



**Report of the Management Board on disclosures pursuant Art. 289a para. 1, Art. 315a para. 1 of the German Commercial Code (HGB) as at 31 December 2017  
(extract from the group annual report 2017)**

## 5. DISCLOSURES RELEVANT TO ACQUISITIONS

### 5.1 COMPOSITION OF SUBSCRIBED CAPITAL

As at 31 December 2017, the share capital was EUR 102,028,821.00, comprised of 102,028,821 no-par-value 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 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 on 5 December 2017, Julius Baer Group Ltd., Zurich, Switzerland, holds 5.72% of the voting rights of the company through its subsidiaries, Kairos International Sicav.

As reported on 30 November 2017, Prof. Gerhard Schmidt holds 15.13% of the voting rights of the company through his interests in the third-party companies DIC Real Estate Investments GmbH & Co. Kommanditgesellschaft auf Aktien and DIC OF RE 2 GmbH.

As reported on 13 October 2017, the Government of Singapore Investment Corporation, Singapore, holds 9.25% of the voting rights of the company through its subsidiary GIC Private Limited. On that date, the total number of voting rights was 94,611,266. The number of voting rights reported to the company by the Government of Singapore Investment Corporation as at 13 October 2017 would correspond to 8.57% of the voting rights as at 31 December 2017.

As reported on 24 May 2017, ADAR Capital Partners Ltd., Grand Cayman, Cayman Islands, holds 13.72% of the voting rights of the company through its subsidiary ADAR Macro Fund Ltd. On that date, the total number of voting rights was 74,175,558. The number of voting rights reported to the company by ADAR Capital Partners Ltd. as at 24 May 2017 would correspond to 10% of the voting rights as at 31 December 2017.

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 Sec. 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 extraordinary general meeting on 22 November 2017 and with the consent of the Supervisory Board, the Management Board is authorised to increase the share capital of the company by up to EUR 20,405,764.00 in exchange for cash contributions by issuing up to 20,405,764 new shares by 21 November 2022 (Authorised Capital 2017/II).

The shareholders must always be granted subscription rights, although under the circumstances set out for the Authorised Capital 2017/II, the subscription rights of the shareholders can be excluded.

Furthermore, the share capital has been conditionally increased by up to EUR 20,405,764.00 by the issuance of 20,405,764 new shares (Contingent Capital 2017/II). The contingent capital increase will enable the company to issue new shares to the creditors of any convertible bonds or similar instruments that might be issued by 21 November 2022.

Furthermore, the share capital was increased by up to EUR 5,000,000.00 through the issuance of up to 5,000,000 new shares (Contingent Capital 2017/III). The contingent capital increase will enable the company to provide the departing shareholders of WCM Beteiligungs- und Grundbesitz- Aktiengesellschaft with exit compensation consisting of shares in the company according to the provisions of the domination agreement concluded with WCM AG.

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 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 Sec. 186 (3) sentence 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 AG 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 exit compensation cap provided for by the Code.