

TAG Immobilien AG
Hamburg

ISIN DE0008303504 / WKN 830350

We hereby invite our shareholders to the **134th annual general meeting** taking place at **11:00 am (CEST) on Tuesday, 16 May 2017** at Haus der Patriotischen Gesellschaft, Trostbrücke 6, 20457 Hamburg.

Overview / content of agenda items at the Annual General Meeting	page
Item 1 Submission of the annual and consolidated financial statements 2016 and other documents to the Annual General Meeting in accordance with section 176 (1) sentence 1 of the German Stock Corporation Act.	3
Item 2 Resolution on the distribution of a dividend of EUR 0.57 per share.	3
Item 3 Resolution on the discharge of the members of the Management Board for the 2016 financial year.	4
Item 4 Resolution on the discharge of the members of the Supervisory Board for the 2016 financial year.	4
Item 5 Resolution on the appointment of KPMG AG Wirtschaftsprüfungsgesellschaft as auditor for the 2017 financial year, as well as for a possible review of the condensed financial statements and the interim management report for the first half of the 2017 financial year.	4
Item 6 Resolution on the cancellation of all existing authorised capital and creation of a single new Authorized Capital 2017 for cash or capital increases of EUR 29 million (= approx. 19.8% of the share capital) by May 15, 2022, with the option of an exclusion of subscription rights in the amount of up to 10% of the capital stock used in the decision-making process, subject to reciprocal recognition of further exclusions of subscription rights.	4

<p>Item 7 Resolution on the authorization to issue convertible bonds and/or warrant-linked bonds totalling up to EUR 500 million by May 15, 2022, as well as contingent capital (Conditional Capital 2017/I) totalling up to EUR 29m (approx. 19.8% of the share capital), with the option of an exclusion of subscription rights in the amount of up to 10% of the capital stock used in the decision-making process, subject to reciprocal recognition of further exclusions of subscription rights.</p>	9
<p>Item 8 Amendments to the Articles of Incorporation to cancel all previous authorisations to issue convertible bonds and/or warrant-linked bonds and to cancel the corresponding Conditional Capitals.</p>	16
<p>Other topics</p>	
<ul style="list-style-type: none"> • Reports by the Management Board to the AGM on Item 6 und Item 7 	17
<ul style="list-style-type: none"> • Right of participation, right to vote and proxy 	23
<ul style="list-style-type: none"> • Information on the rights of shareholders pursuant to section 122 (2), section 126 (1), section 127 and section 131 (1) AktG (German Stock Corporation Act) 	25
<ul style="list-style-type: none"> • Further information and notes on the Annual General Meeting 	27

I. Agenda

1. **Presentation of the duly adopted financial statements and the approved consolidated financial statements for 2016, 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 2016.**

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 20 March 2016, 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 2016 of EUR 234,187,185.98 be allocated as follows:

Payment of a dividend of EUR 0.55 for each of the 132,501,206 shares entitled to receive a dividend for 2016:

Total:	EUR 83,470,096.05
Amount to be carried forward:	EUR 150,717,089.93
Unappropriated surplus:	EUR 234,187,185.98

In accordance with Section 58 paragraph 4 sentence 2 of the German Stock Corporation Act (AktG) in the version applicable as of 1 January 2017, the claim to the dividend becomes due on the third working day following the Annual General Meeting, i.e. on 19 May 2017.

The profit appropriation proposal is based on the number of shares entitled to a dividend for the 2016 financial year outstanding on the date on which this invitation is published. The amount applicable to non-dividend-entitled shares will be duly carried forward.

3. Resolution to ratify the actions of the Management Board for 2016

The Management Board and the Supervisory Board recommend that the shareholders pass a resolution to ratify the actions taken in 2016 by the persons who were members of the Management Board in 2016.

4. Resolution to ratify the actions of the Supervisory Board for 2016

The Management Board and the Supervisory Board recommend that the shareholders pass a resolution to ratify the actions taken in 2016 by the persons who were members of the Supervisory Board in 2016.

5. Election of auditors for the annual financial statements and consolidated financial statements for fiscal 2017

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

- a) statutory auditors of the annual financial statements and consolidated financial statements for 2017;
- b) statutory auditors to perform a review, if necessary, of the abridged financial statements and the interim management report for the first half of 2017.

6. Resolution to create new Authorised Capital 2017, to exclude the shareholders' pre-emptive subscription rights and to amend the Articles of Incorporation accordingly

In accordance with the resolution passed at the annual general meeting of 14 June 2012, the Management Board is authorised subject to the Supervisory Board's approval to increase the share capital once or repeatedly on or before 13 June 2017 on a cash and/or non-cash basis by a maximum amount of up to EUR 40,000,000.00 by issuing up to 40,000,000 no-par-value shares in the Company's capital (Authorised Capital 2012/I).

The aforementioned authorisation was utilised for a non-cash equity issue of EUR 1,809,693.00 subject to the Supervisory Board's approval in accordance with a resolution passed by the Management Board on 19 September 2012 and for a cash equity issue of EUR 30,000,000.00 subject to the Supervisory Board's approval in accordance with resolutions passed by the Management Board on 19 November 2012, 3 December 2012 and 10 December 2012. Consequently, the Company's share capital was increased by a total of EUR 31,809,693.00 on the basis of these resolutions. Accordingly, Authorised Capital 2012/I currently still stands at EUR 8,190,307.00.

In accordance with the resolution passed at the annual general meeting of 14 June 2013, the Management Board is authorised subject to the Supervisory Board's approval to increase the Company's share capital once or repeatedly on or before 13 June 2018 on a cash and/or non-cash basis by a maximum amount of up to EUR 29,000,000.00 by issuing up to

29,000,000 no-par-value shares in the Company's capital (Authorised Capital 2013/I). This authorisation has not been utilised to date.

In February 2015, March 2016 and March 2017, the Company sold a total of 13,127,178 treasury stock shares, with 9,095,124 treasury shares being placed with investors under exclusion of subscription rights in accordance with Sections 71 (1) No. 8, Sentence 5 and 186 (3) Sentence 4 of the German Stock Corporation Act. These shares count towards the equity issues provided for under the authorisation of 13 June 2013 under which the shareholders' pre-emptive subscription rights may be excluded in accordance with Sections 203 (1) and (2) and 186 (3) Sentence 4 of the German Stock Corporation Act. Therefore, at this time the Management Board no longer has an appreciable amount available for further cash equity issues subject to the simplified exclusion of the shareholders' pre-emptive subscription rights. Against this backdrop and because of the variation in the expiry dates of the authorisation resolutions passed in various years, new uniform authorised capital of EUR 29,000,000.00 (Authorised Capital 2017) is to be created. This is to ensure the Management Board's continued capacity to utilise authorised capital to the necessary extent to reinforce the Company's equity base for cash equity issues, or to make use of opportunities for acquisitions arising in the market in the future through non-cash equity issues. At EUR 29,000,000.00, the volume of the Authorised Capital 2017 being sought is to equal just under 20% of the Company's current share capital. The possibility of excluding subscription rights in capital increases from Authorised Capital 2017 shall be limited to a total of 10% of the share capital, taking into account shares which are to be issued or sold based on another authorisation subject to exclusion of shareholders' subscription rights.

The Management Board and Supervisory Board recommend that the following resolutions be passed:

a) That the authorisations granted by the Management Board to utilise authorised capital (Authorised Capital 2012/I and Authorised Capital 2013/I) approved by the Annual General Meetings of 14 June 2012 and 14 June 2013 are conditionally suspended if they have not been utilised upon entry of the proposed cancellation and revision of the Articles of Incorporation under (c) into the commercial register. Until the date on which the cancellation of Authorised Capital 2012/I and Authorised Capital 2013/I becomes effective, the Management Board and the Supervisory Board shall be entitled to utilise such authorisations within their limits, whereby any utilisation shall be charged to the subsequently agreed Authorised Capital 2017 in accordance with the following proposed resolutions under b) and c).

b) That the Management Board be authorised subject to the Supervisory Board's approval to increase the Company's share capital once or repeatedly on or before 15 May 2022 on a cash and/or non-cash basis by a maximum amount of up to EUR 29,000,000.00 by issuing up to 29,000,000 new no-par-value bearer shares ("maximum amount") in the Company's capital (Authorised Capital 2017). This maximum amount shall also include the prorated amount of the share capital attributable to

new shares that were issued after the convocation of this Annual General Meeting based on the utilisation of the authorised capitals created by the resolutions of the Annual General Meetings of 14 June 2012 ('Authorised Capital 2012/I'), and of 14 June 2013 ('Authorised Capital 2013/I').

As a matter of principle, the new shares shall be offered to the shareholders for subscription; they may also be transferred to one or more banks or one or more institutions equivalent to banks subject to the obligation that they be offered to the shareholders for subscription (indirect subscription right). However, the Management Board is authorised to exclude the shareholders' statutory subscription rights subject to the Supervisory Board's approval in the following cases:

- (a) as far as this is necessary to eliminate fractional amounts;
- (b) as far as this is necessary in the event of an offer directed at all shareholders or the issue of fresh equity subject to the shareholders' pre-emptive subscription rights in order to grant shares 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.
- (c) to acquire real estate, real estate portfolios, companies, parts of companies, equity interests in other entities or other assets (including receivables against the Company) through the issuance of shares in suitable individual cases (non-cash equity issue);
- (d) to the extent to which – in the event that the new shares are issued on a cash basis – the new shares for which the shareholders' pre-emptive subscription rights are excluded do not exceed a total of ten percent of the Company's share capital and the issue price of the new shares is not significantly lower than the price of the same class of the Company's shares within the meaning of Sections 203 (1) and (2) and 186 (3) Sentence 4 of the German Stock Corporation Act both on the date on which the authorisation takes effect as well as on the date on which it is exercised. The limit of ten percent of the share capital also includes the prorated amount of the share capital attributable to shares which are sold subject to the exclusion of the shareholders' pre-emptive subscription rights in accordance with direct, analogous or corresponding application of Section 186 (3) Sentence 4 of the German Stock Corporation Act during the term of this authorisation. The limit of ten percent of the share capital shall additionally include the prorated amount of the share capital required for the settlement of any obligations under convertible and/or option bonds issued subject to the exclusion of the shareholders' 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.

The proportionate value of the share capital attributable to the new shares for which pre-emptive subscription rights are excluded in accordance with Paragraphs (a) - (d) above may not exceed a total of 10% of the Company's share capital on both the date on which the authorisation takes effect and on the date on which it is exercised. The 10% limit mentioned above includes:

- (i) Treasury stock sold during the term of this authorisation under exclusion of subscription rights, provided they do not serve to fulfil entitlements by members of the Management Board and/or employees from employee participation programmes
- (ii) New shares issued for the settlement of liabilities under convertible bonds and/or bonds with warrants, which are issued subject to the exclusion of the shareholders' subscription rights during the term of this authorisation.

In all other matters, the Management Board acting with the Supervisory Board's approval shall make decisions on the issue of new shares, the nature of the rights attached to such shares and the conditions of such issue.

The Supervisory Board is authorised to adjust the wording of the Articles of Incorporation to reflect the share capital issue executed using authorised capital.

- c) Article 4 (10) and (11) of the Company's Articles of Incorporation shall be cancelled and Article 4 (10) of the Articles of Incorporation reworded as follows:

"The Management Board shall be authorised subject to the Supervisory Board's approval to increase the Company's share capital once or repeatedly on or before 15 May 2022 on a cash and/or non-cash basis by a maximum amount of up to EUR 29,000,000.00 by issuing up to 29,000,000 new no-par-value bearer shares ('maximum amount') in the Company's capital (Authorised Capital 2017). This maximum amount shall also include the prorated amount of the share capital attributable to new shares that were issued after April 4, 2017 based on the utilisation of the authorised capitals created by the resolutions of the Annual General Meetings of 14 June 2012 ('Authorised Capital 2012/I'), and of 14 June 2013 ('Authorised Capital 2013/I').

As a matter of principle, the new shares shall be offered to the shareholders for subscription; they may also be transferred to one or more banks or one or more institutions equivalent to banks subject to the obligation that they be offered to the shareholders for subscription (indirect subscription right). However, the Management Board is authorised to exclude the shareholders' statutory subscription rights subject to the Supervisory Board's approval in the following cases:

- (a) as far as this is necessary to eliminate fractional amounts;
- (b) as far as this is necessary in the event of an offer directed at all shareholders or the issue of fresh equity subject to the shareholders' pre-emptive subscription rights in order to grant shares 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.
- (c) to acquire real estate, real estate portfolios, companies, parts of companies, equity interests in other entities or other assets (including receivables against the Company) through the issuance of shares in suitable individual cases (non-cash equity issue);
- (d) to the extent to which - in the event that the new shares are issued on a cash basis - the new shares for which the shareholders' pre-emptive subscription rights are excluded do not exceed a total of ten percent of the Company's share capital and the issue price of the new shares is not significantly lower than the price of the same class of the Company's shares within the meaning of Sections 203 (1) and (2) and 186 (3) Sentence 4 of the German Stock Corporation Act both on the date on which the authorisation takes effect as well as on the date on which it is exercised. The limit of ten percent of the share capital also includes the prorated amount of the share capital attributable to shares which are sold subject to the exclusion of the shareholders' pre-emptive subscription rights in accordance with direct, analogous or corresponding application of Section 186 (3) Sentence 4 of the German Stock Corporation Act during the term of this authorisation. The limit of ten percent of the share capital shall additionally include the prorated amount of the share capital required for the settlement of any obligations under convertible and/or option bonds issued subject to the exclusion of the shareholders' 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.

The proportionate value of the share capital attributable to the new shares for which pre-emptive subscription rights are excluded in accordance with Paragraphs (a) - (d) above may not exceed a total of 10% of the Company's share capital on both the date on which the authorisation takes effect and on the date on which it is exercised. The 10% limit mentioned above includes:

- (i) Treasury stock sold during the term of this authorisation under exclusion of subscription rights, provided they do not serve to fulfil entitlements by members of the Management Board and/or employees from employee participation programmes
- (ii) New shares issued for the settlement of liabilities under convertible bonds and/or bonds with warrants, which are issued subject

to the exclusion of the shareholders' subscription rights during the term of this authorisation.

In all other matters, the Management Board acting with the Supervisory Board's approval shall make decisions on the issue of new shares, the nature of the rights attached to such shares and the conditions of such issue.

The Supervisory Board is authorised to adjust the wording of the Articles of Incorporation to reflect the share capital issue executed using authorised capital."

The Management Board is required pursuant to Sections 203 (2) Sentence 2 and 186 (4) Sentence 2 of the German Stock Corporation Act to submit a written report explaining the reasons for the exclusion of the pre-emptive subscription rights. The contents of such report are disclosed in Part II of this invitation to the annual general meeting.

7. Resolution to authorise the issue of convertible bonds and/or option bonds, to create new Contingent Capital 2017/I, to exclude the shareholders' pre-emptive subscription rights, and to amend the Articles of Incorporation accordingly.

At the Annual General Meeting of 14 June 2013, the Management Board was authorised under item 8 of the agenda to issue, subject to the Supervisory Board's approval, bearer convertible bonds and/or option bonds with a nominal amount of up to EUR 160,000,000.00 once or repeatedly on or before 13 June 2018. **Contingent Capital 2013/I** in the amount of EUR 13,000,000.00 was created for the settlement of the obligations arising in connection with the conversion and/or option rights.

Furthermore, at the annual general meeting of 19 June 2015, the Management Board was authorised under item 6 of the agenda to issue subject to the Supervisory Board's approval bearer convertible bonds and/or option bonds with a nominal amount of up to EUR 300,000,000.00 once or repeatedly on or before 18 June 2020. **Contingent Capital 2015/I** of EUR 29,000,000.00 was created to service the conversion and/or option rights.

In February 2015, March 2016 and March 2017, the Company sold a total of 13,127,178 treasury stock shares, with 9,095,124 treasury shares being placed with investors under exclusion of subscription rights in accordance with Sections 71 (1) No. 8, Sentence 5 and 186 (3) Sentence 4 of the German Stock Corporation Act. These shares count towards the equity issues provided for under the authorisation of 19 June 2015 in which the shareholders' pre-emptive subscription rights may be excluded under Sections 186 (3) Sentence 4 of the German Stock Corporation Act. Therefore, at this time the Management Board no longer has an appreciable amount available for further cash equity issues subject to the simplified exclusion of the shareholders' pre-emptive subscription rights. For this reason and because the authorisation of 14 June 2013 expires in 2018, a new authorisation, replacing the authorisations of 14 June 2013

and 19 June 2015, and for bonds with a maximum total nominal amount of EUR 500,000,000.00 is to be resolved, thus combining **Conditional Capital 2013/I** and **Conditional Capital 2015/I** into a new **Conditional Capital 2017/I** with a volume of EUR 29,000,000.00. The authorisations of 14 June 2013 and 19 June 2015 shall be cancelled under this resolution. The idea is to ensure that the Company continues to be able to utilise convertible and/or option bonds subject to the exclusion of shareholders' pre-emptive subscription rights to the customary extent in order to finance its business. With the exception of the duration, the volume, the number of shares, and the further restriction on the possibility of excluding shareholders' subscription rights, the authorisation is identical to the authorisation granted under item 6 of the agenda of the annual general meeting of 19 June 2015. The new Conditional Capital 2017/I will thus amount to just under 20% of the current capital stock. The possibility of excluding subscription rights when issuing bonds is to be limited to a total of 10% of the current share capital, taking into account shares issued or sold that are subject to the exclusion of the shareholders' pre-emptive subscription rights under a different authorisation.

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

a) Cancellation of authorisations

The authorisations for issuing bearer convertible bonds and/or option bonds under item 8 of the agenda of the Annual General Meeting on 14 June 2013 ('Bond Authorisation 2013'), and under item 6 of the agenda of the Annual General Meeting on 19 June 2015 ('Bond Authorisation 2015') shall be cancelled.

The above-mentioned cancellation shall come into effect on entry of the cancellation and revision of the provisions of the Articles of Incorporation for the creation of Contingent Capital 2017/I under (e) of item 7 of the agenda into the commercial register ('effective date'). Until the effective date, the Management Board and Supervisory Board shall be entitled to exercise the Bond Authorisation 2013 and Bond Authorisation 2015 within their respective limits, although in the event of it being exercised, it shall be charged to the subsequently agreed authorisation in accordance with the following proposed resolutions under (b) and c) ('Authorised Capital 2017').

Authorisation to issue convertible and/or option bonds ('COB Authorisation 2017')

aa) Nominal amount, authorisation period and number of shares

The Management Board is authorised subject to the Supervisory Board's approval to issue bearer convertible bonds and/or option bonds (collectively also known as the "bonds") for a definite or indefinite period in a total nominal amount of up to EUR 500,000,000.00 (maximum COB amount) once or repeatedly on or before 15 May 2022 and to grant the holders of the bonds conversion or option rights with respect to the Company's bearer shares accounting for a proportionate amount of up to EUR 29,000,000.00 of the Company's share capital in accordance with conversion and option bond conditions to be determined by the Management Board. This maximum amount of convertible and/or option bonds shall also include the nominal amount of any bonds issued based on the exercise of Bond Authorisation 2013 or Bond Authorisation 2015 after the convocation of this Annual General Meeting.

The bonds shall be issued in euros. They may also be issued by a directly or indirectly affiliated subsidiary of the Company; in this case, the Management Board is authorised subject to the Supervisory Board's approval to issue guarantees for the bonds on the Company's behalf and to grant the holders conversion or option rights with respect to new bearer shares to be issued by the Company.

The bonds shall be divided into partial bonds with the same rights and obligations.

bb) Conversion right and conversion obligation

If convertible bonds are issued, the holders of the partial bonds shall be entitled to convert their convertible bonds into the Company's bearer shares in accordance with the terms and conditions of issue. The swap ratio shall be determined by dividing the nominal amount of a partial bond by the fixed conversion price per bearer bond issued by the Company. The conversion ratio may also be determined by dividing the issue amount of the partial bond, if it is lower than the nominal amount, by the fixed conversion price per new bearer share issued by the Company. The swap ratio may be rounded up to a conversion ratio in full figures; in addition, an additional cash payment may also be determined. Otherwise, it may be determined that fractional amounts will be combined and/or settled in cash. The proportionate amount of the Company's share capital embodied by the Company's shares to be issued upon conversion may not exceed the nominal amount of the partial bond.

The terms and conditions of issue may also provide for a conversion and/or option duty.

cc) Option right

If option bonds are issued, one or more warrants shall be attached to each partial bond authorising the holder to subscribe to the Company's bearer shares in accordance with the applicable terms and conditions of issue. The terms and conditions of issue may stipulate that the option price may also be settled through the grant of partial bonds and, where applicable, a cash premium. The subscription ratio may be rounded up to an option ratio in full numbers. Otherwise, it may be determined that fractional amounts will be combined and/or settled in cash. The proportionate share in the Company's share capital embodied by the Company's shares to be subscribed to per partial bond may not exceed the nominal amount of the partial bond. The term of the option may not exceed the term of the option bond.

dd) Conversion/option price

The conversion or option price of the bearer shares issued by the Company shall be fixed in euros and equal at least 80 percent of the average of the closing price of the Company's stock as determined in XETRA trading (XETRA I or a comparable replacement system) at the Frankfurt stock exchange on the five trading days prior to the day on which the Management Board passes a resolution providing for the final determination of the terms and conditions of issue of the bonds. This shall not prejudice Section 9 (1) of the German Stock Corporation Act.

Notwithstanding Section 9 (1) of the German Stock Corporation Act, the conversion or option price may be reduced through the payment of a corresponding amount in cash upon exercise of the conversion or option right or settlement of the corresponding obligations or through a reduction in the additional payment on account of a non-dilution clause after the terms and conditions for the issue of the conversion and option bonds have been specified if during the conversion or option period the Company increases its share capital and, in doing so, grants its shareholders subscription rights or issues further bonds or any other options resulting in a subscription right or obligation and the holders of the conversion and option rights are not granted any subscription rights in a ratio which they would be entitled to receive after the exercise of their conversion or option rights or settlement of the conversion or option obligations. In lieu of payment in cash or a reduction in the additional payment, the swap ratio may - as far as possible - also be adjusted by dividing the nominal amount of the partial bond by the lower conversion price. The terms and conditions of the issue of conversion and/or option bonds may also provide for adjustments to the conversion and option price to preserve their value in the event of capital reductions, splits or bonus dividends and any other measures liable to dilute the value of the conversion and option rights. In addition, the Company may grant reasonable compensation in the event of early exercise of the conversion or option right. In any case, the proportionate amount of the share capital embodied by the shares issued per partial bond may not exceed the nominal value per partial bond.

ee) Grant and exclusion of shareholders' pre-emptive subscription rights

As a matter of principle, subscription rights shall be granted to the shareholders. The new shares may also be transferred to one or more banks or one or more institutions equivalent to banks subject to the obligation that they be offered to the shareholders for subscription (indirect subscription right).

However, the Management Board shall be authorised subject to the Supervisory Board's approval to exclude the shareholders' right to subscribe to the bonds provided that the issue price is not materially less than the theoretical market value of the bonds calculated in accordance with acknowledged principles of financial mathematics. In cases in which bonds are issued such that subscription rights are excluded in accordance with Section 186 (3) Sentence 4 of the German Stock Corporation Act, this authorisation to exclude the pre-emptive right of subscription shall apply only provided that the proportion attributable to the shares issued to settle the conversion and option obligations does not exceed a total of ten percent of the share capital either on the date on which this authorisation takes effect or on the date on which it is exercised. This limit of ten percent of the share capital shall include the sale of the Company's treasury stock if and to the extent that such sale occurs during the term of this authorisation pursuant to authorisation to sell the Company's treasury stock subject to the exclusion of subscription rights in accordance with Sections 71 (1) No. 8 Sentence 5 and 186 (3) Sentence 4 of the German Stock Corporation Act. In addition, this limit of ten percent of the share capital shall include the shares which are issued during the term of this authorisation pursuant to authorisation to issue new shares using the Company's authorised capital in accordance with Sections 203 (1) and (2) in connection with 186 (3) Sentence 4 of the German Stock Corporation Act subject to the exclusion of the shareholders' pre-emptive subscription rights.

The Management Board shall be additionally authorised subject to the Supervisory Board's approval to exclude the shareholders' pre-emptive subscription rights to bonds for fractional amounts and also to exclude subject to the Supervisory Board's approval these subscription rights as far as this is necessary to grant the holders of the conversion and/or option rights subscription rights to the same extent as the subscription rights to which they are entitled after the exercise of their conversion and option rights or the settlement of the conversion and/or option obligations.

In the event that bonds subject to the exclusion of the shareholders' subscription rights are issued, the Management Board shall only make use of Bond Authorisation 2017 to the extent that the conversion or option rights to shares relating to the bonds does not exceed 10% of the capital stock at the time of the entry into force of Bond Authorisation 2017 or the exercise of Bond Authorisation 2017, whichever is the lower. The 10% limit mentioned above includes:

- (i) New shares issued on the basis of authorised capital subject to the exclusion of the shareholders' subscription rights during the term of Bond Authorisation 2017;
- (ii) Treasury stock sold during the term of Bond Authorisation 2017 under exclusion of the subscription rights, insofar as it did not go to service claims of members of the Management Board and/or of employees based on employee participation programmes;
- (iii) New shares issued for the settlement of obligations arising from convertible and/or option bonds that were issued subject to the exclusion of the shareholders' subscription rights during the term of Bond Authorisation 2017.

ff) Further scope for adjustments and authorisation to determine the conditions for the issue of bonds

The terms and conditions for the issue of bonds may determine that the Company's treasury stock may also be granted in the event that the conversion and/or option rights are exercised. In addition, provision may be made for the Company to grant the beneficiaries of the conversion and/or option rights a cash settlement in lieu of the Company's treasury stock.

The Management Board shall be authorised subject to the Supervisory Board's approval to determine and modify the remaining details and terms and conditions of the issue of the bonds including but not limited to the coupon, the issue price and the term and, where applicable, in consultation with the management bodies of the subsidiaries issuing the bond.

b) Condition precedent

The above resolutions under (b) are subject to the condition precedent of the effective date having been reached.

c) Resolution creating new Contingent Capital 2017/I

The Company's share capital is to be increased by up to EUR 29,000,000 through the issue of up to 29,000,000 new no-par-value bearer shares on a contingent basis (Contingent Capital 2017/I). The issue of this contingent capital shall be used to grant shares to the holders of convertible and/or option bonds which are issued by the Company or any of its directly or indirectly affiliated subsidiaries on or before 16 June 2021 in accordance with the authorisations granted by the Annual General Meetings on 14 June 2013, 19 June 2015, and 16 May 2017.

The issue of the new shares shall be subject to the conversion and/or option price fixed in accordance with b) dd). The contingent capital shall be utilised only to the extent that the conversion and option rights

are exercised or corresponding obligations are to be settled and only if no other method of settlement is applied.

The new shares shall be dividend-entitled from the beginning of the year in which they arise. However, if the Annual General Meeting has not yet made a decision about the use of the net profit from the financial year preceding the financial year in which they arise, the new shares shall be dividend-entitled from the beginning of the financial year preceding the financial year in which they arise.

The Management Board shall be authorised to determine the further details of the contingent capital issue.

d) Amendment to the Articles of Incorporation

Article 4 (8) of the Company's Articles of Incorporation shall be cancelled and rendered null and void, while Article 4 (9) shall be reworded as follows:

“The Company's share capital shall be increased by up to EUR 29,000,000 through the issue of up to 29,000,000 new no-par bearer shares on a contingent basis (Contingent Capital 2017/I). The issue of this contingent capital shall be used to grant shares to the holders of convertible and/or option bonds which are issued by the Company or any of its directly or indirectly affiliated subsidiaries on or before 16 June 2021 in accordance with the authorisations granted the Annual General Meetings of 14 June 2013, of 19 Jun 2015, and of 16 May 2017. In each case, the new shares shall be issued at the conversion/option price to be determined in accordance with the above mentioned authorisations. The contingent capital shall be utilised only to the extent that the conversion and option rights are exercised or corresponding obligations are to be settled and only if no other method of settlement is applied. The new shares shall be dividend-entitled from the beginning of the year in which they arise. However, if the Annual General Meeting has not yet made a decision about the use of the net profit from the financial year preceding the financial year in which they arise, the new shares shall be dividend-entitled from the beginning of the financial year preceding the financial year in which they arise. The Management Board shall be authorised to determine the further details of the contingent capital issue.”

The Management Board is required pursuant to Sections 221 (4) No. 4, Sentence 2 and 186 (4) Sentence 2 of the German Stock Corporation Act to submit a written report explaining the reasons for the exclusion of the shareholders' pre-emptive subscription rights. The contents of such report are disclosed in Part II of this invitation to the annual general meeting.

8. Passing of a resolution to cancel earlier authorisations for the issuance of convertible bonds and/or option bonds and the related conditional capital – Amendments to the Articles of Association

The Annual General Meeting of 27 August 2009 had, under item 9 of the agenda, authorised the Management Board to issue, subject to the Supervisory Board's approval, bearer convertible bonds and/or option bonds with a nominal amount of up to EUR 64,000,000.00 once or repeatedly on or before 26 August 2014. **Contingent Capital 2009/I** in the amount of EUR 8,000,000.00 was created for the settlement of the obligations arising in connection with the conversion and/or option rights, of which EUR 5,566,989.00 is still unused. The authorisation is no longer effective because its term has expired. The conversion/option rights created on the basis of this authorisation no longer exist. The corresponding provision in **Section 4 (5)** is therefore to be cancelled.

Furthermore, at the Annual General Meeting of 25 June 2010, the Management Board was authorised under item 7 of the agenda to issue, subject to the Supervisory Board's approval, bearer convertible bonds and/or option bonds with a nominal amount of up to EUR 72,000,000.00, once or repeatedly, on or before 24 June 2015. **Contingent Capital 2010/I** in the amount of EUR 9,000,000.00 was created for the settlement of the obligations arising in connection with the conversion and/or option rights, of which EUR 4,474,624.00 is still unused. The authorisation is no longer effective because its term has expired. The corresponding provision in **Section 4 (6)** is therefore to be cancelled.

Furthermore, at the Annual General Meeting of 26 August 2011, the Management Board was authorised under item 8 of the agenda to issue, subject to the Supervisory Board's approval, bearer convertible bonds and/or option bonds with a nominal amount of up to EUR 150,000,000.00 once or repeatedly, on or before 25 August 2016. **Contingent Capital 2011/I** in the amount of EUR 15,000,000.00 was created for the settlement of the obligations arising in connection with the conversion and/or option rights, of which EUR 5,097,565.00 still exists. The authorisation is no longer effective due to the expiry of its term. The conversion/option rights created on the basis of this authorisation no longer exist. The corresponding provision in **Section 4 (7)** is therefore to be cancelled.

The Management Board and Supervisory Board recommend the following resolution:

Section 4 (5), (6) and (7) of the Articles of Association shall be cancelled.

II. Reports by the Management Board to the shareholders

Report by the Management Board on Item 6 of the Agenda in accordance with Sections 203 (2), Sentence 2 and 186 (4) Sentence 2 of the German Stock Corporation Act

The Management Board and the Supervisory Board propose that new Authorised Capital 2017 of EUR 29,000,000.00 be created. The current authorisations (i.e. Authorised Capital 2012/I and 2013/I), which have differing terms and a combined total value of around EUR 28.2 million, are to be replaced by the new Authorised Capital 2017 to simplify and streamline these structures. In addition, it should be noted that the Company utilised a total of 13,127,178 shares from its treasury stock on 16 March 2016, to increase its stake in TAG Colonia-Immobilien AG (formerly Colonia Real Estate AG) in 2015 and 2016, and to finance the acquisition of residential real estate, in each case subject to the exclusion of the shareholders' pre-emptive subscription rights. As these shares count towards the total equity issues for which the shareholders' pre-emptive subscription rights are excluded under the authorisations of 13 June 2013 and 19 June 2015, the Management Board no longer has an appreciable supply of shares available for the simplified issue of fresh equity subject to the exclusion of the shareholders' pre-emptive subscription rights.

With this proposed authorisation to create new authorised capital, which will equal just under 20% of the Company's share capital, the Management Board is given a flexible instrument for structuring the Company's funding. With the proposed Authorised Capital 2017, the Management Board will also be able to continue raising the capital required for the Company's ongoing development in the short term by issuing new shares and making use of favourable market conditions for covering future financial requirements without delay. In addition, the Management Board will still be able to make use of opportunities for acquisitions involving the issue of new shares to be used as currency, by way of a non-cash share capital issue.

The Management Board is to be authorised to exclude the shareholders' pre-emptive subscription rights for any fractional amounts. In this way, it will be possible to set simple and practicable subscription ratios in connection with future equity issues. Fractional amounts arise when it is not possible to distribute all new shares evenly to shareholders on account of the subscription ratio or the amount of the equity issue. Fractional amounts are of subordinate importance in the light of the total value of the equity issue. Accordingly, the disadvantages for the shareholders as a result of the exclusion of pre-emptive subscription rights for fractional amounts are negligible in the light of the procedural advantages for the Company.

In addition, the Management Board is to have the possibility of excluding the shareholders' pre-emptive subscription rights subject to the Supervisory Board's approval as far as this is necessary in the event of an offer directed at all shareholders or the issue of fresh equity subject to the shareholders' pre-emptive subscription rights in order to grant shares 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. Bonds must exhibit such protection from dilution to facilitate placement in the capital market. This protection is provided by granting the holders of bonds in connection with ensuing share capital issues a subscription right with respect to new shares equivalent to that accruing to shareholders. This ensures that holders of bonds are placed in the position which they would have if they were already shareholders. The shareholders' pre-emptive subscription rights to such shares must be excluded to ensure that the bonds receive the necessary protection from dilution. This facilitates the placement of the bonds and thus serves the shareholders' interest in ensuring an optimum financial structure for the Company. In addition, the exclusion of the shareholders' pre-emptive subscription rights in favour of the holders of bonds granting a conversion and/or option right or giving rise to a conversion and/or option obligation offers a further advantage in that, if the authorisation is utilised, the option or conversion price for the holders of existing bonds granting a conversion and/or option right or giving rise to a conversion and/or option obligation does not have to be reduced in accordance with the applicable terms and conditions for the issue of the bonds and the Company is not required to provide any other form of protection from dilution, e.g. compensation payments.

In addition, the Management Board is to be authorised to acquire real estate, real estate portfolios, companies, parts of companies, equity interests in other entities or other assets from third parties (including receivables against the Company) by issuing shares. This will substantially heighten the Management Board's flexibility in competition with others as the consideration rendered for the acquisition of business entities and interests is increasingly taking the form of shares issued by the acquiring party. Given the fact that the enterprises which are the subject of such transactions are increasingly growing in size, it is frequently not possible to provide consideration in cash form without exerting undue pressure on the Company's liquidity or raising unreasonable debt. The use of authorised capital for this purpose is contingent upon the ability to exclude subscription rights. It is only possible to issue new shares as consideration for the acquisition of real estate, real estate portfolios, companies, parts of companies, equity interests in other entities or other assets (including receivables against the Company) if the current shareholders' pre-emptive subscription rights are excluded. In such cases, the Management Board is therefore to be authorised to exclude the pre-emptive subscription rights. The price at which the new shares are utilised in this case depends on the individual circumstances. In determining the measurement ratios, the Management Board will in all cases take reasonable account of the shareholders' interests and base its decision on the Company's interests. In 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, there is no provision for a firm link with the listed price at any particular point in time so as to avoid jeopardising the results of negotiations as a result of fluctuations in the trade price.

Finally, Sections 203 (1) and (2) and 186 (3) Sentence 4 of the German Stock Corporation Act permit the exclusion of pre-emptive subscription rights in connection with a cash equity issue if the new shares for which the pre-emptive subscription rights are to be excluded do not account for more than ten percent of the Company's share capital both on the date on which the authorisation takes effect and on the date on which it is exercised and the issue price of the

new shares is not materially less than the price at which the Company's shares are trading in the stock market. In this way, the Company's management is able to make use of favourable conditions in the stock market at short notice and thus strengthen the Company's equity base to the greatest possible extent. Experience suggests that by excluding pre-emptive subscription rights it is possible to react substantially more swiftly, something which in turn results in a higher cash inflow than a comparable equity issue with subscription rights. This is due to the fact that the grant of subscription rights normally requires the preparation and publication of an issuing prospectus which must be approved by the German Federal Financial Supervisory Authority (BaFin). Moreover, if subscription rights are granted, a subscription period of at least two weeks must be observed. As a result, the Company would not be able to respond at short notice to favourable or unfavourable market conditions during the period required for preparing the issuing prospectus and submitting it for approval as well as during the subscription period, possibly impairing its ability to raise the capital required. 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, given the frequent volatility in the equities markets a market risk would arise over several days resulting in risk discounts and thus distorting market conditions. Moreover, the grant of pre-emptive subscription rights may impair the ability to successfully place an issue with third parties or give rise to additional expense due to uncertainty as to the extent to which it is exercised. In addition, access to new shareholder groups can be gained by excluding subscription rights. It should also be noted that the limit of ten percent of the Company's share capital also includes any treasury stock issued or sold by the Company in cases in which the subscription rights have also been excluded in accordance with Section 186 (3) Sentence 4 of the Stock Corporation Act. The limit of ten percent of the share capital additionally includes shares which must be issued for the settlement of any obligations under convertible or option bonds 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. The limit of ten percent of the share capital will reduce the dilution effects for the shareholders whose subscription rights have been excluded to the greatest possible extent. Given the limited size of the equity issue, the shareholders concerned can restore their share quotas by buying additional shares in the stock markets and, hence, under normal market conditions. In this case, the shareholders' financial interests are protected by the fact that the shares coming within the scope of this authorisation may only be issued at a price which is not materially lower than the price at which the Company's listed stock of the same class is trading. In addition, the Management Board is obliged to determine the value of the shares solely in the light of the interests of the Company and its shareholders.

In connection with all possibilities for excluding the shareholders' pre-emptive subscription rights, the proportionate value of the share capital attributable to the new shares for which pre-emptive subscription rights are excluded may not exceed a total of ten per cent of the Company's share capital on the date on which the authorisation takes effect as well as on the date on which it is exercised. This restriction also includes shares issued or sold on the basis of a different authorisation under exclusion of subscription rights or new shares issued for the settlement of obligations under convertible and/or option bonds issued subject to

the exclusion of the shareholders' subscription rights during the term of this authorisation. This will avoid excessive dilution of the previous shareholders' holdings.

The Management Board will consider the individual circumstances carefully before deciding whether to make use of this authorisation. It may only make use of the authorisation 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.

Report by the Management Board on Item 7 of the Agenda in accordance with Sections 221 (4), Sentence 2 and 186 (4) Sentence 2 of the German Stock Corporation Act

The Management Board and Supervisory Board propose that the authorisations granted at the annual general meeting on 14 June 2013 and the annual general meeting on 19 June 2015 be replaced by a new authorisation to issue convertible and/or option bonds so that the Company remains able to use convertible and/or option bonds subject to the exclusion of shareholders' pre-emptive subscription rights to finance its business to the customary extent in the future. With the exception of the duration, the volume, the number of shares, and the further restriction on the possibility of excluding shareholders' subscription rights, the authorisation is identical to the authorisation granted under item 6 of the agenda of the annual general meeting of 19 June 2015.

The issue of convertible and/or option bonds ("the bonds") enables capital to be raised on attractive terms. The authorisation on which a resolution is to be passed provides the Company with the necessary flexibility to issue bonds itself or via directly or indirectly affiliated subsidiaries. Bonds may be issued for a definite or indefinite period of time. The scope of the authorisation will be limited to a total nominal amount of a maximum of EUR 500,000,000.00 and entitlement to subscribe to a maximum of 29,000,000 new bearer shares issued by the Company. The authorisation will take effect upon Conditional Capital 2017/I taking effect.

The Bond Authorisation 2017 to be granted under item 7 of the agenda shall replace Bond Authorisation 2013, which is proposed for cancellation, as well as Bond Authorisation 2015. To give the Management Board the option to issue bonds during the period from the convening of this Annual General Meeting until the effective date of the Bond Authorisation 2017, Bond Authorisation 2013 and Bond Authorisation 2015 shall remain in force until Conditional Capital 2017/I comes into effect.

As a matter of principle, subscription rights will be granted to the holders of the bonds. However, the Management Board is also to be authorised subject to the Supervisory Board's approval to exclude the shareholders' pre-emptive subscription rights in accordance with Section 186 (3) Sentence 4 of the German Stock

Corporation Act provided that the shares issued to exercise the conversion and option rights and to settle the obligations arising from the conversion and option rights under the bonds do not exceed ten percent of the Company's share capital. This limit of ten percent of the share capital also includes new shares which are issued in return for cash payment during the term of this authorisation pursuant to authorisation to issue new shares using the Company's authorised capital in accordance with Section 186 (3) Sentence 4 of the German Stock Corporation Act subject to the exclusion of the shareholders' pre-emptive right of subscription. Similarly, it includes the sale of the Company's treasury stock if and to the extent that such sale occurs during the term of this authorisation pursuant to authorisation to sell the Company's treasury stock subject to the exclusion of the shareholders' pre-emptive right of subscription in accordance with Sections 71 (1) No. 8 Sentence 5 and 186 (3) Sentence 4 of the German Stock Corporation Act. This ensures that no bonds can be issued if such issue results in the shareholders' pre-emptive subscription rights being excluded for more than ten percent of the Company's share capital for no particular objective reason in analogous or corresponding application of Section 186 (3) Sentence 4 of the German Stock Corporation Act. The shareholders' voting rights will be protected in this way in accordance with the statutory evaluation provided for in Section 186 (3) Sentence 4 of the German Stock Corporation Act. Shareholders wishing to maintain their percentage share in the Company's share capital may do so by making the necessary purchases via the market and thus at standard market conditions.

With this authorisation to exclude subscription rights, the Company has the flexibility necessary to make use of favourable conditions in the capital market at short notice. This is due to the fact that the grant of subscription rights normally necessitates the preparation and publication of an issuing prospectus which must be approved by the German Federal Financial Supervisory Authority (BaFin), something which may cause considerable expense and delays. This is not the case with a private placement in which shareholders' pre-emptive subscription rights are excluded. Moreover, in contrast to the issue of bonds with subscription rights it is possible to fix the issue price immediately before the placement, thus avoiding the heightened price risk liable to occur during a subscription period. Although Section 221 (4) Sentence 2 in connection with 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, given the volatility which can be frequently observed in the capital markets a market risk would arise over several days resulting in risk discounts and thus distorting market conditions. Accordingly, the exclusion of pre-emptive subscription rights is fundamentally in the interests of both the Company and its shareholders.

If pre-emptive subscription rights are excluded, the analogous application of Section 186 (3) Sentence 4 of the German Stock Corporation Act stipulates that the issue price of the bonds must not be materially less than their theoretical market value. This aims to make suitable allowance for the shareholders' interest in avoiding dilution in the value of their shares. As the authorisation stipulates that the issue price of the bonds must not be materially less than their theoretical market value, the value of the subscription rights would be effectively zero. However, to ensure compliance with this requirement in connection with the issue of bonds, the issue price must not be materially less than the theoretical market value of the bond calculated in accordance with acknowledged principles

of financial mathematics. This protects the shareholders from the risk of the value of their shareholdings being diluted. At the same time, the exclusion of subscription rights does not result in any economic disadvantage for them.

The Management Board is to be additionally authorised subject to the Supervisory Board's approval to exclude fractional amounts from the subscription rights. Such fractional amounts may arise from the amount of the issue volume and the application of a practicable subscription ratio. The exclusion of the pre-emptive subscription rights simplifies this. Fractional amounts generally have only a small value. Moreover, the dilution effect arising from the exclusion of pre-emptive subscription rights for fractional amounts is minimal. Accordingly, the exclusion of pre-emptive subscription rights for fractional amounts will not result in any material impairment of shareholders' financial interests or voting rights.

In addition, the Management Board is to be given the option of excluding the shareholders' pre-emptive subscription rights subject to the Supervisory Board's approval in order to grant the holders of the conversion and/or option rights and of conversion and/or option obligations subscription rights to the same extent as the subscription rights to which they are entitled after the exercise of their conversion and/or option rights or settlement of the conversion and/or option obligations. This aims to prevent a situation in which in the event of authorisation being utilised the option price is reduced for the holders of existing conversion and/or option rights and/or corresponding obligations under the option and conversion terms and conditions or the Company is required to provide some other protection from dilution. As this generally permits a greater inflow of proceeds from the issue of bonds, the exclusion of subscription rights is in the interests of the Company and its shareholders. Bonds must exhibit such protection from dilution to facilitate placement in the capital market. This protection is provided by granting the holders of bonds in connection with ensuing share capital issues a subscription right with respect to new bonds equivalent to that accruing to shareholders. This ensures that holders of bonds are placed in the position which they would have if they were already shareholders. The shareholders' pre-emptive subscription rights to such bonds must be excluded to ensure that the bonds receive the necessary protection from dilution. In addition, the exclusion of the shareholders' pre-emptive subscription rights in favour of the holders of bonds granting a conversion and/or option right or giving rise to a conversion and/or option obligation offers a further advantage in that, if the authorisation is utilised, the option or conversion price for the holders of existing bonds granting a conversion and/or option right or giving rise to a conversion and/or option obligation does not have to be reduced in accordance with the applicable terms and conditions for the issue of the bonds and the Company is not required to provide any other form of protection from dilution, e.g. compensation payments.

In total, the volume of the authorisation, provided that bonds are issued under it subject to the exclusion of the shareholders' pre-emptive subscription rights, is restricted to the extent that the conversion or option rights to shares relating to the bonds to be issued may not exceed 10% of the capital stock at the time of the entry into force of Bond Authorisation 2017 or the exercise of Bond Authorisation 2017, whichever is lower. The 10% limit mentioned above includes:

- (i) New shares issued subject to the exclusion of the shareholders' pre-emptive subscription rights during the term of Bond Authorisation 2017

(ii) Treasury stock sold during the term of Bond Authorisation 2017 under exclusion of subscription rights, insofar as they do not service claims of members of the Management Board and/or employees from employee participation programmes

(iii) New shares issued for the settlement of obligations arising from convertible and/or option bonds issued subject to the exclusion of the shareholders' subscription rights during the term of Bond Authorisation 2017.

The Management Board will consider the individual circumstances carefully before deciding whether to make use of this authorisation. It may only make use of the authorisation 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.

III. 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 136,596,330.00. It is divided into 136,596,330.00 shares with the same number of voting rights. As of the date of this invitation, the Company holds treasury stock comprising 4,095,124 shares.

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. Such proof is to apply as of the beginning of 25 April 2017 (0:00 CEST) (date of proof). 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 9 May 2016 (24:00 CEST) at the following address:

Bankhaus Gebr. Martin AG
Schlossplatz 7
73033 Göppingen
Telefax: +49 (0)7161 - 969317
Email: 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.

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
c/o Better Orange IR & HV AG
Haidelweg 48
81241 München
Fax: +49 (0)89 889 690 655
Email: tag-ag@better-orange.de

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 15 May 2017 (24:00 CEST). 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 17 May 2016 (24:00 hours CEST). No requests received after that date will be accepted.

Applicants must prove that they have held the required number of shares for the statutory minimum holding period of at least 90 days prior to the day the request was received and that they will hold the shares until the Management Board resolution regarding the application, and provided the application is denied, until the court decision on the supplementary

motion. The provisions of Section 121 paragraph 7 of the German Stock Corporation Act apply accordingly (Sections 122 paragraph 2, 122 paragraph 1 sentence 3, 122 paragraph 3 and Section 70 of the German Stock Corporation Act).

Any supplements to the agenda requiring publication – provided they were not already published upon the AGM was convened – will be published immediately after receipt of the request in the Federal Gazette. They shall also be made public on the company's website at www.tag-ag.com/investor-relations/hauptversammlung, and are communicated to the shareholders.

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

The 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 (provided that they are included in the agenda).

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 1 May 2017 (24:00 CEST), 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, 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

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.

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.

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 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, April 2017

TAG Immobilien AG

The Management Board