

Convenience Translation

(The text decisive for the invitation to the Ordinary Annual General Meeting of TAG Immobilien AG is the one written in the German language.)

TAG Immobilien AG

Hamburg

ISIN DE0008303504 / WKN 830350

We hereby invite our shareholders to the **135th annual general meeting** taking place at **11:00 am (CEST) on Wednesday, 23 May 2018** at Handelskammer Hamburg, Adolphsplatz 1, 20457 Hamburg.

I.

Agenda

- 1. Presentation of the duly adopted financial statements and the approved consolidated financial statements for 2017, 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 Company's profit and the explanatory report on the disclosures made in accordance with Sections 289a (1) and 315a (1) of the German Commercial Code for 2017**

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 2018, 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 2017 of EUR 227,011,989.29 be allocated as follows:

Payment of a dividend of EUR 0.65 for each of the 146,321,650 shares entitled to receive a dividend for 2017:

Total:	EUR	95,109,072.50
Amount to be carried forward:	EUR	131,902,916.79
Unappropriated surplus:	EUR	227,011,989.29

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In accordance with Section 58 (4) Sentence 2 of the German Stock Corporation Act, the dividend will become due for payment on the third business day following the date on which the resolution is passed at the annual general meeting, i.e. on May 28, 2018.

The profit appropriation proposal is based on the number of shares entitled to a dividend for the 2017 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 2017

The Management Board and the Supervisory Board recommend that the shareholders pass a resolution to ratify the actions taken in 2017 by the persons who were members of the Management Board in 2017.

4. Resolution to ratify the actions of the Supervisory Board for 2017

The Management Board and the Supervisory Board recommend that the shareholders pass a resolution to ratify the actions taken in 2017 by the persons who were members of the Supervisory Board in 2017.

5. Election of auditors for the annual financial statements and consolidated financial statements for fiscal 2018

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 2018;
- b) statutory auditors to perform a review, if necessary, of the abridged financial statements and the interim management report for the first half of 2018.

6. Elections to the Supervisory Board

The period of office of the members of the Supervisory Board representing the shareholders expires at the end of this annual general meeting. Accordingly, elections to the Supervisory Board are required. With the exception of Dr. Hans-Jürgen Ahlbrecht, all current shareholder representatives on the Supervisory Board will be standing for re-election.

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

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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 Supervisory Board recommends that the shareholders pass a resolution to elect to the Supervisory Board as shareholder representatives

a) Rolf Elgeti, businessman, resident in Potsdam,

Chief Executive Officer of Deutsche Konsum REIT-AG and Deutsche Industrie REIT-AG

b) Lothar Lanz, businessman, resident in Munich,

Member of the Supervisory Board of Axel Springer SE and Zalando SE, among other things

c) Prof. Dr. rer. pol. Kristin Wellner, resident in Berlin,

Professor of planning and construction economics/real estate management at the Technical University of Berlin

d) Dr. Philipp K. Wagner, attorney, resident in Berlin,

Attorney at law at the law firm WAGNER Arbitration,

each for a term beginning at the end of this annual general meeting and expiring at the end 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 2022.

The proposals are based on recommendations submitted by the Nomination Committee and take account of the objectives defined by the Supervisory Board with respect to its composition and seek to comply with the profile of skills defined by the Supervisory Board for the body as a whole. The objectives and skills which the Supervisory Board has defined in accordance with Article 5.4.1 (2) and (3) of the German Corporate Governance Code in the version dated 7 February 2017 for its composition have been published in the corporate governance report, which forms part of the Company's annual report.

In proposing these candidates, the Supervisory Board has also satisfied itself that they will have sufficient time to perform their duties.

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The Supervisory Board is of the opinion that the persons referred to in Item 6. a) to d) currently do not hold any personal or business relations required to be disclosed under Article 5.4.1 of the German Corporate Governance Code with TAG Immobilien AG or its Group companies, the governance bodies of TAG Immobilien AG or a shareholder with a material interest in TAG Immobilien AG.

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

The Supervisory Board in its present composition assumes that of the candidates proposed in item 6 a) through d) of the agenda Rolf Elgeti will again be proposed for election as chairman of the Supervisory Board.

In view of this career background, Mr. Lothar Lanz holds extensive knowledge of accounting and auditing as well as particular experience with and knowledge of the national and international capital markets. The Supervisory Board considers him to be an ideal candidate for the position of Chairman of the Audit Committee.

Details of other directorships held in accordance with Section 125 (1) Sentence 5 of the German Stock Corporation Act are disclosed in **Part III** of this invitation to the annual general meeting.

Further information on the candidates referred to in item 6. a) to d), particularly their curriculum vitae, which provides information on their relevant knowledge, skills and experience, and a summary of their main duties outside their position on the Supervisory Board can be found on the Company's website at www.tag-ag.com/investor-relations/general-meeting.

7. Resolution to approve the remuneration system for the Management Board in accordance with Section 120 (4) Sentence 1 of the German Stock Corporation Act

Under Section 120 (4) of the German Stock Corporation Act, the shareholders may pass a resolution to approve the remuneration system for the members of the Management Board. This resolution does not give rise to any rights or obligations; in particular, it does not prejudice the Supervisory Board's duty to determine the remuneration of the members of the Management Board in its own responsibility. Despite this, the Company would like to give its shareholders the opportunity of voting on the remuneration system for the members of the Management Board as the system, which has been modified several times in the past, was adjusted and revised again in 2017. This reflects the amendments to the German Corporate Governance Code in 2017, which now recommends a

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multi-year, forward-looking basis for measuring variable remuneration. The revisions were approved at the Supervisory Board's meeting of 29 November 2017 and took effect on 1 January 2018.

A distinction is now drawn between

- the short-term incentive plan (STIP), which is based on changes in the financial performance indicators (increase in EPRA NAV per share, FFO I per shares and EBT per share) and provides for immediate cash payment, and
- the long-term incentive plan (LTIP), which is based on total shareholder return (TSR) over a 3-year period and is remunerated in the form of TAG shares.

In connection with the grant of the multi-year variable remuneration (LTIP), the number of TAG shares is tied to the performance of TSR over a 3-year period. For this purpose, TSR performance is measured by reference to the performance of TAG shares in a 3-year period that starts each year as well as by reference to the performance of a selected peer group during the same period. A target TSR of 30% has been set for the 3-year period to ensure that the basis for measurement remains forward-looking.

The variable cash payment under the STIP is capped at EUR 125k, while the variable share-based payment under the LTIP is capped at EUR 300k.

The adjustments to the remuneration system do not have any impact on fixed remuneration.

The remuneration system for the members of the Management Board in force since 1 January 2018, which is the subject of this resolution, is described in greater detail from page 69 of the 2017 annual report, which can also be inspected at www.tag-ag.com/investor-relations/general-meeting.

The Management Board and the Supervisory Board recommend that the shareholders pass a resolution approving the remuneration system for the Management Board described from page 69 of the 2017 annual report and taking effect from 1 January 2018.

8. Resolution to cancel Authorised Capital 2017, to create new Authorised Capital 2018, 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 16 May 2017 on item 6 of the agenda for that meeting, 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 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 no-par-value shares in the Company's capital (Authorised Capital 2017). Among other things, the Management Board was authorised subject to the Supervisory Board's approval to exclude the shareholders' pre-emptive subscription rights in accordance with the conditions for the authorisation of 16 May 2017 provided that this is capped at ten percent of the share capital (10% cap). This 10% cap additionally includes shares which are sold subject to the exclusion of the shareholders' pre-emptive subscription rights during the term of the authorisation of 16 May 2017 as well as new shares which are issued to settle obligations under convertible and/or option bonds issued during the term of this authorisation subject to the exclusion of the shareholders' pre-emptive subscription rights. The Management Board has so far not made use of this authorisation to issue new shares.

However, on 23 August 2017, the Company utilised the authorisation granted by the shareholders under item 7 of the agenda of the annual general meeting of 16 May 2017 to issue a convertible bond for EUR 262,000,000.00 subject to the exclusion of the shareholders' pre-emptive subscription rights (convertible bond 2017/2022). As the shares required to satisfy the obligations under this convertible bond 2017/2022, which also arise from the contingent capital approved under item 7 of the agenda of the annual general meeting of 16 May 2017, count towards the 10% cap for Authorised Capital 2017, the scope for issuing further shares and bonds subject to the exclusion of the shareholders' pre-emptive subscription rights has been utilised in full. Consequently, the Management Board no longer has any scope for an equity issue subject to the exclusion of the shareholders' pre-emptive subscription rights under Authorised Capital 2017.

For this reason, Authorised Capital 2017 is to be cancelled and new Authorised Capital 2018 of EUR 29,000,000.00 created. This will ensure that the Management Board is still able to make use of the Company's authorised capital sufficiently in order to strengthen its equity position. The amount of the Authorised Capital 2018 of EUR 29,000,000.00 equals

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the amount of the Authorised Capital 2017 and is this equivalent to just under 20% of the Company's current share capital. The scope for excluding the shareholders' pre-emptive subscription rights with equity issues using Authorised Capital 2018 is to be capped at a total of 10% of the Company's share capital including shares which have been issued or sold under other authorisation subject to the exclusion of the shareholders' pre-emptive subscription rights.

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

- a) The authorisation granted to the Management Board at the annual general meeting of 16 May 2017 to utilise authorised capital (Authorised Capital 2017) is cancelled to the extent that it has not been used, subject to the condition precedent of the amendment to the Company's Articles of Incorporation proposed under letter c) being duly entered in the commercial register. Until such time as the cancellation of Authorised Capital 2017 takes effect, the Management Board and the Supervisory Board may continue to use it within the scope of their authorisation. However, any utilisation will count towards the Authorised Capital 2018 described below in accordance with letters b) and c) of the following resolution.
- b) 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 22 May 2023 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 in the Company's capital (Authorised Capital 2018). This maximum amount will include the proportionate amount of the Company's share capital attributable to new shares which are issued after this annual general meeting is convened through the utilisation of the authorised capital created by the resolution passed at the annual general meeting of 16 May 2017 (Authorised Capital 2017).

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) to the extent to which this is necessary to eliminate fractional amounts,

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- (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 issue 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 cap 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 cap 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 aforementioned 10% cap shall include:

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- (i) treasury stock sold during the term of this authorisation subject to the exclusion of the shareholders' pre-emptive subscription rights unless it is used to settle claims held by members of the Management Board and/or employees under staff participation programmes, and
- (ii) new shares which are issued to settle obligations under convertible and/or option bonds issued during the term of this authorisation subject to the exclusion of the shareholders' pre-emptive subscription rights.

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) of the Articles of Association is revised as follows:

"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 22 May 2023 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 in the Company's capital (Authorised Capital 2018). This maximum amount will include the proportionate amount of the Company's share capital attributable to new shares which are issued after the 13 April 2018 through the utilisation of the authorised capital created by the resolutions passed at the annual general meeting of 16 May 2017 (Authorised Capital 2017).

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) to the extent to which 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 share-

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holders' 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 issue 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 cap 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 cap 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 aforementioned 10% cap shall include:

- (i) treasury stock sold during the term of this authorisation subject to the exclusion of the shareholders' pre-emptive subscription rights unless it is used to settle claims held by members of the Man-

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agement Board and/or employees under staff participation programmes, and

- (ii) new shares which are issued to settle obligations under convertible and/or option bonds issued during the term of this authorisation subject to the exclusion of the shareholders' pre-emptive subscription rights.

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.

9. Resolution to cancel the existing authorisation and to grant new authorisation to issue convertible and/or option bonds, to exclude the shareholders' pre-emptive subscription rights, to replace Contingent Capital 2017/I with Contingent Capital 2018/I and to amend the Articles of Incorporation accordingly

Under the resolution passed at the annual general meeting of 16 May 2017 on item 7 of the agenda of that meeting, the Management Board is authorised to issue subject to the Supervisory Board's approval bearer convertible bonds and/or option bonds (jointly referred to as the "bonds") with a nominal amount of up to EUR 500,000,000.00 once or repeatedly on or before 15 May 2022. **Contingent Capital 2017/I** of EUR 29,000,000.00 was created for the settlement of the obligations arising in connection with the conversion and/or option rights. Among other things, the Management Board was authorised subject to the Supervisory Board's approval to exclude the shareholders' right to subscribe to the bonds in accordance with the conditions on which such authorisation is contingent provided that this is capped at ten percent of the share capital.

On 23 August 2017, the Company utilised the authorisation granted by the shareholders under item 7 of the agenda of the annual general meeting of 16 May 2017 to issue a convertible bond for EUR 262,000,000.00

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subject to the exclusion of the shareholders' pre-emptive subscription rights (convertible bond 2017/2022). As the shares required to satisfy the obligations under this convertible bond 2017/2022, which also arise from Contingent Capital 2017/I, count towards the 10% cap, the scope for the issue of further bonds subject to the exclusion of the shareholders' pre-emptive subscription rights has been utilised in full. The Management Board currently does not have any scope for the issue of convertible bonds and/or option bonds subject to the exclusion of shareholders' pre-emptive subscription rights.

For this reason, the authorisation of 16 May 2017 is to be replaced with new authorisation for bonds with a maximum nominal amount of EUR 700,000,000.00 and **Contingent Capital 2017/I** replaced by **Contingent Capital 2018/I** in an amount of EUR 29,000,000.00. The authorisation of 16 May 2017 is to be cancelled under this resolution. Looking forward, the Company is to remain in a position allowing it 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. With the exception of its duration and the increase in the total nominal amount to EUR 700,000,000.00, the authorisation will be identical to the authorisation granted under item 7 of the agenda of the annual general meeting of 16 May 2017. Like Contingent Capital 2017/I, **Contingent Capital 2018/I** will thus equal an amount just under 20% of the Company's current share capital. The scope for excluding the shareholders' pre-emptive subscription rights for issues of bonds is to be capped at a total of 10% of the Company's current share capital including shares which have been issued or sold under other authorisation subject to exclusion of the shareholders' pre-emptive subscription rights.

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

a) **Cancellation of convertible bond authorisation 2017**

The authorisation granted by the resolution passed at the annual general meeting of 16 May 2017 on item 7 of the agenda of that meeting (convertible bond authorisation 2017) will be cancelled.

The aforementioned cancellation will take effect upon the amendment to the Company's Articles of Incorporation to be approved under item 9 e) of this agenda being entered in the commercial register ("effective date"). Pending the effective date, the Management Board and the Supervisory Board may continue to use the convertible bond authorisation 2017 within the scope of their authorisation. However, any utilisation will count towards the convertible bond authorisation de-

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scribed below in accordance with letters b) of the following resolution (“convertible bond resolution 2018”).

b) Authorisation to issue convertible and/or option bonds (“convertible bond authorisation 2018”)

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 “bonds”) for a definite or indefinite period in a total nominal amount of up to EUR 700,000,000.00 (“maximum amount of convertible bond”) once or repeatedly on or before 22 May 2023 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. The maximum amount of the convertible bond will include the nominal amount of bonds which have been issued after this annual general meeting has been convened using the convertible bond authorisation 2017.

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 propor-

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tionate 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

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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, dividends 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 cap 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 cap 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

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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.

If the bonds are issued subject to the exclusion of the shareholders' pre-emptive subscription rights, the Management Board will make use of the convertible bond authorisation 2018 only to the extent that the conversion and option rights tied to the bonds to be issued entails shares which do not exceed 10% of the Company's share capital as of the date on which convertible bond authorisation 2018 takes effect or is exercised, whichever amount is lower. The aforementioned 10% cap shall include:

- (i) new shares which are issued during the term of convertible bond authorisation 2018 under authorised capital subject to the exclusion of the shareholders' pre-emptive subscription rights;
- (ii) treasury stock sold during the term of the convertible bond authorisation 2018 subject to the exclusion of the shareholders' pre-emptive subscription rights unless it is used to settle claims held by members of the Management Board and/or employees under staff participation programmes, and
- (iii) new shares which are issued to settle obligations under convertible and/or option bonds issued during the term of the convertible bond authorisation 2018 subject to the exclusion of the shareholders' pre-emptive subscription rights.

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

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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.

c) Condition precedent

The aforementioned resolution b) is subject to the condition precedent of the prior occurrence of the effective date.

d) Resolution to replace Contingent Capital 2017/I with Contingent Capital 2018/I

Contingent Capital 2017/I approved at the annual general meeting of 16 May 2017 under item 7 of the agenda of that meeting will be replaced by Contingent Capital 2018/I as follows:

The Company's share capital will be increased by up to EUR 29,000,000.00 through the issue of up to 29,000,000 new no-par bearer shares on a contingent basis (Contingent Capital 2018/I). The contingent capital will 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 in accordance with the authorisation granted on 14 June 2013, 19 June 2015, 16 May 2017 or 23 May 2018.

The new shares will be issued at the conversion or option price determined in accordance with the above-mentioned authorisation resolutions. 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 will be dividend-entitled from the beginning of the year in which they arise. In derogation of this, the new shares will be dividend-entitled from the beginning of the year preceding the year in which they are issued if no resolution has been passed at the annual general meeting on the allocation of the unappropriated surplus for the year preceding the year in which the shares are issued.

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

e) Amendment to the Articles of Incorporation

Article 4 (9) of the Articles of Association is revised as follows:

“The Company’s share capital will be increased by up to EUR 29,000,000.00 through the issue of up to 29,000,000 new no-par bearer shares on a contingent basis (**Contingent Capital 2018/I**). The contingent capital will 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 in accordance with the authorisation granted on 14 June 2013, 19 June 2015, 16 May 2017 or 23 May 2018. The new shares will be issued at the conversion or option price determined in accordance with the above-mentioned authorisation resolutions. 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 will be dividend-entitled from the beginning of the year in which they arise. In derogation of this, the new shares will be dividend-entitled from the beginning of the year preceding the year in which they are issued if no resolution has been passed at the annual general meeting on the allocation of the unappropriated surplus for the year preceding the year in which the shares are issued. 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.

II.

Reports by the Management Board to the shareholders

Report by the Management Board on item 8 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 the current Authorised Capital 2017 be cancelled and that new Authorised Capital 2018 of EUR 29,000,000.00 be created. As a convertible bond for EUR 262,000,000.00 was issued in August 2017 subject to the exclusion of the shareholders' pre-emptive subscription rights and the shares or bonds issued subject to the exclusion of the shareholders' pre-emptive subscription rights count towards the cap, there is no longer any scope under the existing Authorised Capital 2017 for issuing shares subject to the exclusion of the shareholders' pre-emptive subscription rights. For this reason, new Authorised Capital 2018 is to be created in the same amount as Authorised Capital 2017 with corresponding scope for excluding 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 will obtain a flexible instrument for structuring the Company's funding. With the proposed Authorised Capital 2018, 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 arising in the market for which new shares are issued on a non-cash basis and used as an "acquisition currency".

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 share-

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holders 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

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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 cap 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 cap 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 cap

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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 percent 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. Moreover, the shares which are issued or sold under other authorisation subject to the exclusion of the shareholders' pre-emptive subscription rights or new shares which are issued to settle obligations under convertible and/or option bonds issued during the term of this authorisation subject to the exclusion of the shareholders' pre-emptive subscription rights count towards this cap. 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 9 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 authorisation granted at the annual general meeting on 16 May 2017 be replaced by new authorisation to issue convertible and/or option bonds with a maximum total nominal amount of EUR 700,000,000.00 and with conversion and/or option rights to bearer shares in the Company accounting for a total proportion of up to EUR 29,000,000.00 of the Company's share capital 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 its duration, the authorisation will be

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identical to the authorisation granted under item 7 of the agenda of the annual general meeting of 16 May 2017. 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 700,000,000.00 and entitlement to subscribe to a maximum of 29,000,000 new bearer shares issued by the Company. The authorisation will take effect upon Contingent Capital 2017/I being replaced by Contingent Capital 2018/I.

The resolution granting convertible bond authorisation 2018 to be passed under item 9 of the agenda is to replace the convertible bond authorisation 2017, which is to be cancelled. The convertible bond authorisation 2017 will remain in force until Contingent Capital 2017/I has been replaced by Contingent Capital 2018/I to enable the Management Board to issue bonds in the period starting with the date on which this annual general meeting is convened until the date on which convertible bond authorisation 2018 takes 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 cap 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.

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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 bonds 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

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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.

All in all, the scope of the authorisation used to issue bonds subject to the exclusion of the shareholders' pre-emptive subscription rights, will be limited inasmuch as the conversion and option rights tied to the bonds to be issued entail only shares which do not exceed 10% of the Company's share capital as of the date on which convertible bond authorisation 2018 takes effect or is exercised, whichever amount is lower. The 10% cap will include (i) new shares that are issued during the term of the convertible bond authorisation 2018 using authorisation capital subject to the exclusion of the shareholders' pre-emptive subscription rights, (ii) treasury stock sold during the term of the convertible bond authorisation 2018 subject to the exclusion of the shareholders' pre-emptive subscription rights unless it is used to settle claims held by members of the Management Board and/or employees under staff participation programmes, and (iii) new shares which are issued to settle obligations under convertible and/or option bonds issued during the term of the convertible bond authorisation 2018 subject to the exclusion of the shareholders' pre-emptive subscription rights.

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

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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.

Disclosures on item 6 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 6 a) and b) of the agenda for election to the Company's Supervisory Board hold directorships in the following other statutory supervisory boards or comparable German or non-German governance bodies of corporations in accordance with Section 124 (1) Sentence 5 of the German Stock Corporation Act:

a) Rolf Elgeti

- 1801 Deutsche Leibrenten AG, Frankfurt (Chairman of the Supervisory Board)
- Staramba SE, Berlin (Board of Directors)
- Laurus Property Partners, Munich (Board of Directors)

b) Lothar Lanz

- Axel Springer SE, Berlin (member of the Supervisory Board), listed on a stock exchange
- Zalando SE, Berlin (Chairman of the Supervisory Board), listed on a stock exchange
- Home 24 AG, Berlin (Chairman of the Supervisory Board)
- Bauwert AG, Bad Kötzting (Deputy Chairman of the Supervisory Board)
- Dermapharm Holding SE, Gründwald (member of the Supervisory Board since January 2018), listed on a stock exchange

c) Prof. Dr. rer. pol. Kristin Wellner

No directorships

d) Dr. Philipp K. Wagner

- Hevella Capital GmbH & Co. KGaA, Potsdam (member of the Supervisory Board)

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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 146,498,765.00. It is divided into 146,498,765 shares with the same number of voting rights. As of the date on which this meeting is convened, the Company's treasury stock comprises 177,115 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 2 May 2018 (0:00 hours 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 16 May 2018 (24:00 hours CEST) at the following address:

TAG Immobilien AG
c/o Bankhaus Gebr. Martin AG
Schlossplatz 7
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 eligibil-

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ity 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/general-meeting.

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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 Munich Germany
Telefax: +49 (0)89 889 690 655
E-Mail: 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 22 May 2018 (24:00 hours 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 500,000.00 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 22 April 2018

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(24:00 hours CEST). No requests received after that date will be accepted.

The applicants must prove that they hold a sufficient number of shares for the duration of the statutory minimum holding period of at least 90 days prior to receipt of the request, that they will hold the shares until the Management Board makes a decision on the request and that, if the request is denied, they will hold the shares pending a decision by the court on the request for an addition to the agenda. The provisions contained in Section 121 (7) of the German Stock Corporation Act will apply accordingly (Sections 122 (2), 122 (1) Sentence 3, 122 (3) and Section 70 of the German Stock Corporation Act).

Any additions to the agenda that are required to be announced but are not included in the invitation to the annual general meeting must be published in Bundesanzeiger immediately after receipt. In addition, they will be announced on the Company's website at www.tag-ag.com/investor-relations/general-meeting and 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

Shareholders may submit to the Company countermotions (including reasons) 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.

Countermotions 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 8 May 2018 (24:00 hours 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.

Convenience Translation

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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/general-meeting.

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/general-meeting 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.

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V.

Data privacy information for shareholders

In its capacity as a data controller as defined in Article 4 (7) of the General Data Protection Regulation ("GDPR"), TAG Immobilien AG processes personal data (name, address, e-mail address, number of shares held, share class, manner in which shares are held and the admission ticket number) on the basis of the data protection legislation applicable in Germany in order to allow shareholders to exercise their rights at the annual general meeting. TAG Immobilien AG is represented by its Management Board composed of Claudia Hoyer, Martin Thiel and Dr. Harboe Vaagt. You can reach us by phone on +49 (0)40 380 32 300 or e-mail at ir@tag-ag.com.

If you do not disclose this personal data yourself when you register for the annual general meeting, your custodian bank will furnish TAG Immobilien AG with this data. Your personal data is processed solely for the purposes of enabling you to take part in the annual general meeting and only to the extent required to achieve this purpose. The legal basis for processing the data is Article 6 (1) (c) of the GDPR. We process your personal data for a period of 10 years commencing with the end of the year in which the annual general meeting is held.

The service providers whose services TAG Immobilien AG utilises to organise the annual general meeting receive from TAG Immobilien AG only that personal data which they require to perform the designated services and process this data solely in accordance with TAG Immobilien AG's instructions.

If you submit any motions or countermotions for additions to the agenda of the annual general meeting, we check them for their admissibility, distribute them including details of the name of the person(s) submitting them together, where applicable, with a statement by the Company's management to the other shareholders and additionally publish this information on TAG Immobilien AG's website. Countermotions with details of your name as the person submitting them are published in the same way as the invitation to the annual general meeting.

You have the following rights with respect to the processing of your personal data: You may ask TAG Immobilien AG under Article 15 of the GDPR for information on what personal data it stores, ask for this data to be corrected in accordance with Article 16 of the GDPR or deleted in accordance with Article 17 of the GDPR, restrict the processing of your

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personal data in accordance with Article 18 of the GDPR and request in accordance with Article 20 of the GDPR that certain personal data is transferred to you or a third party whom you nominate (right to data portability).

You can exercise these rights against TAG Immobilien AG free of charge by sending a notice to the e-mail address ir@tag-ag.com or by using the following contact data:

TAG Immobilien AG
Investor Relations
Steckelhörn 5
20457 Hamburg
Telefax: +49 (0)40 380 32-446

In addition, Article 77 of the GDPR gives you the right to lodge a complaint with the competent data protection authority of the state in which you have your residence or permanent abode or the state in which TAG Immobilien AG has its registered offices.

You can reach our data protection officer at:

TAG Immobilien AG
Holger Fischer
Legal Counsel
Kreuzstraße 7 c
04103 Leipzig
E-Mail: holger.fischer@tag-ag.com

Hamburg, April 2018

TAG Immobilien AG
The Management Board