



Report of the Management Board on disclosures pursuant Art. 289 para. 4, Art. 315 para. 4 of the German Commercial Code (HGB) as at 31 December 2016 (extract from the group annual report 2016)

5. DISCLOSURES RELEVANT TO ACQUISITIONS

5.1 COMPOSITION OF SUBSCRIBED CAPITAL

As at 31 December 2016, the share capital was EUR 67,432,326.00, comprised of 67,432,326 no-par bearer shares with a value of EUR 1.00 per share. The share capital is fully paid in. There are no other share types. All shares provide the same rights and duties. Every no-par value share grants one vote in the annual general meeting. This does not include any treasury shares held by the company; these do not grant the company any rights.

5.2 MAJOR SHAREHOLDINGS

As reported in writing on 24 July 2015, the Government of Singapore Investment Corporation, Singapore, holds 13.33% of the voting rights in the company in total. The total number of voting rights on this date was 61,302,326. The number of voting rights reported to the company by the Government of Singapore Investment Corporation for 24 July 2015 would be equivalent to 12.12% of the total number of voting rights as at 31 December 2016. Please note that the last disclosed number of voting rights might since have changed within the thresholds without the shareholders being obliged to inform the company.

5.3 APPOINTMENT AND DISMISSAL OF MEMBERS OF THE MANAGEMENT BOARD AND AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Members of the Management Board are appointed and dismissed in accordance with § 84 AktG. There are no significant supplementary or deviating provisions in the Articles of Association or rules of procedure. Amendments are made to the Articles of Association in accordance with the Stock Corporation Act (AktG). There are no significant supplementary or deviating provisions in the Articles of Association or rules of procedure.

5.4 AUTHORITY OF THE MANAGEMENT BOARD TO ISSUE NEW SHARES

By resolution of the general assembly on 31 May 2016 and with the consent of the Supervisory Board, the Management Board was authorised to increase the share capital of the company by up to EUR 9,195,000.00 in exchange for cash contributions (authorised capital 2016) by issuing up to 9,195,000 new shares by 30 May 2021.

Furthermore, with the consent of the Supervisory Board the Management Board is authorised to increase the share capital of the company by up to EUR 24,521,163.00 in exchange for cash contributions and/or contributions in kind (remaining authorised capital 2014/II pursuant to the resolution of the general meeting of 22 October 2014) by issuing up to 24,521,163 new shares by 21 October 2019. The shareholders must always be granted subscription rights, although the subscription rights of the shareholders can be excluded under the conditions of the approved capital 2016 and the remaining authorised capital 2014/II.

Furthermore, the share capital has been conditionally increased by up to EUR 33,716,163.00 by the issuance of up to 33,716,163 new shares (contingent capital 2016). The contingent capital increase will enable the company to issue shares to the creditors of any convertible bonds or similar instruments that might be issued by 30 May 2021.

More details on the authorised and contingent capital can be found in the Articles of Association of the company.

5.5 AUTHORITY OF THE MANAGEMENT BOARD TO ACQUIRE AND UTILISE TREASURY SHARES

On 25 September 2014, the annual general meeting of TLG IMMOBILIEN AG authorised the Management Board to acquire treasury shares up to the value of 10% of the share capital as at the date of the resolution. This authorisation is effective until 24 September 2019. In the interests of equality, at the discretion of the Management Board the shares can be acquired on the stock exchange or by means of either a public purchase offer or a public invitation to tender sent to all shareholders.

Furthermore, the Management Board was authorised to utilise the shares acquired in this manner – subject to other conditions – as follows: (i) to withdraw shares, (ii) to resell the shares on the stock exchange, (iii) as a subscription offer to the shareholders, (iv) to sell the shares in a way other than via the stock exchange or in the form of an offer to all shareholders if the acquired shares are sold for cash at a price that is not significantly lower than the quoted price in the sense of § 186 (3) line 4 AktG.

5.6 CHANGE-OF-CONTROL CLAUSES AND COMPENSATION AGREEMENTS IN THE EVENT OF A TENDER OFFER

The main agreements of TLG IMMOBILIEN AG which are contingent on a change of control concern financing agreements. The main financing agreements of TLG IMMOBILIEN contain standard provisions in the event of a change of control. In particular, these agreements contain the obligation of TLG IMMOBILIEN AG to report the change of control to the bank and the right of the creditor to terminate the loan with immediate effect and render it payable in the event of a change of control.

The contracts of the members of the Management Board also contain provisions in the event of a change of control. If a member's contract is terminated prematurely following a change of control, that member is entitled to receive payments which meet the requirements of recommendation 4.2.3 of the German Corporate Governance Code by adhering to the settlement cap provided for by the Code.