a review, if necessary, of the abridged financial statements and the interim management report for the first half of 2014.

**6. Resolution granting authorisation for the Company to buy and utilise treasury stock and to exclude the shareholders' pre-emptive subscription rights**

In accordance with a resolution passed by the shareholders at the annual general meeting on 25 June 2010, the Company is authorised to buy treasury stock in accordance with Section 71 (1) of the German Stock Corporation Act. This authorisation is limited to 3,498,454 shares with a notional share of EUR 1.00 each in the Company's share capital. As this authorisation expires on 24 June 2015 and the Company's share capital has increased substantially since the resolution of 25 June 2010, the resolution of 25 June 2010 is to be cancelled and replaced by a new one for a period of five years. Under this new resolution, the Company will still be able to acquire and utilise treasury stock in accordance with Section 71 (1) No. 8 of the German Stock Corporation Act.

The Management Board and Supervisory Board therefore recommend that the shareholders pass the following resolution:

- a) That the resolution passed under Item 8 of the agenda of the annual general meeting held on 25 June 2010 granting authorisation to acquire and utilise treasury stock be cancelled.
- b) That the Company be authorised until 12 June 2019 to buy treasury stock in an amount of up to 10 percent of the share capital existing upon the authorisation taking effect - or if it is less - upon the authorisation being exercised. The authorisation may not be utilised by the Company to trade in treasury stock. At no time may the treasury stock

acquired together with treasury stock already held by the Company or attributable to it in accordance with Sections 71d and 71e of the German Stock Corporation Act exceed 10 percent of the Company's share capital.

The treasury stock shall be acquired at the Management Board's discretion either via the stock market or in the form of a public offer made to all shareholders. The consideration rendered by the Company for the acquisition of treasury stock (net of transaction costs) may not be more than 10% higher or lower than the market price of the stock. For this purpose, the market price of the stock shall be defined as the arithmetic mean of the closing prices of the stock on the Frankfurt stock exchange in XETRA trading (or a comparable replacement system) on the three trading days preceding the closing day. If the treasury stock is acquired via the stock exchange, the closing price shall be the day on which the obligation to acquire the stock is established. In the event of a public offer addressed to all shareholders, the closing price shall be the day on which the Management Board's decision to submit an offer is announced. If after the announcement of the offer there is a not inconsiderable difference in the market price of the stock and a single acquisition price or the outer limits of a price range offered, the offer may be adjusted. In this case, the closing price shall be the day on which the Management Board's decision to adjust the offer is announced.

In the event of a public offer to acquire treasury stock, the Company will submit to all shareholders an offer commensurate with the size of their share. The volume of the public offer may be limited. If the total subscription of the offer exceeds this volume, the declarations of acceptance shall be honoured on the basis of the ratio of the number of shares tendered; accordingly, any offering rights on the part of the shareholders shall be excluded. Similarly, provision may be made for preferential allowance of small offers of up to 50 of the Company's shares per shareholder in order to avoid fractional amounts, thus resulting in the partial exclusion of the shareholders' rights to offer their shares.

- c) The Management Board shall be authorised to sell the Company's treasury stock acquired on the basis of this or any other authorisation for all purposes permitted by law. In particular, it may sell it via the stock market or in an offer to all shareholders. In addition, it may particularly use it for the following purposes subject to the Supervisory Board's approval:
  - aa) The treasury stock may be sold at a price which is not materially less than the stock market price at which the Company's shares of the same class are trading on the date of sale in accordance with Sections 71 (1) No. 8 Sentence 5 and 186 (3) Sentence 4 of the German Stock Corporation Act. In this case, the portion of the share capital attributable to the shares for which the shareholders' pre-emptive subscription rights are excluded may not exceed a total of 10 percent of the share capital even in the event of

more than one sales transactions either on the date on which the authorisation first takes effect or on the date on which it is exercised. This maximum shall also include the prorated amount of the share capital attributable to shares issued during the term of this authorisation in direct or analogous application of Section 186 (3) Sentence 4 of the German Stock Corporation Act subject to the exclusion of the shareholders' pre-emptive subscription rights. The maximum of 10 percent of the share capital shall additionally include the prorated amount of the share capital required for the settlement of any obligations under bonds which are issued subject to the exclusion of the shareholders' pre-emptive subscription rights in accordance with Sections 221 (4) Sentence 2 and 186 (3) Sentence 4 of the German Stock Corporation Act during the term of this authorisation.

- bb) The treasury stock may be used to settle option and conversion rights or corresponding obligations under option or convertible bonds which have been or will be issued by the Company or a Group member.
- cc) In the event of an offer directed at all shareholders or the issue of fresh equity subject to the shareholders' pre-emptive subscription rights, the shares may be granted to the holders of option or convertible bonds issued by the Company or a group member to the extent that these holders have a right to subscribe to shares in the Company after the exercise of the option or conversion rights or the settlement of the corresponding obligations.
- dd) The shares may be sold in connection with business combinations or the acquisition of all or part of other entities or other assets.
- ee) The shares may be cancelled without any further resolution of the shareholders. Such cancellation shall result in a corresponding reduction in the Company's capital. Notwithstanding this, the Management Board may determine that the share capital is not to be reduced, in which case the value of the remaining shares in the Company's share capital shall be increased accordingly and the number of shares stated in the articles of incorporation duly modified.

The shareholders' pre-emptive subscription rights shall be excluded if the treasury stock is used for any of the purposes specified in aa) to dd) above. In the event of the Company's treasury stock being sold via an offer directed at all shareholders, the Management Board shall be additionally authorised to exclude the shareholders' pre-emptive subscription rights for fractional amounts.

- d) The authorisation to buy and utilise treasury stock may be utilised by the Company in its entirety or in parts, once or on repeated occasions; it may also be utilised by Group members or for third parties acting on the Company's account or on their own account.

The Management Board is required pursuant to Sections 71 (1) No. 8 Sentence 5 and 186 (4) Sentence 2 of the German Stock Corporation Act to submit a written report explaining the reasons for the exclusion of the subscription rights. The contents of such report are disclosed in Part II of this invitation to the annual general meeting.

## **7. Elections to the Supervisory Board**

The composition of the Supervisory Board is governed by Sections 96 (1), 101 (1) of the German Stock Corporation Act and Section 1 (1) in connection with Section 4 (1) of the Act on the One-Third Inclusion of Employees on the Supervisory Board (formerly the Company Constitution Act of 1952). In accordance with Article 7 (1) of the Company's Articles of Incorporation, the Supervisory Board comprises six members, four of whom are elected by the shareholders and two by the employees in accordance with the Sections 4 et seq. of the One Third Employment Representation Act.

The office of the Chairman of the Supervisory Board, Dr. Lutz R. Ristow, expires at the end of this annual general meeting. Prof. Dr. Ronald Frohne, a further member of the Supervisory Board, has announced that he will be standing down from the Supervisory Board at the end of this annual general meeting for personal reasons. Dr. Lutz R. Ristow and Prof. Dr. Ronald Frohne are representatives of the shareholders. Accordingly, the shareholders will be required to elect two new member of the Supervisory Board.

The Supervisory Board recommends that the shareholders elect the following persons as further members of the Supervisory Board to represent the interests of the shareholders for a period ending at the conclusion of the annual general meeting at which a resolution is passed ratifying the actions of the members of the Supervisory Board for the year ending 31 December 2017:

- a) Dr. Hans-Jürgen Ahlbrecht, former managing director of DaimlerChrysler Immobilien (DCI) GmbH (now doing business as AMPP Asset Management Potsdamer Platz GmbH), resident in Berlin, and
- b) Dr. Ingo-Hans Holz, member of the management board of BEOS AG, resident in Berlin,

The shareholders are not bound by any election recommendations.

The proposals are based on recommendations made by the nomination committee.

It is intended to conduct the elections to the Supervisory Board on an individual basis.

The Supervisory Board in its present composition assumes that Mr. Lothar Lanz, a member of the Supervisory Board, will be proposed by the other members for election as chairman of the Supervisory Board.

Details of the offices held in accordance with Section 125 (1) Sentence 5 of the German Corporate Governance Code as well as relations as defined in Number 5.4.1 (4) - (6) of the German Corporate Governance Code (GCGC) are set out in Part III of this invitation to the annual general meeting.

## **8. Resolution approving a control and profit transfer contract**

On 30 April 2014, the Company in its capacity as the controlling party entered into a control and profit transfer contract with Bau-Verein zu Hamburg Immobilien GmbH as the controlled party. The purpose of the contract is to establish a fiscal union for corporate and trade tax purposes. The contract requires the approval of the shareholders of the Company and of Bau-Verein zu Hamburg Immobilien GmbH and takes effect upon being entered in the commercial register for Bau-Verein zu Hamburg Immobilien GmbH.

The Management Board and Supervisory Board recommend that the shareholders pass a resolution to approve the control and profit transfer contract entered into by and between the Company and Bau-Verein zu Hamburg Immobilien GmbH on 30 April 2014.

The control and profit transfer contract has the following main content; in this connection, the Company is referred to as "TAG" and "Bau-Verein zu Hamburg Immobilien GmbH" as "BV Immobilien":

### *Article 1 Management*

1. *BV Immobilien shall submit to management by TAG. Accordingly, the managing directors of BV Immobilien shall observe the guidelines and instructions issued by TAG concerning the management of BV Immobilien. Consequently, TAG shall be authorised to issue instructions with binding effect on the management of BV Immobilien.*
2. *The management of BV Immobilien shall be under an obligation to follow TAG's instructions. However, TAG may not issue any instructions for the management of BV Immobilien purporting to modify, terminate, continue or discontinue this Contract.*

### *Article 2 Profit transfer and loss absorption*

1. *BV Immobilien undertakes to transfer its entire profit calculated in accordance with the provisions of German commercial law to TAG for the duration of the contract starting with the year in which it takes effect. Section 301 of the German Stock Corporation Act (in the version most recently amended) shall apply accordingly.*

2. *Subject to TAG's approval, BV Immobilien may retain part of its net profit for the year provided that this is permitted under commercial law and is justified for economic reasons on the basis of prudent commercial judgment. At TAG's request, any profit retained during the term of the contract shall be released and used to settle any loss or transferred to the Company as profit. Any profits retained prior to the commencement of this contract or share premiums may not be transferred as profit or used to settle losses.*
3. *Section 302 of the German Stock Corporation Act (in the version most recently amended) shall apply to the absorption of loss accordingly.*
4. *The profit transfer and loss absorption claims shall arise at the end of BV Immobilien's financial year and shall be due for payment on that date. They shall not be subject to any interest.*

*Article 3  
Compensation and settlement*

*TAG Beteiligungs- und Immobilienverwaltungs GmbH shall not be entitled to claim any compensation or settlement. TAG Beteiligungs- und Immobilienverwaltungs GmbH has expressly waived all claims to compensation or settlement.*

*Article 4  
Controlling rights*

1. *TAG may inspect BV Immobilien's books and business records.*
2. *TAG may have BV Immobilien's books and business records checked for any factual or arithmetic errors by an accountant or tax consultant.*

*Article 5  
First date of efficacy, duration and termination*

1. *This Contract shall be subject to the approval of the shareholders of TAG and of BV Immobilien. It shall take effect upon being entered in the commercial register responsible for the city in which BV Immobilien has its registered office.*
2. *With the exception of the right to issue instructions in accordance with Article 1, this Contract shall take retroactive effect from the beginning of the financial year of BV Immobilien in which it is entered in the commercial register and shall remain in force for an unlimited period unless it is terminated in accordance with Paragraph 3 or 4. Notwithstanding the recognition under German commercial law of the retroactive effect from 1 January 2014, both parties agree that the Contract shall take effect from 1 January 2014. The right to is-*

*sue instructions in accordance with Article 1 shall not take effect until the Contract has been entered in the commercial register of BV Immobilien.*

3. *This Contract shall be entered into for an unlimited period of time and may not be terminated until the expiry of 5 years, after which it may be terminated by either party at the end of BV Immobilien's financial year subject to written notice of six months. Accordingly, the earliest date of termination shall be 31 December 2018 assuming that the Contract is entered in the commercial register in 2014.*
4. *In derogation from Paragraph 3, the Contract may only be terminated with immediate effect for good cause it being agreed that good cause shall include but not be limited to the sale by TAG of all its shares in BV Immobilien.*
5. *If the efficacy of this Contract or its due and proper execution is not fully acknowledged for tax purposes during the five-year period referred to in Paragraph 3 above, the five-year period after which the Contract may be terminated shall in derogation from Paragraph 3 not commence until the first day of the controlled party's financial year in which the conditions for full acknowledgement of the efficacy of the Contract or its due and proper execution for tax purpose are satisfied for the first time.*

#### *Article 6 Miscellaneous provisions*

1. *All amendments or additions to this Contract shall be in writing. This shall also apply to any provision purporting to remove this requirement of writing.*
2. *If individual provisions of this Contract are or become void or if the Contract is found to contain a gap, this shall not prejudice the validity of the remaining provisions of this Contract. The void provision shall be replaced or the gap filled, as the case may be, with retroactive effect by a valid and effective provision that in legal and economic terms most closely approximates what the Parties wanted or would have wanted in the light of the meaning and purpose of this Contract had they considered this item when entering into the Contract.*
3. *The place of fulfilment for both parties' obligations shall be Hamburg. All disputes including those concerning the efficacy of this Contract shall be referred to the competent courts of law of the City of Hamburg.*

The following documents will be made available for inspection by the shareholders at the offices of the Company and of Bau-Verein zu Hamburg Immobilien GmbH, both at Steckelhörn 5 in 20457 Hamburg, prior to the day on which the annual general meeting is convened.



- the control and profit transfer contract entered into by and between the Company and Bau-Verein zu Hamburg Immobilien GmbH;
- the annual financial statements and management reports of the Company for 2011, 2012 and 2013
- the annual financial statements and management reports of Bau-Verein zu Hamburg Immobilien GmbH for 2011, 2012 and 2013; the joint report of the Management Board of the Company and of Bau-Verein zu Hamburg Immobilien GmbH in accordance with Section 293a of the German Stock Corporation Act.

On request, copies of the aforementioned documents will be sent to all shareholders. The documents will also be available for inspection during the annual general meeting.

## II.

### **Report by the Management Board to the shareholders**

#### **Report by the Management Board to the annual general meeting on Item 6 of the Agenda in accordance with Sections 71 (1), No. 8 Sentence 5 and 186 (3) Sentence 4 of the German Stock Corporation Act**

Item 6 of the agenda of the annual general meeting includes the proposal that the Company be authorised until 12 June 2019 in accordance with Section 71 (1) No. 8 of the German Stock Corporation Act to buy treasury stock in an amount of up to 10 percent of the share capital existing upon the authorisation taking effect - or if it is less - upon the authorisation being exercised. The existing authorisation for the acquisition of treasury stock granted by the shareholders at the annual general meeting in 2010, which the Company has not utilised, is simultaneously to be cancelled.

Under the proposed authorisation, treasury stock may be acquired either via the stock market or in the form of a public offer made to all shareholders. In the event of a public offer to acquire treasury stock, the Company will submit to all shareholders an offer commensurate with the size of their share. The volume of the public offer may be limited. If the total subscription of the offer exceeds this volume, the declarations of acceptance will be honoured on the basis of the ratio of the number of shares tendered; accordingly, any offering rights on the part of the shareholders will be excluded (tendering quotas). Similarly, provision may be made for preferential allowance of small offers of up to 50 of the Company's shares per shareholder in order to avoid fractional amounts, thus resulting in the partial exclusion of the shareholders' rights to offer their shares. This simplifies the technical process for executing the offer. The preferential treatment of small volumes additionally helps to avoid small residual holdings. Accordingly, the Management Board considers the exclusion of shareholders' tendering rights to be objectively justified and equitable.

The Management Board is to be authorised to utilise the Company's treasury stock for all purposes permitted by law. In particular, it may sell it via the stock market or in an offer to all shareholders. In addition, it may particularly use it for the following purposes subject to the Supervisory Board's approval, in which case the shareholders' pre-emptive subscription rights will be excluded:

The treasury stock is to be sold on a cash basis at a price which is not materially less than the market price at which the Company's shares of the same class are trading on the date of sale in accordance with Sections 71 (1) No. 8 Sentence 5 and 186 (3) Sentence 4 of the German Stock Corporation Act. In this case, the portion of the share capital attributable to the shares for which the shareholders' pre-emptive subscription rights are excluded may not exceed a total of 10 percent of the share capital even in the event of more than one sales transactions either on the date on which the authorisation first takes effect or on the date on which it is exercised. This maximum will also include the prorated amount of the share capital attributable to shares issued during the term of this authorisation in direct or analogous application of Section 186 (3) Sentence 4 of the German Stock Corporation Act subject to the exclusion of the shareholders' pre-emptive subscription rights. The maximum of 10 percent of the share capital will additionally include the prorated amount of the share capital required for the settlement of any obligations under bonds which are issued subject to the exclusion of the shareholders' pre-emptive subscription rights in accordance with Sections 221 (4) Sentence 2 and 186 (3) Sentence 4 of the German Stock Corporation Act during the term of this authorisation.

This authorisation is to make use of the simplified exclusion of shareholders' pre-emptive subscription rights in accordance with Sections 71 (1), No. 8, Sentence 5 and 186 (3) Sentence 4 of the German Stock Corporation Act. In this way, the Management Board will be able to make optimum use of the opportunities arising from the prevailing market conditions quickly, flexibly and inexpensively. The proceeds from the sale which can be achieved by fixing a market-oriented price generally result in a substantially higher inflow per share sold than if the shares are placed with subscription rights. As it is able to dispense with the time-consuming and costly handling of subscription rights, the Company can make use of short-term opportunities for covering its equity requirements. Although Section 186 (2) Sentence 2 of the German Stock Corporation Act states that the subscription price does not have to be disclosed until the third last day of the subscription period, this results in a market risk over a period of several days due to the volatility of the equities markets, leading to a possible discount on the selling price and less favourable conditions for the Company.

When this authorisation is utilised, the shareholders' financial interests are protected in that the Company is obliged to sell the shares at a price which is not materially less than the price at which the Company's shares are trading in the stock market. The price at which the Company's treasury stock is sold is conclusively determined shortly before it is sold. In this connection, the Management Board will endeavour to minimise any discount on the stock market price in the light of the prevailing market conditions. In accordance with the statutory requirements, the shareholders' financial interests and voting interests are protected as the total number of shares which may be issued during the term of the proposed authorisation including existing authorisation in direct, analogous or

corresponding application of Section 186 (3) Sentence 4 of the German Stock Corporation Act subject to the exclusion of the shareholders' pre-emptive subscription rights (e.g. through the utilisation of authorised capital) may not exceed 10 percent of the Company's share capital. The limit of 10 percent of the Company's share capital additionally includes the prorated amount of the share capital required for the settlement of any obligations under bonds which are issued subject to the exclusion of the shareholders' pre-emptive subscription rights in accordance with Sections 221 (4) Sentence 2 and 186 (3) Sentence 4 of the German Stock Corporation Act during the term of this authorisation. This minimises the dilution effect sustained by the shareholders whose subscription rights are excluded. Given the limited extent of possible dilution effects, the shareholders whose pre-emptive subscription rights are excluded can fundamentally restore their share quotas by buying additional shares in the stock markets and thus under normal market conditions.

The shares are to be used to settle option and conversion rights or corresponding obligations under option or convertible bonds which have been or will be issued by the Company or a Group member. The shares used to settle option and conversion rights or corresponding obligations under option or convertible bonds are normally taken from the Company's contingent capital. However, in individual cases, it may be appropriate and in Company's interests for the aforementioned rights and obligations to be settled partially or in full by using existing treasury stock rather than issuing new shares from contingent capital.

In the event of an offer directed at all shareholders or the issue of fresh equity subject to the shareholders' pre-emptive subscription rights, the shares are to be granted to the holders of option or convertible bonds issued by the Company or a group member to the extent that these holders have a right to subscribe to shares in the Company after the exercise of the option or conversion rights or the settlement of the corresponding obligations. Option and convertible bonds regularly have dilution protection which, in the event of an offer directed at all shareholders for the purchase of treasury stock or in the event of issues of fresh equity, place the holders of such bonds in the position which they would have if they were already shareholders of the Company and therefore already had subscription rights which may be sold in connection with the purchase offer or exercised in connection with the equity issue. In the absence of such dilution protection, the bonds can only be placed on less favourable terms or the holders must be granted some other form of compensation in the event of an offer directed at all shareholders or the issue of new equity, e.g. in the form of a discount on the option or conversion price (although this would not be desirable for the Company in terms of its funding interests). The possibility of granting the bond holders shares from the Company's treasury stock in such cases allows the Company to achieve the desired level of protection against dilution effects without having to issue new shares, e.g. from its contingent capital.

The shares are to be sold in connection with business combinations or the acquisition of all or part of other entities or other assets. The purpose is to allow the Management Board to acquire from third parties enterprises, parts of enterprises and interests in enterprises or other assets by using the Company's treasury stock as consideration while preserving its liquidity. This substantially heightens the Management Board's scope in competition with third parties as the

opportunities for acquisitions generally arise only at short notice. For this reason, it is not normally viable for the Company to sell its treasury stock to shareholders in order to generate the necessary cash; what is more, this may have an adverse effect on the price of the Company's stock. What is more, sellers of assets and equity interests are increasingly expecting consideration to be rendered in the form of shares in the buying party's company. The use of treasury stock - either in lieu of or in combination with the issue of new equity from contingent capital - is a flexible instrument for this purpose. However, this is possible only if shareholders' pre-emptive subscription rights are excluded. In determining the valuation ratios, the Executive Board will ensure that the shareholders' interests are duly taken into account. For the purposes of measuring the value of the shares granted as consideration, the Management Board will take as a guide the listed price of the Company's shares. However, no inherent link with a listed share price is planned particularly so as to avoid any risk to the outcome of negotiations from any fluctuation in such price.

In addition, the Management Board is to be additionally authorised in accordance with Section 237 (3) No. 3 of the German Stock Corporation Act to cancel all or part of the treasury stock acquired subject to the Supervisory Board's approval without any further resolution of the shareholders required. This does not involve the exclusion of the shareholders' pre-emptive subscriptions rights.

In the event of the Company's treasury stock being sold via an offer directed at all shareholders, the Management Board will be additionally authorised to exclude the shareholders' pre-emptive subscription rights for fractional amounts. The purpose of the possibility for excluding the shareholders' pre-emptive subscription rights for fractional amounts is to ensure the technical efficiency of the transaction. The fractional amounts of shares for which the shareholders' pre-emptive subscription rights are excluded will be eliminated as efficiently as possible for the Company by selling them on the stock market or in some other manner. As the exclusion applies only to fractional amounts, the dilution effects are minimal for the shareholders.

After considering all relevant factors - including the dilution effects arising to the detriment of the shareholders - the Management Board considers the exclusion of the shareholders' pre-emptive subscription rights in the aforementioned cases to be objectively justified and equitable for the shareholders. The Management Board will in any case consider the individual circumstances carefully before deciding whether to make use of this authorisation. It may only make use of these possibilities if it takes the view that this is in the best interests of the Company and, therefore, of its shareholders and is reasonable and appropriate.

The Management Board will notify the shareholders at the next annual general meeting whenever it makes use of such authorisation.

### **III.**

#### **Item 7 of the Agenda (elections to the Supervisory Board)**

Disclosures in accordance with Section 125 (1) Sentence 5 of the German Stock Corporation Act

The candidates proposed under Items 7 a) and b) for election to the Company's Supervisory Board hold offices in the following other statutory supervisory boards or comparable German or non-German governance bodies of corporations:

a) Dr. Hans-Jürgen Ahlbrecht

- Flaskamp Ummen AG Communications, Berlin

b) Dr. Ingo-Hans Holz

- None

Disclosures in accordance with Number 5.4.1 (4) - (6) of the GCGC

At its meeting of 9 April 2014, at which the items of this agenda were approved, and in the selection of the candidates proposed under Item 7 of this agenda, which had previously been prepared by the nomination committee, the Supervisory Board examined their personal and business relations with the Company, its governance bodies and its principal shareholders. The Supervisory Board satisfied itself that there were no personal or business relations between the proposed candidates on the one hand and the Company, its governance bodies and its principal shareholders on the other hand which are of objectively material significance for a shareholder in his or her voting decision.

#### **IV. Further information**

##### **1. Total number of shares and voting rights**

As of the date of the invitation to the annual general meeting, the Company's share capital stands at EUR 131,298,317.00. It is divided into 131,298,317 shares with the same number of voting rights. As of the date of this invitation, the Company does not hold any treasury stock.

##### **2. Conditions for participation and exercising voting rights**

Only shareholders who have registered prior to the annual general meeting and have furnished proof of eligibility may take part in the annual general meeting and exercise their voting rights. Proof of eligibility shall be furnished in the form of confirmation issued by the bank at which the securities account is held. Proof of shares not held on a collective basis may also be provided in the form of a certificate issued by the Company, a notary or a bank within the European Union upon the shares being lodged with the Company or such bank or notary. Such proof is to apply as of the beginning of 23 May 2014 (0:00 hours). The registration form and proof of eligibility must be lodged with the Company in text form in the German or English language by no later than 6 June 2014 (24:00 hours) at the following address:

Bankhaus Gebr. Martin AG  
Kirchstraße 35  
73033 Göppingen

Telefax: +49 (0)7161 - 969317  
E-Mail: bgross@martinbank.de

### **3. Significance of the date of proof**

For the purpose of relations with the Company, only those persons who have provided proof that they hold shares in the Company's share capital may attend the shareholder meeting and exercise voting rights. Entitlement to attend the shareholder meeting and the extent to which voting rights may be exercised shall be determined solely on the basis of the shares held by the shareholder on the date of proof. The date of proof does not entail any block on the sale of the shares. Notwithstanding the fact that the shares may have been sold in full or in part after the date of proof, the shares held by the shareholder on the date of proof are solely decisive for determining his eligibility to attend the annual general meeting and the scope of the voting rights accruing to him. In other words, the sale of shares after the date of proof does not have any effect on eligibility to attend the annual general meeting and the scope of the voting rights. This applies equally if shares are acquired after the date of proof. Persons who do not own any shares on the date of proof and acquire them only at a later date are only eligible to attend the annual general meeting and exercise voting rights if they are duly authorised to do so. The date of proof does not have any relevance for determining dividend entitlement.

### **4. Procedure for proxy voting**

Shareholders may also vote by proxy at the annual general meeting by authorising an agent such as a bank, a shareholder association or any other person of their choice to exercise their voting rights on their behalf. If a shareholder authorises more than one person to represent him, the Company may reject one or more of these.

Proxies, the revocation of proxies and proof of authorisation must be served on the Company in text form. If a bank or equivalent entity as defined Section 135 (10) of the German Stock Corporation Act in connection with Section 125 (5) of the German Stock Corporation Act, a shareholder association or a person coming within the definition contained in Section 135 (8) of the German Stock Corporation Act are designated as a voting proxy, alternative rules may apply, information on which can be obtained from such designated proxy.

The Company offers to designate a proxy, who will exercise voting rights in accordance with shareholders' specific instructions, prior to the annual general meeting. The voting proxy will exercise the voting rights solely in accordance with the instructions issued by the shareholder and is authorised to issue sub-proxies. The authorisation granted to the voting proxy designated by the Company and the voting instructions must be in text form. In the absence of any express instructions or if the instructions granted are contradictory or unclear, the voting proxy designated by the Company shall abstain from casting a vote on the item of the agenda concerned. The voting proxy designated by the Company cannot accept

instructions to address the meeting, submit objections to resolutions passed at the annual general meeting, ask questions or submit motions either before or during the annual general meeting.

Shareholders wishing to designate a proxy may use the form sent to duly registered persons together with the admission ticket. The form authorising and instructing the voting proxy designated by the Company will also be sent to shareholders together with the admission ticket to the annual general meeting. Corresponding forms are also available on the Company's web site at [www.tag-ag.com/investor-relations/hauptversammlung](http://www.tag-ag.com/investor-relations/hauptversammlung).

The grant or revocation of rights of proxy and proof that a proxy has been designated and the authorisation to exercise voting rights together with instructions for the voting proxy designated by the Company can also be served on the Company in any of the following ways:

TAG Immobilien AG  
Investor Relations  
Steckelhörn 5  
20457 Hamburg  
Telefax: +49 (0)40 380 32-446  
E-Mail: [ir@tag-ag.com](mailto:ir@tag-ag.com)

Proxies, the revocation of proxies and proof of authorisation can also be presented on the day of the annual general meeting at the admission point. The authorisation to exercise voting rights together with instructions for the voting proxy designated by the Company must reach the Company by 12 June 2014 (12:00 hours). This date applies solely to authorisation to exercise voting rights together with instructions.

The registration form and proof of eligibility to attend the annual general meeting must also be lodged within the specified period and in the specified form notwithstanding the nomination of a proxy. Subject to the aforementioned restrictions to the period in which authorisation may be granted to the voting proxy designated by the Company, this does not exclude the possibility of designating a proxy after the registration form and proof of eligibility have been lodged.

**5. Shareholders' rights in accordance with Sections 122 (2), 126 (1), 127 and 131 (1) of the German Stock Corporation Act**

Minority request for additions to the agenda in accordance with Section 122 (2) of the German Stock Corporation Act

Shareholders whose shares jointly equal one twentieth of the Company's share capital or a prorated amount of EUR 500,000 in the Company's share capital (equivalent to 500,000 shares) may in accordance with Section 122 (2) of the German Stock Corporation Act request that items be placed on the agenda and announced accordingly. Each new item must be accompanied by an explanation or a proposed motion.

Requests for additions to the agenda must be addressed to the Management Board in writing and served on the Company no later than 30 days before the date of the annual general meeting not including the date of service and the date of the annual general meeting. Accordingly, the final date for serving any such requests on the Company is 13 May 2014 (24:00 hours). No requests received after that date will be accepted.

The applicants must prove that they have held the minimum requested number of shares for at least three months prior to the date of the shareholder meeting (Section 142 (2) Sentence 2 in connection with Section 122 (1) Sentence 3 (2) Sentence 1 of the German Stock Corporation Act).

Requests for additions to the agenda must be served on the Company at the following address:

TAG Immobilien AG  
- The Management Board-  
Steckelhörn 5  
20457 Hamburg

Counter motions and voting proposals by shareholders in accordance with Sections 126 (1), 127 of the German Stock Corporation Act

Shareholders may submit to the Company counter motions for the proposals made by the Management Board and the Supervisory Board for a certain item of the agenda and submit proposals of their own for the election of the statutory auditors and members of the Supervisory Board.

Counter motions and voting proposals which are received no later than 14 days before the date of the shareholder meeting not including the date of service and the date of the shareholder meeting, i.e. those which are served on the Company by no later than 29 May 2014 (24:00 hours), and which are required to be published will be duly disclosed without delay to the other shareholders on the Internet at [www.tag-ag.com/investor-relations/hauptversammlung](http://www.tag-ag.com/investor-relations/hauptversammlung), stating the name of the shareholder and the reasons. Any comments by the management will also be published there.

In contrast to voting proposals, counter motions will only be disclosed provided that the reasons for such proposals are included.

Unlike voting proposals, counter motions must be served on the Company at the following address:

TAG Immobilien AG  
Investor Relations  
Steckelhörn 5  
20457 Hamburg  
Telefax: +49 (0)40 380 32-446  
E-Mail: [ir@tag-ag.com](mailto:ir@tag-ag.com)

Counter motions and voting proposals sent to any other address will not be accepted.



Shareholders' right to request information in accordance with Section 131 (1) of the German Stock Corporation Act

In accordance with Section 131 (1) of the German Stock Corporation Act, each shareholder is entitled to request from the Management Board information on the Company's affairs at the shareholder meeting to the extent that such information is required for a reasonable assessment of the subject matter of the agenda. This duty to provide information also includes details of the Company's legal and business relations with affiliated companies as well as the condition of the Group and the consolidated companies. As a matter of principle, requests for information made during the annual general meeting shall be oral.

With respect to Item 8 of the agenda, each shareholder may request information in accordance with Section 293g (3) of the German Stock Corporation Act on all the other party's matters of material importance for the execution of the contract.

Further information on the rights conferred on the shareholders under Section 121 (3) Sentence 3 No. 3 of the German Stock Corporation Act can be found on the Company's website at [www.tag-ag.com/investor-relations/hauptversammlung](http://www.tag-ag.com/investor-relations/hauptversammlung).

**6. Documents on shareholder meeting and information provided in accordance with Section 124a of the German Stock Corporation Act**

The documents to be made available to the shareholders as well as any other information stipulated by Section 124a of the German Stock Corporation Act will be available on the Company's website at [www.tag-ag.com/investor-relations/hauptversammlung](http://www.tag-ag.com/investor-relations/hauptversammlung) immediately after the invitation to the shareholder meeting has been served on the shareholders.

The documents to be made available are also available at the offices of TAG Immobilien AG, Steckelhörn 5, 20457 Hamburg, and during the shareholder meeting for inspection by the shareholders. On request, copies of the documents will be sent to each shareholder free of charge and without delay.

Hamburg, May 2014

**TAG Immobilien AG**

***The Management Board***