

Not for distribution in the United States of America



TLG IMMOBILIEN AG

(incorporated in Germany as a stock corporation)

€400,000,000 1.375% Fixed Rate Standalone Notes due 2024

ISIN XS1713475215, Common Code 171347521 and

German Securities Code (WKN) A2G9JP

Issue Price: 99.735%

TLG IMMOBILIEN AG, with its registered office at Hausvogteiplatz 12, 10117 Berlin, Germany, and registered in the commercial register of the local court (*Amtsgericht*) of Charlottenburg, Germany, under the docket number HRB 161314 B (the “**Issuer**” or the “**Company**”, and together with its consolidated subsidiaries from time to time (including, following the Completion (as defined below), WCM Beteiligungs- und Grundbesitz-Aktiengesellschaft (“**WCM AG**”) and its consolidated subsidiaries (together, “**WCM**”) “**TLG**”), will issue notes in the aggregate principal amount of €400,000,000 due 2024 (the “**Notes**”) on November 27, 2017. The Notes will bear interest at a rate of 1.375% per year. The Issuer will pay interest on the Notes annually in arrears on November 27, commencing on November 27, 2018. The Notes, which are governed by the laws of the Federal Republic of Germany (“**Germany**”), will be issued in a denomination of €100,000 each.

The Notes will constitute direct, unconditional, unsecured and unsubordinated obligations of the Issuer, ranking *pari passu* among themselves and *pari passu* with all other unsecured and unsubordinated obligations of the Issuer, unless such obligations are accorded priority under mandatory provisions of statutory law.

Unless previously redeemed or purchased and cancelled in accordance with the terms and conditions of the Notes (the “**Terms and Conditions**”), the Notes will be redeemed at par on November 27, 2024 (the “**Maturity Date**”). The Notes may be redeemed before the Maturity Date, in whole but not in part, at their principal amount, together with accrued interest, if any, notably in the event of any change in taxation or in an event of default, see “*Terms and Conditions of the Notes—§6 Redemption—(2) Early Redemption for Reasons of Taxation*” and “*Terms and Conditions of the Notes—§10 Events of Default*”. The Issuer will have the option to redeem the Notes prior to the Maturity Date, in whole but not in part, at their principal amount, together with accrued interest, if any, and a premium, see “*Terms and Conditions of the Notes—§6 Redemption—(4) Early Redemption at the Option of the Issuer (Make-Whole)*”. If a change of control occurs, each holder of Notes (a “**Holder**”) will have the option to require the Issuer to redeem or, at the Issuer’s option, repurchase all or part of the Notes held by such Holder at 101% of the principal amount together with accrued interest, if any, see “*Terms and Conditions of the Notes—§6 Redemption—(5) Early Redemption at the Option of the Holders upon a Change of Control*”.

On issue, the Notes are expected to be rated Baa2 (stable outlook) by Moody's Investors Service Limited ("**Moody's**"). At the date of this prospectus (the "**Prospectus**"), the Issuer has a long-term issuer rating of Baa2 (stable outlook) assigned by Moody's. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency. At the date of this Prospectus, Moody's is established in the European Union, registered under Regulation (EC) no. 1060/2009 of the European Parliament and of the Council of September 16, 2009 on credit rating agencies, as amended (the "**CRA Regulation**") and included in the list of registered credit rating agencies published by the European Securities and Markets Authority on its website (www.esma.europa.eu) in accordance with the CRA Regulation.

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), and are being offered and sold in transactions outside the United States of America ("United States") to non-U.S. persons (as defined in Regulation S under the Securities Act ("Regulation S")) in reliance on Regulation S.

The Notes will initially be represented by a temporary global bearer note (the "**Temporary Global Note**"), without interest coupons. The Notes are issued in new global note form and will be delivered on or around the issue date of the Notes (*i.e.*, November 27, 2017) (the "**Issue Date**") to a common safekeeper for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking S.A., Luxembourg ("**Clearstream**", and, together with Euroclear, the "**Clearing System**"). The Temporary Global Note will be exchangeable in whole or in part for a permanent global bearer note (the "**Permanent Global Note**" and, together with the Temporary Global Note, the "**Global Notes**") without interest coupons, not earlier than 40 days after the Issue Date, upon certification as to non-U.S. beneficial ownership. The Global Notes are intended to be eligible collateral for the central banking system for the Euro (the "**Eurosystem**") monetary policy. Whether Notes are recognizable as eligible collateral for Eurosystem monetary policy and intra-day credit operations will depend upon satisfaction of the Eurosystem eligibility criteria.

Prospective investors should be aware that an investment in the Notes involves risks and that if certain risks, in particular those described under "*Risk Factors*", occur, investors may lose all or a substantial part of their investment.

This Prospectus has been prepared on the basis that all offers of Notes will be made pursuant to an exemption under Directive 2003/71/EC of the European Parliament and of the Council of November 4, 2003 on the prospectus to be published when securities are offered to the public or admitted to trading, as amended (the "**Prospectus Directive**"), from the requirement to produce a prospectus in connection with offers of securities and is therefore, for the purposes of the offering of the Notes, not a prospectus within the meaning of the Prospectus Directive. Accordingly, any person making or intending to make an offer of Notes which are the subject of the offering contemplated in this Prospectus within the European Economic Area ("**EEA**") should only do so in circumstances in which no obligation arises for the Issuer or the Joint Bookrunners to produce a prospectus for such offers. None of the Issuer or the Joint Bookrunners has authorized, nor do they authorize, any offer of Notes through any financial intermediary, other than offers made by the Joint Bookrunners which constitute the final placement of the Notes contemplated in this Prospectus.

Application has been made to the Luxembourg Stock Exchange (*Bourse de Luxembourg*) for the Notes to be listed on the official list of the Luxembourg Stock Exchange (*Bourse de Luxembourg*) and to be admitted to trading on the regulated market of the Luxembourg Stock Exchange (*Bourse de Luxembourg*) (the “**Listing**”). The regulated market of the Luxembourg Stock Exchange (*Bourse de Luxembourg*) is a regulated market for the purposes of Directive 2004/39/EC of the European Parliament and of the Council of April 21, 2004 on markets in financial instruments, as amended. Only for purposes of the Listing, this Prospectus constitutes a prospectus within the meaning of the Prospectus Directive (*i.e.*, a prospectus according to Article 5 of the Prospectus Directive). By approving a prospectus, the Commission de Surveillance du Secteur Financier (the “**CSSF**”) shall give no undertaking as to the economic and financial soundness of the operation or the quality or solvency of the Issuer pursuant to Article 7 para. 7 of the *Loi relative aux prospectus pour valeurs mobilières*.

This Prospectus does not constitute an offer to sell, or the solicitation of an offer to buy, Notes in any jurisdiction where such offer or solicitation would be unlawful. The Notes are subject to U.S. tax law requirements and may, subject to certain exceptions, not be offered, sold or delivered within the United States or to U.S. persons. For a further description of certain restrictions on the offering and the sale of Notes and on the distribution of this Prospectus, see “*Subscription and Sale—Selling Restrictions*”.

Joint Bookrunners

J.P. Morgan

Deutsche Bank

The date of this Prospectus is November 23, 2017

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RESPONSIBILITY STATEMENT

The Issuer is solely responsible for the information contained in this Prospectus. The Issuer hereby declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus for which it is responsible is, to the best of the Issuer's knowledge, in accordance with the facts and contains no omission likely to affect its import. This Prospectus should be read and understood in conjunction with all documents incorporated by reference.

NOTICE

This Prospectus should be read and construed with any supplement thereto and with any other documents incorporated by reference in relation to the Notes.

The information contained in this Prospectus has been provided by the Issuer and the other sources identified herein. To the fullest extent permitted by law, no representation or warranty is made or implied by J.P. Morgan Securities plc., London, United Kingdom ("**J.P. Morgan**"), or Deutsche Bank Aktiengesellschaft, Frankfurt am Main, Germany ("**Deutsche Bank**" and, together with J.P. Morgan, the "**Joint Bookrunners**"), or any of their respective affiliates, and neither the Joint Bookrunners nor any of their respective affiliates make any representation or warranty or accept any responsibility, as to the accuracy or completeness of the information contained in this Prospectus or for any statement purported to be made by or on behalf of the Joint Bookrunners. Investors in the Notes must solely rely on the information contained in this Prospectus.

No person has been authorized to provide any information or to make any representation concerning TLG or the Notes (other than as contained in this Prospectus) and, if provided or made, any such information or representation should not be relied upon as having been authorized by the Issuer or the Joint Bookrunners or their respective affiliates. In making an investment decision, investors must rely on their own examination of the Issuer, TLG, and the terms of the offering, including the merits and risks involved. Any decision to purchase Notes should solely be based on this Prospectus.

Any reproduction or distribution of this Prospectus, in whole or in part, and any disclosure of its contents or use of any information contained herein for any purpose other than considering an investment in the Notes is prohibited. Each offeree of the Notes, by accepting delivery of this Prospectus, agrees to the foregoing.

The Issuer has confirmed to the Joint Bookrunners that this Prospectus is true and accurate in all material respects and is not misleading; that any opinions and intentions expressed herein are honestly held and based on reasonable assumptions; that there are no other facts with respect to the Issuer, the omission of which would make this Prospectus as a whole or any statement herein or opinions or intentions expressed herein misleading in any material respect; and that all reasonable enquiries have been made to verify the foregoing.

To the fullest extent permitted by law, the Joint Bookrunners do not accept any responsibility for the contents of this Prospectus or for any other statements made or purported to be made by the Joint Bookrunners or on their behalf in connection with the Issuer or the Notes. Accordingly, the Joint Bookrunners disclaim all and any liability whether arising in tort or contract or otherwise which they might otherwise have in respect of this Prospectus or any such statement.

The Joint Bookrunners are acting exclusively for the Issuer and no other person in connection with the offering of the Notes. They will not regard any other person (whether or not such person is a recipient of this document) as their client in relation to the offering of the Notes and will not be responsible to anyone other than the Issuer for providing the protections afforded to their respective clients or for giving advice in relation to the offering or any transaction or arrangement referred to herein.

Neither the delivery of this Prospectus nor the offering, sale or delivery of Notes shall, in any circumstances, create any implication that the information contained in this Prospectus is true subsequent to the date upon which this Prospectus has been published or most recently amended or supplemented, or that there has been no adverse change in the financial position of the Issuer after the date hereof or, as the case may be, the date upon which this Prospectus has been most recently amended or supplemented or the balance sheet date of the most recent financial statements, which are deemed to be incorporated by reference or that any other information supplied in connection with the Notes is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

None of the Issuer or the Joint Bookrunners, or any of their respective affiliates, is making any representation to any offeree or purchaser of the Notes regarding the legality of an investment in the Notes by such offeree or purchaser under the laws applicable to such offeree or purchaser. Prospective investors should not construe anything in this Prospectus as legal, tax, business or financial advice. Each investor should consult with his or her own advisors as to the legal, tax, business, financial and related aspects of purchases of Notes.

This document may only be communicated, or caused to be communicated, in circumstances in which Section 21 para. 1 of the United Kingdom Financial Services and Markets Act 2000, as amended (“**FSMA**”), does not apply.

The Notes have not been and will not be registered under the Securities Act and are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to U.S. persons; see “*Subscription and Sale—Selling Restrictions*”.

The distribution of this Prospectus as well as the offering, sale, and delivery of Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer and the Joint Bookrunners to inform themselves about and to observe any such restrictions. This Prospectus does not constitute an offer of, or an invitation to purchase, any Notes in any jurisdiction in which such offer, exercise or invitation would be unlawful. None of the Issuer or the Joint Bookrunners or any of their respective affiliates accepts any legal responsibility for any violation by any person, whether or not a prospective investor, of any such restrictions.

Persons into whose possession this Prospectus comes are required by the Issuer and the Joint Bookrunners to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of this Prospectus and other offering material relating to the Notes, see “*Subscription and Sale—Selling Restrictions*”.

This Prospectus may not be used for the purpose of an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it would be unlawful to make such an offer or solicitation.

This Prospectus does not constitute an offer or an invitation to subscribe for or purchase Notes and should not be considered as a recommendation by the Issuer or the Joint Bookrunners that any recipient of this Prospectus should subscribe for, or purchase, Notes. Each recipient of this Prospectus shall be considered to have made its own investigation and appraisal of the condition (financial or otherwise) of the Issuer.

IN CONNECTION WITH THE ISSUANCE OF THE NOTES, THE JOINT BOOKRUNNERS (OR PERSONS ACTING ON BEHALF OF THE JOINT BOOKRUNNERS) MAY OVERALLOT THE NOTES OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE NOTES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, THERE IS NO ASSURANCE THAT THE JOINT BOOKRUNNERS (OR PERSONS ACTING ON BEHALF OF THE JOINT BOOKRUNNERS) WILL UNDERTAKE STABILIZATION ACTION. ANY STABILIZATION ACTION MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE TERMS OF THE OFFER OF THE NOTES IS MADE AND, IF BEGUN, MAY END AT ANY TIME, BUT MUST END NO LATER THAN THE EARLIER OF 30 DAYS AFTER THE ISSUE DATE AND 60 DAYS AFTER THE DATE OF THE ALLOTMENT OF THE NOTES. ANY STABILIZATION ACTION OR OVERALLOTMENT MUST BE CONDUCTED BY THE JOINT BOOKRUNNERS (OR PERSONS ACTING ON BEHALF OF THE JOINT BOOKRUNNERS) IN ACCORDANCE WITH ALL APPLICABLE LAWS AND REGULATIONS.

This Prospectus contains assessments of market data and information derived therefrom, which could not be obtained from any independent sources. Such information is based on the Issuer's own internal assessments and may therefore deviate from the assessments of competitors of TLG or future statistics by independent sources. As regards TLG's market positions, the Issuer's own estimations are mainly based on company data which is either derived from information by competitors or from data provided by independent research companies.

The language of this Prospectus is English, except for the Terms and Conditions and the documents incorporated by reference into this Prospectus listed in the section "*Documents incorporated by Reference*". The German text of the Terms and Conditions shall be binding and controlling; the English-language text of the Terms and Conditions shall constitute a convenience translation. The German-language documents incorporated by reference into this Prospectus listed in the section "*Documents incorporated by Reference*" have been published on the Issuer's website (www.tlg.de) and will be published on the website of the Luxembourg Stock Exchange (www.bourse.lu). The English-language versions of these documents, which are also published on the Issuer's website, are translations of the respective German-language versions and are not incorporated by reference in, and do not form part of, this Prospectus.

NOTICE TO CERTAIN EUROPEAN INVESTORS

Notice to Prospective Investors in the European Economic Area

This Prospectus has been prepared on the basis that all offers of Notes will be made pursuant to an exemption under the Prospectus Directive from the requirement to produce a prospectus in connection with offers of securities and is therefore, for the purposes of the offering of the Notes, not a prospectus within the meaning of the Prospectus Directive. Accordingly, any person making or intending to make any offer of the Notes which are the subject of the offering contemplated in this

Prospectus within the EEA should only do so in circumstances in which no obligation arises for the Issuer or the Joint Bookrunners to produce a prospectus for such offers. None of the Issuer or the Joint Bookrunners has authorized, nor do they authorize, any offer of Notes through any financial intermediary other than offers made by the Joint Bookrunners which constitute the final placement of the Notes contemplated in this Prospectus.

Notice to Prospective Investors in the United Kingdom

In the United Kingdom, this Prospectus is for distribution only to persons (i) who are investment professionals falling within Article 19 para. 5 of the FSMA, or (ii) falling within Article 49 para. 2 (a) to (d) of the FSMA (*e.g.*, high net worth companies, unincorporated associations) or (iii) other persons to whom it may be lawfully communicated in accordance with the FSMA (all such persons falling within (i) – (iii) together being referred to as “**Relevant Persons**”). This Prospectus is directed only at Relevant Persons and may not be acted on or relied on by persons who are not Relevant Persons. In the United Kingdom, any investment or investment activity to which this Prospectus relates is available only to Relevant Persons and will be engaged in only with Relevant Persons.

FORWARD-LOOKING STATEMENTS

This Prospectus contains certain forward-looking statements. A forward-looking statement is a statement that does not relate to historical facts and events. They are based on analyses or forecasts of future results and estimates of amounts not yet determinable or foreseeable. These forward-looking statements are identified by the use of terms and phrases such as “anticipates”, “believes”, “estimates”, “expects”, “intends”, “plans”, “predicts”, “projects”, “targets” and similar terms and phrases, including references and assumptions. This applies, in particular, to statements in this Prospectus containing information on the future earning capacity, plans and expectations regarding TLG’s business and management, its growth and profitability, and general economic and regulatory conditions and other factors that affect it.

Forward-looking statements in this Prospectus are based on current estimates and assumptions that the Issuer makes to the best of its present knowledge. These forward-looking statements are subject to risks, uncertainties and other factors, which could cause actual results, including TLG’s financial condition and results of operations, to differ materially from, and be worse than, results that have expressly or implicitly been assumed or described in these forward-looking statements. TLG’s business is also subject to a number of risks and uncertainties that could cause actual developments to differ from the forward-looking statements, estimates or predictions in this Prospectus. Accordingly, investors are strongly advised to read the section “*Description of the Issuer*”. This section includes more detailed descriptions of factors that might have an impact on TLG’s business and the markets in which it operates.

In light of these risks, uncertainties and assumptions, future events described in this Prospectus may not occur. In addition, neither the Issuer nor the Joint Bookrunners assume any obligation, except as required by law, to update any forward-looking statements or to conform these forward-looking statements to actual events or developments.

SOURCES OF MARKET DATA

To the extent not otherwise indicated, the information contained in this Prospectus on the market environment, market developments, growth rates, market trends and competition in the markets in which TLG operates are based on the Issuer's assessments. These assessments, in turn, are based in part on internal observations of the market and on various market studies.

Irrespective of the assumption of responsibility for the content of this Prospectus by the Issuer, the Issuer has not independently verified the figures, market data or other information on which third parties have based their studies. Accordingly, the Issuer makes no representation or warranty as to the accuracy of any such information from third-party studies. Prospective investors should note that the Issuer's own estimates and statements of opinion and belief are not always based on studies of third parties.

TABLE OF CONTENTS

<u>Section</u>	<u>Page</u>
Overview of the Terms and Conditions of the Notes	1
Risk Factors.....	7
Market- and Business-related Risks	7
Financing Risks	19
Regulatory, Legal and Tax Risks	21
Risks related to the Takeover Offer.....	28
Risk Factors Relating to the Notes	31
Terms and Conditions of the Notes	41
Description of Rules regarding Resolutions of Holders.....	88
Overview of the SchVG	88
Individual Subjects of Resolutions	88
Relevant Majorities for Holder Resolutions	89
Procedures for Holder Resolutions.....	89
Holders' Representative	90
Description of the Issuer.....	91
General Information on the Company and the Group	91
Selected Consolidated Financial Information of TLG	94
Business.....	104
Material Agreements	119
Material Litigation.....	124
Description of the Company's Governing Bodies.....	125
Shareholder Structure	135
Takeover Offer for WCM Beteiligungs- und Grundbesitz-Aktiengesellschaft.....	136
Recent Developments and Outlook; Trend Information and No Adverse Change	138
Taxation	140
Taxation in Germany.....	140
Taxation in Luxembourg	144
The Proposed Financial Transactions Tax	145
Responsibility of the Issuer for the Withholding of Taxes at Source.....	145
Subscription and Sale	146
Subscription.....	146
Selling Restrictions.....	146

General Information	148
Notice to Prospective Investors in the European Economic Area.....	148
Notice to Prospective Investors in the United Kingdom.....	148
Interests of Natural and Legal Persons Involved in the Issue.....	148
Authorization and Issue Date.....	149
Use of Proceeds; Total Expenses of the Listing.....	149
Delivery of Notes.....	149
Costs and Expenses Relating to the Purchase of Notes.....	149
Listing and Admission to Trading of the Notes.....	149
Clearing System and Security Codes.....	149
Ratings of the Issuer and the Notes.....	150
Indication of Yield.....	150
Documents Available.....	150
Documents incorporated by Reference	151
Glossary	G-1
Names and Addresses	SIG 1

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OVERVIEW OF THE TERMS AND CONDITIONS OF THE NOTES

The following overview contains basic information about the Notes and is not intended to be complete. It does not contain all the information that is important to making a decision to invest in the Notes. For a more complete description of the Notes, please refer to the section “Terms and Conditions of the Notes” of this Prospectus. For more information on the Issuer, its business and financial condition and results of operations, please refer to the section “Description of the Issuer” of this Prospectus. Terms used in this overview and not otherwise defined herein shall have the meaning ascribed to them in the Terms and Conditions.

Issuer	TLG IMMOBILIEN AG, with its registered office at Hausvogteiplatz 12, 10117 Berlin, Germany, and registered in the commercial register of the local court (<i>Amtsgericht</i>) of Charlottenburg, Germany, under the docket number HRB 161314 B.
Notes	Notes in the aggregate principal amount of €400,000,000 due 2024, which will bear interest at a rate of 1.375% per year. ISIN: XS1713475215 Common Code: 171347521 German Securities Code (<i>WKN</i>): A2G9JP
Joint Bookrunners	J.P. Morgan and Deutsche Bank.
Paying Agent	Citibank, N.A., London Branch (the “ Paying Agent ”).
Aggregate Principal Amount	€400,000,000
Issue Price	99.735%
Issue Date	November 27, 2017
Maturity Date	November 27, 2024
Specified Denomination	€100,000
Form of Notes	The Notes will initially be represented by the Temporary Global Note, without interest coupons. The Notes are issued in new global note form and will be delivered on or around the Issue Date of the Notes (<i>i.e.</i> , November 27, 2017) to a common safekeeper for Euroclear and Clearstream. The Temporary Global Note will be exchangeable in whole or in part for the Permanent Global Note without interest coupons, not earlier than 40 days after the Issue Date, upon certification as to non-U.S. beneficial ownership.

Status of the Notes	The obligations under the Notes constitute direct, unconditional, unsecured and unsubordinated obligations of the Issuer ranking <i>pari passu</i> among themselves and <i>pari passu</i> with all other unsecured and unsubordinated obligations of the Issuer, unless such obligations are accorded priority under mandatory provisions of statutory law.
Interest on the Notes	The Notes shall bear interest on their principal amount at the rate of 1.375% per annum from (and including) the Issue Date to (but excluding) the Maturity Date. Interest shall be payable annually in arrears on November 27. The first payment of interest shall be made on November 27, 2018.
Maturity	Unless previously redeemed in whole or in part or purchased and cancelled, the Notes shall be redeemed at their principal amount on November 27, 2024.
Early Redemption for Reasons of Taxation	If as a result of any change in, or amendment to, the laws or regulations of Germany affecting taxation or the obligation to pay duties of any kind, or any change in, or amendment to, an official interpretation or application of such laws or regulations, which amendment or change becomes effective on or after the date on which the Notes were issued, the Issuer is required to pay Additional Amounts on the next succeeding interest payment date, and this obligation cannot be avoided by measures available to the Issuer which are, in the judgement of the Issuer, in each case taking into account the interests of Holders, reasonable, the Notes may be redeemed, in whole but not in part, at the option of the Issuer, at any time upon not less than 45 days' nor more than 60 days' prior notice at the principal amount, together with interest accrued up to (but excluding) the date fixed for redemption.
Early Redemption at the Option of the Holders upon a Change of Control	If a Change of Control occurs after the Issue Date, each Holder has the right, but not the obligation, to require the Issuer to redeem or, at the Issuer's option, purchase (or procure the purchase of) in whole or in part his Notes, within 60 days from when such Change of Control has been announced in accordance with the Terms and Conditions.

**Redemption at the
Option of the Issuer**

Pursuant to the Terms and Conditions, a change of control shall be deemed to have occurred at each time (whether or not approved by the Issuer's management board (the "**Management Board**") or the Issuer's supervisory board (the "**Supervisory Board**")) that any person(s) acting in concert, or any person(s) acting on behalf of any such person(s), at any time directly or indirectly acquire(s) or come(s) to own (i) 30% or more of the registered share capital of the Issuer or (ii) such number of shares in the capital of the Issuer carrying 30% or more of the voting rights.

The Issuer may, upon giving not less than 45 nor more than 60 days' notice, redeem at its option all of the Notes (except for any Note which is the subject of the prior exercise by the Holder thereof of the option for early redemption upon a Change of Control) at the higher of (i) the principal amount per Note and (ii) the Make-Whole Amount per Note, in each case together with interest accrued, if any, up to (but excluding) the date fixed for redemption. The "**Make-Whole Amount**" will be an amount calculated by the calculation agent 10 business days prior to the redemption by discounting the principal amount and the remaining interest payments to the Maturity Date on an annual basis, assuming a 365-day year or a 366-day year, as the case may be, and the actual number of days elapsed in such year and using the Bund Rate plus 25 basis points ("**BP**").

Within three months prior to the Maturity Date, the Issuer may, upon giving not less than 30 nor more than 60 days' notice, redeem all or some of the Notes (except for any Note which is the subject of the prior exercise by the Holder thereof of the option for early redemption upon a Change of Control) at the principal amount, together with accrued interest, if any, up to (but excluding) the date fixed for redemption.

If 80% or more of the aggregate principal amount of the Notes has been redeemed or purchased by the Issuer or any direct or indirect Subsidiary of the Issuer pursuant to the above provisions, the Issuer may, upon giving not less than 30 or more than 60 days' notice to the Holders, redeem at its option the remaining Notes in whole but not in part at the principal amount thereof, together with accrued interest up to (but excluding) the date of actual redemption.

Events of Default

If an Event of Default occurs and is continuing, each Holder shall be entitled, subject to a quorum requirement in certain cases, to declare due and payable its entire claims arising from the Notes and demand immediate redemption at the principal amount thereof, together with unpaid interest accrued up to (but excluding) the date of actual redemption.

Negative Pledge

The Issuer undertakes, so long as any Notes are outstanding, but only up to the time all amounts of principal and interest have been placed at the disposal of the Paying Agent, not to create or permit to subsist, and to procure that none of its material subsidiaries will create or permit to subsist, any security interest *in rem* over its assets to secure certain capital markets indebtedness, subject to certain exemptions and a basket as set forth in the Terms and Conditions.

Taxation

All amounts payable in respect of the Notes shall be paid without withholding or deduction for, or on account of, any present or future taxes or duties of whatever nature imposed or levied at the source by way of withholding or deduction by, or on behalf of, Germany or any political subdivision or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. If such withholding or deduction with respect to amounts payable in respect of the Notes is required by law, the Issuer will pay such additional amounts as shall be necessary in order that the net amounts received by the Holders, after such withholding or deduction, shall equal the respective amounts which would otherwise have been receivable in the absence of such withholding or deduction, subject to various exceptions set forth in the Terms and Conditions.

German Act on Issues of Debt Securities (*Gesetz über Schuldverschreibungen aus Gesamtemissionen*)

The Notes will be subject to the German Act on Issues of Debt Securities (*Gesetz über Schuldverschreibungen aus Gesamtemissionen* (“**SchVG**”)), which, *inter alia*, allows the Issuer to amend the Terms and Conditions with the consent by a majority resolution of the Holders and to appoint a joint representative (*gemeinsamer Vertreter*) of the Holders (the “ **Holders’ Representative**”) for the preservation of their rights.

Governing Law

The Notes will be governed by German law.

Jurisdiction

Subject to any mandatory jurisdiction for specific proceedings under the SchVG, the district court of Frankfurt am Main shall have non-exclusive jurisdiction for any action or other legal proceedings arising out of or in connection with the Notes.

Listing and admission to trading	Application has been made to the Luxembourg Stock Exchange (<i>Bourse de Luxembourg</i>) for the Notes to be listed on the official list of the Luxembourg Stock Exchange (<i>Bourse de Luxembourg</i>) and to be admitted to trading on the regulated market of the Luxembourg Stock Exchange (<i>Bourse de Luxembourg</i>). The regulated market of the Luxembourg Stock Exchange (<i>Bourse de Luxembourg</i>) is a regulated market for the purposes of Directive 2004/39/EC of the European Parliament and of the Council of April 21, 2004 on markets in financial instruments, as amended.
Selling Restrictions	The offer and the sale of the Notes and the distribution of offering materials are subject to specific restrictions. The relevant restrictions are set out under “ <i>Subscription and Sale—Selling Restrictions</i> ” of this Prospectus.
Clearing and Settlement	The Notes will be accepted for clearing through Euroclear and Clearstream.
Risk Factors	Investing in the Notes involves risks. Investors should carefully consider the information under “ <i>Risk Factors</i> ” relating to the Notes and the Issuer set forth on pages 7 <i>et seq.</i> of this Prospectus.

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RISK FACTORS

Below is a description of risk factors that are material for the assessment of the market risk associated with the Notes and risks the occurrence of which may affect the ability of the Issuer to fulfil its obligations under the Notes. Any of these risks could have a material adverse effect on the net assets, financial condition, results of operations and cash flows of TLG. The market price of the Notes could decline due to any of these risks, and investors could lose all or part of their investments. Potential investors should carefully consider the specific risk factors outlined below in addition to all other information in this Prospectus and consult with their own professional advisors should they deem it necessary before deciding upon a purchase of Notes.

The following risks, alone or together with additional risks and uncertainties not currently known to the Issuer, or that the Issuer might currently deem immaterial, could materially adversely affect TLG's business, net assets, financial condition, results of operations and cash flows. The order in which the risks are presented is not an indication of the likelihood of the risks actually materializing or the significance or degree of the risks or the scope of any potential harm to TLG's business, net assets, financial condition, results of operations or cash flows. In addition, investors should bear in mind that several of these risks may occur simultaneously and thus, possibly together with other circumstances, have a stronger impact.

Words and terms that are defined in the Terms and Conditions below or elsewhere in this Prospectus have the same meaning in this section "Risk Factors".

Potential investors should, inter alia, consider the following:

Market- and Business-related Risks

TLG could be adversely affected by negative developments in the German economy and commercial real estate markets.

TLG is active in the German commercial real estate markets, focusing on retail and office properties and, to a lesser extent, also hotel properties. All of TLG's properties are located in Germany, with the majority currently being located in Berlin, Hesse and eastern Germany.

Commercial real estate markets are susceptible to changes in the overall economy, and therefore volatile. Thus, factors that directly or indirectly affect the overall economy also impact supply and demand for commercial real estate and thereby influence market prices of commercial real estate, rent levels and vacancy rates. TLG's business is therefore highly dependent on macroeconomic and political developments, including changes in legislation, as well as other general trends affecting Germany. As an export-driven economy, Germany itself is affected by the development of the world economy in general and the Eurozone in particular.

At the moment, numerous factors are contributing to the considerable uncertainty concerning the economic situation going forward. In the United States, the future agenda of the new president and whether he will be able to successfully implement it remain uncertain. In Europe, potential future changes to monetary policy, renewed doubts about the future of the Eurozone (as well as questions about the European Union more generally in the wake of the United Kingdom's "Brexit" referendum and currently stalling negotiations with the European Union), political uncertainty arising from populist movements, insufficient deleveraging in the private and public sectors, a halt in implementing structural and financial reforms, ongoing effects of, and proceedings related to, the subprime mortgage crisis and an elevated level of political uncertainty, in particular following recent federal elections in Germany, could adversely affect TLG's operations. Should an economic contraction or a protracted period of stagnation occur, monetary policymakers in Europe and the United States have few tools left to combat these developments.

One of the tools used to support economic development in the past was a lowering of interest rates. While low interest rates have generally not led to the desired levels of inflation, they have benefitted the Eurozone economies and supported demand for real estate, including commercial real estate, particularly as a result of the availability of inexpensive financing. The benign interest rate environment has also had a positive impact on real estate valuations, as it tends to result in an increase of the value of future cash flows. Should the overall economy growth accelerate, particularly if this growth leads to tightening in the labor market, the European Central Bank could become more vigilant with regards to inflationary pressures and begin a cycle of monetary tightening, including through progressive increases in base interest rates. This process is already underway in the United States and interest rate increases in the United States may put additional pressure on the European Central Bank to tighten its monetary policy. In the event that interest rates were to increase significantly in future periods, the value of commercial real estate could be adversely affected due to increases in the discount rate and a reduction in the availability of attractive financing options. Any such decline in the value of, or demand for, commercial real estate would generally also have an adverse effect on TLG.

While the long-term nature of many of TLG's lease agreements provides some protection against a general decline in rent levels, it may also prevent TLG from increasing its rental income in line with rental growth in the overall commercial real estate market if rent levels were to rise.

Macroeconomic and political developments and other general trends in Germany could have a material adverse effect on TLG's business, net assets, financial condition, results of operations or cash flows.

TLG could be adversely affected by a deterioration of the economic conditions and business environment in its key markets, in particular, negative demographic trends.

Based on aggregate portfolio value as of September 30, 2017, the majority of the aggregate portfolio of the combined group of TLG and WCM (prior to Completion together, the "**Combined Group**") was located in Berlin (32.0%), eastern Germany (44.0%), and Hesse, (16.8%), in particular in Frankfurt am Main. Regional economic and political developments, as well as other trends in these regions therefore have a significant impact on the demand for TLG's commercial real estate and the rents that it is, and will be, able to achieve, as well as on the valuation of its properties. Such local developments may differ considerably from overall developments in Germany.

For example, eastern Germany's regional centers lagged behind western Germany's in terms of absolute economic performance and consumer purchasing power in the past. While some cities and regions in eastern Germany have seen decreasing unemployment rates and growing purchasing power in recent years, there is no guarantee that this trend will continue. In addition, negative demographic trends could lead to a decline in population levels in eastern German cities and regions, particularly among younger segments of the active working population, which could reduce demand for commercial real estate, and thereby adversely affect rental income for TLG's properties in eastern Germany. By comparison, Frankfurt am Main has benefited from positive demographic developments in recent years, but has traditionally seen comparably high vacancy rates. If vacancy rates in the Frankfurt market were to increase further, this could adversely affect rental income for TLG's properties located in Frankfurt am Main.

Negative regional economic and political developments as well as other trends in TLG's key markets could have a material adverse effect on TLG's business, net assets, financial condition, results of operations and cash flows.

TLG may not be able to implement its strategy of growing through acquisitions.

TLG constantly screens the market for assets and selective acquisition opportunities that best fit its geographic and property type focus and which it expects to provide particularly attractive long-term returns and a potential for value creation. TLG's acquisitions mainly focus on office properties located in A and B cities in Germany (*i.e.*, Germany's largest cities and larger regional cities) with favorable economic characteristics. In addition, TLG targets larger retail properties and portfolios in attractive micro-locations (*i.e.*, lack of competition within the relevant catchment area), preferably properties suitable for major food retail chains.

Acquisitions can only be completed if attractive properties or portfolios are available for purchase and if the prices for such properties and portfolios are reasonable. Given its clear focus on office, retail and, to a lesser extent, hotel properties, a large number of the available commercial real estate properties do not meet TLG's portfolio criteria. In addition, a number of factors beyond TLG's control (*e.g.*, the overall development of commercial real estate markets, building activity and planning laws) influence the availability of office, retail and hotel properties. A lack of attractive acquisition opportunities could drive up prices for the type of properties and portfolios TLG seeks to acquire. Thus, TLG may be unable to deploy its financial means in a timely manner, or at all, and might therefore be unable to achieve a satisfactory return on its capital.

Given the currently strong demand for commercial real estate in Germany, there is fierce competition for such properties and portfolios and attractive acquisition opportunities may be unavailable or available only on unfavorable terms (*e.g.*, at higher prices and lower yields). Competitors with acquisition strategies similar to TLG's may possess greater financial resources and lower costs of capital than TLG and may therefore be able to offer higher prices.

TLG intends to finance acquisitions at least partially through additional debt while generally aiming to maintain a maximum long-term net loan to value ratio (“**Net LTV**”) of 45%. The availability and terms of debt financing available to TLG depend on a number of factors, in particular, interest rate levels and the overall state of the financial markets. Rising interest rates or a market crisis could therefore limit TLG’s ability to obtain acquisition financing at acceptable terms or any financing at all. This could limit the prices that TLG is able to offer when acquiring additional properties and portfolios or prevent such acquisitions. In order to maintain its Net LTV, TLG may also seek to raise additional equity. There is no guarantee that there will be sufficient demand for new shares of the Company and thus sufficient equity to finance contemplated acquisitions may not be available.

Any inability to acquire properties or portfolios could impair TLG’s strategy to capture external growth opportunities by growing its portfolio of office, retail and hotel properties and to capitalize on economies of scale, and could thus have a material adverse effect on TLG’s business, net assets, financial condition, results of operations or cash flows.

TLG may be unable to identify all risks associated with properties or portfolios it acquires and may overestimate the value and/or financial performance of such acquisitions, in particular with regard to potential acquisitions in western Germany.

TLG generally conducts a thorough due diligence investigation of properties and portfolios it intends to acquire. Due to a need for quick reaction to attractive opportunities and constraints imposed by the sellers, TLG may, however, in some cases only be able to conduct a limited due diligence investigation. Accordingly, TLG may not always be in a position to examine all risks associated with acquisitions. For example, TLG may not be able to assess whether the original owners of the properties (and their successors, if any) have obtained, maintained or renewed all required permits, satisfied all permit conditions, received all necessary licenses, as well as fire and safety certificates and satisfied all other requirements. In addition, the properties may suffer from hidden defects or damages. Moreover, TLG may not be in a position to carry out all follow-up investigations, inspections and appraisals (or to obtain the results of such inquiries). Accordingly, in the course of the acquisition of properties or portfolios, specific risks may not be, or might not have been, recognized, evaluated and addressed correctly. Legal and/or economic liabilities may be, or might have been, overlooked or misjudged. In particular, real estate transfer tax (*Grunderwerbsteuer* (“**RETT**”)) may inadvertently be, or have been, triggered in the course of such acquisitions of real estate.

Although sellers typically make various warranties in the purchase agreements that TLG enters into in connection with acquisitions of real estate, these warranties may not cover all risks or fail to sufficiently cover such risks. In addition, warranty claims may be unenforceable due to a seller’s insolvency or for other reasons. In some cases, a seller may make no representation or warranty as to the sufficiency and correctness of the information made available in the context of a due diligence investigation, or as to whether such information remains correct between the conclusion of the due diligence investigation and the closing of the respective acquisition.

Furthermore, TLG could overestimate the earnings potential and potential synergies from acquisitions, in particular in the case of acquisitions of portfolios, underestimate the rental and cost risks, including expected demand from tenants for the respective property or portfolio, and consequently pay a purchase price that exceeds a property's or portfolio's actual value. In addition, properties and portfolios could be inaccurately appraised for other reasons, even if TLG were to acquire them on the basis of valuation reports and due diligence investigations. Therefore, neither a particular cash flow from rentals, nor, if applicable, a certain price upon resale can be guaranteed with respect to acquired properties and portfolios.

Any failure to assess the value and risks associated with properties or portfolios it acquires could have a material adverse effect on TLG's business, net assets, financial condition, results of operations or cash flows.

Increasing competition in the German commercial real estate markets could lead to falling rent levels or a compression of yields.

TLG is exposed to competition in all aspects of its real estate business (*i.e.*, the purchase, modernization, development, letting and sale of real estate). Such competition in the real estate market may cause an oversupply of real estate available for rent, especially of office properties, resulting in competition for tenants and decreasing rents, and have a material adverse effect on TLG's ability to find and retain suitable and solvent tenants and to achieve appropriate rents.

Competition for tenants in the German real estate market is already significant and constantly increases. TLG faces competition from local and international real estate companies in all of the regions where it is active. TLG competes with other real estate companies, as well as investment funds, institutional investors, building contractors and individual owners of properties to attract and retain suitable tenants on favorable conditions. Competitors may be able to offer tenants newer and more cost-efficient buildings at attractive prices, any of which could reduce TLG's ability to attract or retain suitable tenants (see also "*TLG may be unable to find or retain suitable and solvent tenants on acceptable terms and existing tenants may be unable to meet their payment obligations. Vacancies may also prevent TLG from passing on fixed operating costs to tenants.*").

The occurrence of any one or more of the aforementioned risks could have a material adverse effect on TLG's business, net assets, financial condition, results of operations or cash flows.

TLG may face risks related to development activities and development activities intended in the future may not be possible.

While TLG does not currently engage in any significant development activities, it has retained the experience and capacity for value-enhancing developments and may choose to do so selectively if it can identify attractive opportunities within the current portfolio. Such developments, which are typically long-term in nature, would involve numerous risks, including cost overruns, which may result in projects becoming unprofitable, and changes in the economic environment, which may lead to insolvencies among the subcontractors on which TLG depends for such projects or may make it difficult or impossible to fully lease projects upon completion.

Furthermore, the ability to develop or modernize certain properties depends on the land-use regulation applicable to the respective property, in particular local development plans (*Bebauungspläne*). For example, the relevant planning rules applicable to the office property located on Alexanderstraße 1, 3, 5, as well as the neighboring food service property in Karl-Liebknecht-Straße 30 in Berlin currently allow for an increase of the overall building size from approximately 50,550 square meters to up to 149,572 square meters. TLG has secured this building right through a preliminary building permit (*Bauvorbescheid*) until 2019. However, local agencies and their respective political authorities might attempt to influence the nature and extent of future buildings during the permit process. In this case, TLG may be unable to realize or fully realize the potential of this location, which would affect the rental income generated through a potential development and may therefore affect the economic viability of such developments.

Any unplanned costs associated with developments and an inability to seize attractive development opportunities could have a material adverse effect on TLG's business, net assets, financial condition, results of operations or cash flows.

TLG could be subject to liability claims in connection with sold properties.

In recent years, TLG and WCM have sold a large number of properties and TLG plans to continue to sell properties from its existing portfolio. In connection with property sales, the seller is usually required to make representations, warranties and negative declarations of knowledge to the purchaser with respect to characteristics of the sold property. The potential liability resulting therefrom usually continues to exist for a period of several years after the sale. TLG could be subject to claims for damages from purchasers, who could assert that the seller has failed to meet its obligations, or that its representations were incorrect. Furthermore, TLG could become involved in legal disputes or litigation over such claims. If TLG as the seller has provided warranties to a purchaser of properties in connection with maintenance and modernization measures, and claims are asserted against TLG because of defects, TLG may be unable to take recourse against the companies that performed the work.

As a seller of properties, TLG may be liable to tenants for breaches of lease agreements by the purchaser, even where TLG no longer has control over the respective property. When selling properties, TLG typically informs all tenants in writing of the change in landlord, either alone or together with the purchaser in order to be released from persisting obligations. A release from liability does not apply to security deposits (*Mietsicherheiten*) provided by the tenants. If a tenant is unable to receive its security deposit from the purchaser of a property, the liability to repay such security deposit remains with TLG as the seller.

Liabilities for properties that TLG and WCM have sold in the past or may sell in the future could have a material adverse effect on TLG's business, net assets, financial condition, results of operations or cash flows.

TLG's portfolio bears certain concentration risks. Long-term socioeconomic trends could adversely affect demand for TLG's office, retail and hotel properties, or negatively affect TLG's major tenants and its most valuable properties.

TLG faces concentration risks due to its focus on certain types of commercial real estate and its dependency on a limited number of main tenants and individual properties with particularly high property values. As of September 30, 2017, a significant portion of the properties in the Combined Group's portfolio comprised office (48.2% of the Combined Group's properties in terms of aggregate portfolio value), retail (41.5% of the Combined Group's properties in terms of aggregate portfolio value) and hotel properties (8.8% of the Combined Group's properties in terms of aggregate portfolio value). For retail properties, TLG focusses on food anchored retail properties. Demand for office, retail and hotel properties is not only affected by the overall development of commercial real estate markets but also by business developments and long-term socioeconomic trends affecting existing and potential tenants for these types of properties. Such developments include:

- an ongoing consolidation within the food retail sector, an increase of food purchases via internet, including online food delivery services, and trends towards smaller, high-quality food retailers,
- trends towards working from home offices, using shared office or desk space not dedicated to individual employees or from tax-friendly headquarters located away from city centers where TLG's office properties are located, and
- the development of city tourism and alternative models of accommodation, such as Airbnb and hotel taxes.

Changing requirements for real estate may result in TLG's properties becoming obsolete unless significant capital expenditures are made to modernize such properties. As preferences continue to evolve, other socioeconomic trends may develop that decrease the useful lifespan of and demand for rental space. Lower demand for TLG's rental space could result in vacancies or rent reductions as well as increased incentives, such as rent-free periods, due to increased bargaining power on the part of tenants, thus leading to a reduction of rental income and potentially additional capital expenditures to meet market standards for offered rental space.

In addition, TLG generates a significant portion of its annualized in-place rent (*i.e.*, contracted rents as of September 30, 2017, without deduction for any applicable rent-free periods, multiplied by twelve ("**Annualized In-place Rent**")) from only a limited number of main tenants. As of September 30, 2017, 58.7% of Annualized In-place Rent from retail properties of the Combined Group derived from the top seven tenants (namely food retail chains operating under the "EDEKA", "REWE", "Kaufland", "OBI", "Hellweg", "Lidl" and "Rossmann" brands), and 32.9% of Annualized In-place Rent from office properties of the Combined Group derived from the top ten tenants (*e.g.*, Daimler Real Estate GmbH, AIR Liquide Global E&C Solutions Germany GmbH and OstseeSparkasse Rostock). If such major tenants were to face financial difficulties or default on their lease obligations, reduce or abandon their operations in TLG's markets, attempt to renegotiate lease agreements to TLG's disadvantage, fail to extend their lease agreements or terminate them prematurely, TLG could lose a substantial portion of its Annualized In-place Rent.

Certain properties in TLG's portfolio represent a particularly large portion of its holdings. Based on portfolio value as of September 30, 2017, the top five office properties represented 31.0% of the office asset class of the Combined Group (with the top 15 representing 66.7%). For example, the Main Triangel property in Frankfurt am Main is TLG's most valuable property, and represented 7.6% of the office asset class of the Combined Group based on portfolio value as of September 30, 2017. Likewise, the "H₄/H₂" hotel in Berlin accounted for 38.7% of the hotel asset class of the Combined Group, based on portfolio value as of September 30, 2017. Negative developments such as the loss of major tenants and persisting vacancies, restrictive government orders limiting the use of a property, construction work allowing for rent reductions, fire and other catastrophes could have a material adverse effect on any single property. If one of TLG's most valuable properties were to be affected by such developments, this could have a material adverse effect on TLG's overall portfolio.

As a result of such concentrations, negative developments affecting demand for office, retail and hotel properties, TLG's major tenants and its most valuable properties could have a material adverse effect on TLG's business, financial condition, results of operations or cash flows.

TLG may be unable to find or retain suitable and solvent tenants on acceptable terms and existing tenants may be unable to meet their payment obligations. Vacancies may also prevent TLG from passing on fixed operating costs to tenants.

The letting of office, retail and hotel properties is the most important aspect of TLG's daily operations. TLG's rental income depends on its ability to let large parts of its portfolio at attractive rental levels. Such efforts are influenced by a number of factors, including the remaining term of existing lease agreements, the solvency of current tenants and the attractiveness of properties for suitable tenants. TLG may be unable to renew the expiring lease agreements on acceptable terms or to find suitable, solvent tenants willing to enter into long-term lease agreements. Also, there is no guarantee that TLG will be able to successfully face competition for suitable tenants from other landlords. In particular, other landlords may be able to offer more attractive properties or lower rent levels or both. Failure to find and retain suitable tenants may prevent TLG from maintaining its current vacancy rate or renting vacant space or force TLG to reduce the rent it demands from current and future tenants. Also, TLG's profits may be adversely affected by its inability to pass on fixed operating costs for vacant space, including local taxes and service charges, and TLG would have to bear such costs until the affected rental space is fully rented again.

In addition, a tenant's creditworthiness may deteriorate, entailing the risk that the tenant is unable to meet its obligations under its lease agreement and fails to render payments in time, or at all. This could force TLG to reduce rent levels for the respective property and the rental income could be significantly lower than originally estimated, while TLG's operating costs might remain largely fixed or might even increase.

Failure to let its portfolio to suitable tenants could have a material adverse effect on TLG's business, net assets, financial condition, results of operations or cash flows.

Indexation clauses in TLG's lease agreements could adversely affect TLG's rental income.

Some of TLG's lease agreements, especially those for retail properties, include clauses providing for full or partial indexation of the applicable rent in line with a reference index, such as the German consumer price index. These clauses provide not only for upward adjustments, but also for downward adjustments tied to changes in the relevant index. Thus, rental income may decrease if consumer prices decline (*e.g.*, as part of a general deflation). If a lease agreement contains no indexation or equivalent adjustment clauses, the applicable rent may remain constant for the term of the lease agreement, while TLG's costs of maintaining the respective property may increase due to inflation. This risk is compounded by the fact that many of TLG's lease agreements provide for long-term leases.

Rent reductions due to indexation clauses or inability to adapt rents to improving market developments could have a material adverse effect on TLG's business, net assets, financial condition, results of operations or cash flows.

TLG may incur substantial unexpected maintenance, repair and modernization costs and failure to undertake appropriate maintenance measures could adversely affect its rental income.

While the Company believes that there are currently no substantial capex backlogs (*i.e.*, modernizations and refurbishments required to maintain the operability and attractiveness of the respective property) in the portfolio of TLG, it aims to continue to invest in TLG's properties, particularly office, retail and hotel properties, to ensure that its properties meet technical requirements and market demand. Maintenance and modernization measures may also be required to meet changing legal, environmental or market requirements (*e.g.*, with regard to health and safety requirements and fire protection). Failure to maintain the properties could pose a risk to the health and safety of TLG's tenants, as well as their employees and customers. Typically, the costs associated with keeping properties up to market demand are borne primarily by the property owner and thus TLG may incur substantial expenses. TLG could incur additional expenses if the actual costs of maintaining or modernizing its properties exceed TLG's estimates, if it is not permitted to raise rents in connection with maintenance and modernization measures, or if hidden defects not covered by insurance or contractual warranties are discovered during the maintenance or modernization process or additional spending is required. Any failure to undertake appropriate maintenance and modernization measures could adversely affect TLG's rental income and entitle tenants to withhold or reduce rental payments or even to terminate existing lease agreements.

If TLG incurs substantial unplanned maintenance, repair and modernization costs or fails to undertake appropriate maintenance measures, this could have a material adverse effect on TLG's business, net assets, financial condition, results of operations or cash flows.

TLG is dependent on the expertise, commitment and performance of a limited number of key members of its management and qualified employees and TLG may fail to hire or retain such personnel.

TLG only employs a small number of employees in central functions responsible for managing its business. Its success greatly depends on the performance of the members of the Management Board and other qualified employees in key positions, particularly those with substantial sector expertise, who are responsible for the management of TLG's portfolio and corporate functions. Furthermore, TLG may need to hire additional qualified employees if its future growth exceeds its current platform or if TLG is forced to replace qualified employees. In particular, certain employees of WCM AG have entered into cancellation agreements with WCM AG and other employees may decide to leave TLG and/or WCM following the completion of the Takeover Offer on October 6, 2017 (the "**Completion**"). Due to the intense competition for qualified personnel in the commercial real estate sector, there is no guarantee that TLG will be able to hire sufficiently qualified key employees at acceptable terms in the future.

The loss of any of the members of the Management Board or any other key employees or failure to attract new qualified employees, could have a material adverse effect on TLG's business, net assets, financial condition, results of operations or cash flows.

TLG's IT-systems could malfunction or become impaired.

IT-systems are essential for the daily running of TLG's business operations. Any interruptions in, failures of or damage to its IT-systems could lead to delays or interruptions in TLG's business processes. In particular, TLG's IT-systems may be vulnerable to security breaches and cyberattacks from unauthorized persons outside and within TLG. Despite taking what it considers sufficient precautions, TLG cannot guarantee that anticipated and/or recognized malfunctions or security deficits can be avoided by appropriate preventive security measures in every case. Also, TLG's IT-systems may not be sufficient for TLG's ongoing expansion and there is no guarantee that TLG will be able to adapt its IT-systems to new requirements.

If TLG were to decide to introduce new IT-systems in the future or to adapt existing IT-systems, there is no guarantee that such adaptations will be completed without interruptions or at all. Problems when adapting its IT-systems could lead to delays or interruptions to TLG's business processes. In addition, new IT-systems may turn out to be incompatible with TLG's existing IT-systems, which could also cause problems with respect to TLG's IT-systems. For example, TLG plans to implement accounting software of SAP SE for the start of the fiscal year ending December 31, 2018, except for WCM for which TLG plans to implement similar software for the fiscal year ending December 31, 2019. This could lead to incompatibilities and disruptions in the meantime. In addition, such planned introductions may be delayed or lead to disruptions of TLG's other IT-systems.

Delays and interruptions to TLG's IT-systems could have a material adverse effect on TLG's business, net assets, financial condition, results of operations or cash flows.

TLG's IT-based portfolio management tools could fail to correctly reflect and support the business decisions that are in TLG's best interest.

The administration and management of TLG's portfolio is conducted, *inter alia*, with IT-based portfolio management tools that analyze data of individual properties and the respective tenant base and help monitor the compliance of individual properties with TLG's current business plan. These management tools allow TLG to constantly check, monitor and compare individual properties for a number of relevant key performance indicators. The reliance on such management tools could lead to decisions that are not in TLG's best interest, for example, if essential data cannot be collected or has to be estimated for the future, if model assumptions turn out to be wrong, or if the key performance indicators that are used are not relevant for TLG's long-term success.

Wrong business decisions could have a material adverse effect on TLG's business, net assets, financial condition, results of operations or cash flows.

TLG could incur substantial losses from damages not covered by, or exceeding the coverage limits of, its insurance policies.

Insurance policies taken out by TLG, including against fire, natural disasters, operational interruptions and third-party liability, are subject to exclusions and limitations of liability both in amount and with respect to the insured events. There can be no assurance that TLG's assessment that it is sufficiently insured against contingencies is accurate. Floods, fires, storms and similar natural disasters, as well as acts of terrorism or other events may cause damage to a property in excess of insurance coverage and may thus lead to significant costs that must be borne by TLG in connection with remediation and repair work. In addition, significant costs could ensue if tenants terminate their lease agreements or withhold part or all of the agreed rent payments as a consequence of any of the foregoing events. Even in cases where TLG has obtained sufficient insurance coverage, its insurance providers could become insolvent, forcing TLG to bear any costs itself.

If TLG incurs costs against which it is uninsured or insufficiently insured, this could have a material adverse effect on TLG's business, net assets, financial condition, results of operations or cash flows.

The Company's inter-group cash flows depend on the profitability of its subsidiaries and it may not be able to implement significant changes with regards to its subsidiaries.

The Company itself holds and administers real estate, but is also a holding company for selected subsidiaries that hold individual properties as well as WCM AG and its subsidiaries. In the future, the Company may found or acquire additional subsidiaries to function as asset-holding companies for certain real estate properties with the aim of creating a more advantageous tax structure of TLG. However, there is no certainty that these changes to the group structure will be carried out or that they will be successful or actually yield the intended advantages.

In order to cover its operating costs and to make distributions, the Company relies on distributions it receives from its subsidiaries and other equity investments or, as the case may be, repayments of loans (potentially also by way of cash pooling arrangements) granted to its subsidiaries. Any distributions by the subsidiaries depend, in turn, on the subsidiaries' operating results and their ability to make those distributions under applicable law. Such transfers of funds (also by way of cash pooling arrangements) could become restricted by laws or otherwise, and future funds may not be sufficient to satisfy all of the Company's payment obligations.

The Company has entered into domination and/or profit transfer agreements with some of its German subsidiaries (see "*Description of the Issuer—Material Agreements—Inter-Company Agreements*"). These agreements generally require the Company to cover the losses of the relevant subsidiaries. In particular, the Company has entered into a domination agreement with WCM AG on October 6, 2017 (the "**Domination Agreement**"), which will require it to cover WCM AG's losses once the Domination Agreement becomes effective. As a result, the Company may incur substantial losses, if the relevant subsidiaries incur a corresponding deficit.

Furthermore, the Company currently does not own all of the shares in some of its subsidiaries, including its key subsidiaries WCM AG and Triangel Frankfurt Immobilien GmbH & Co. KG, and may in the future acquire interests in entities with majority shareholders, participate in joint ventures or sell minority interests in its existing or future subsidiaries. Minority shareholders in such entities may be protected by German laws, Luxembourg laws or the laws of their respective jurisdiction, including provisions requiring unanimous consent to structural changes. Thus, the management of subsidiaries with minority shareholders may prove difficult for the Company.

The materialization of one or more of these risks could have a material adverse effect on TLG's business, net assets, financial condition, results of operations or cash flows.

TLG may be required to adjust the current values of its investment properties or record lower results from the remeasurement of investment property and therefore recognize significant losses.

TLG accounts for the vast majority of its investment properties (*i.e.*, properties that are held for the purpose of earning rental income, for capital appreciation or both) at fair value in accordance with IAS 40 (Investment Property) in conjunction with IFRS 13 (Fair Value Measurement). The fair value of a property held to generate rental income or for capital appreciation or both is measured with the discounted cash flow method (the "**DCF Method**"). According to the DCF Method, the fair value of a property is the sum of the discounted cash flows for a planning period (*e.g.*, ten years), plus the residual value of the property at the end of the planning period discounted to the valuation date. The applied discount rate for the ten-year planning period reflects the current market assessment, location, condition and letting situation of the property, the yield expectations of a potential investor and the level of uncertainty and inherent risk of the forecast future cash flows, while the applicable exit capitalization rate is derived from the applied discount rate and is based on the individual property location, type, size and quality, taking into account the market information available on the reporting date. Properties generating no sustainable operating cash flows are valued using their liquidation value. TLG recognizes any changes in the fair value of such investment properties under result from the remeasurement of investment property in the consolidated statement of comprehensive income. If TLG's cash flows from investment properties decrease or discount rates used in the DCF Method valuation rise (*e.g.*, due to increased interest rates), TLG would have to revise the value of its portfolio in the consolidated statement of financial position downwards.

With respect to properties classified as investment property, TLG applies the following accounting treatment in case of a sale: With the notarization of the sale and purchase agreement, the property is generally reclassified as a non-current asset held for sale, unless the payment of the purchase price and the transfer of benefits and obligations occurs during the same period (*i.e.*, signing and closing occur within the same reporting period). The difference between the previous carrying amount of the property and the sales price, if any, is added to the carrying amount of the property and recognized under result from the remeasurement of investment property. Thus, if the purchase price exceeds the carrying amount, the Company is able to record a gain in the excess amount. However, if a sale fails to close or if the purchase price is reduced between signing and closing of the transaction (*e.g.*, due to an agreed purchase price adjustment mechanism or TLG's failure to fulfill representations and warranties included in the purchase agreement), the Company may be forced to record a loss in the subsequent reporting periods during which the transaction closes.

Any deterioration of the fair value of TLG's investment properties or any failure to close disposals at the agreed purchase price or at all could force TLG to recognize a loss and could have a material adverse effect on TLG's business, net assets, financial condition, results of operations or cash flows.

Financing Risks

TLG's ability to repay existing and future debt could be limited and TLG may be unable to obtain new sources of financing at attractive terms, or at all.

TLG uses debt financing to fund its existing portfolio, ongoing operations and future acquisitions and therefore depends on the availability of such financing. General conditions for real estate financing are subject to constant change and the attractiveness of different financing options depends on a variety of factors beyond TLG's control (*e.g.*, the overall monetary policy, interest rates, general tax conditions and the value of commercial real estate to be used as collateral). In the past, financial difficulties in the capital markets in general and the European Union in particular have adversely impacted the availability of debt financing. Furthermore, regulatory changes could restrict the lending activities of banks.

TLG's current and non-current liabilities due to financial institutions measured in accordance with International Financial Reporting Standards, as adopted by the European Union ("**IFRS**"), amounted to €970.3 million as of September 30, 2017, resulting in a Net LTV of 37.9%. As of the same date, WCM's current and non-current liabilities due to financial institutions measured in accordance with IFRS amounted to €476.3 million resulting in a Net LTV of 55.7%.

TLG's ability to repay existing debt could be limited if it were unable to obtain new debt financing or extend existing credit facilities and its level of debt could lead banks to not to make new loans available to TLG, or to only make them available on less favorable terms, or to refuse to extend existing credit lines, or to grant an extension of existing credit lines only on less favorable terms (*e.g.*, demanding additional collateral, increasing interest rates). Furthermore, some loans depend on the participation structure and provide for termination rights of the respective lender if the control over the Company changes. In case of the exercise of such termination rights, a refinancing under changed conditions is required. Rising interest rates could increase TLG's financing costs and prevent it from achieving an adequate spread between cash flows from rental income and disposals on the one hand and interest payments on the other hand, or any cash inflow at all. While TLG may try to

substitute debt financing through equity financing, TLG may be unable to raise capital at attractive terms, or at all.

TLG's acquisition of additional properties and portfolios may be financed by taking on additional debt or by issuing and offering new shares or equity-linked instruments, or a combination thereof. If TLG is unable to obtain the necessary financing on reasonable terms, it may be unable to make acquisitions, or may only be able to do so to a limited extent. This could adversely affect its future business development and competitiveness. Even if debt financing is available, any additional debt could have a significant negative impact on TLG's key performance indicators and could result in higher interest expenses.

TLG obtained a corporate rating from Moody's. This rating depends, *inter alia*, on the development of TLG's performance and certain key credit ratios. In addition, macro-economic developments such as the development of the German economy and changes in interest rate levels may have an impact on TLG's performance and, accordingly, on its rating. Moody's reviews the factors that influence TLG's rating on a regular basis. TLG cannot rule out that its ratings may be downgraded in the future. Any downgrade or negative outlook could negatively impact TLG's reputation, its share price and may prevent TLG from raising funds at attractive terms or at all.

Subject to future market conditions, TLG may decide to take further measures to optimize its financing structure, including by potentially drawing on the debt capital markets through the issuance of additional bonds. However, there is no guarantee that TLG will be able to place such bonds at acceptable terms or at all.

TLG has hedged the majority of financial debt with floating interest rates and plans to continue to hedge against interest rate changes. When extending existing debt or taking on new debt, TLG may, however, be unable to enter into hedging instruments or may only be able to do so at significant costs when trying to limit its exposure to such developments.

The materialization of one or more of these risks could have a material adverse effect on TLG's business, net assets, financial condition, results of operations or cash flows.

If TLG breaches covenants under its current or future financing, it could be forced to sell properties at economically unattractive conditions and its creditors or security agents could seize or realize significant collateral, which could ultimately lead to an insolvency of the Company.

TLG's financing agreements require TLG to comply with certain general and financial covenants such as a maximum loan-to-value-ratio, minimum interest or debt-service cover ratios, as well as equity ratios. In addition, certain financing agreements require TLG to maintain a minimum weighted average lease term (*i.e.*, a remaining average contractual lease term for unexpired leases with a contractually fixed maturity, taking into account special termination rights ("WALT")) or stipulate maximum vacancy rates. Failure to comply with such covenants could have severe consequences, including:

- creditors may have the right to terminate the loan agreement, and outstanding loan amounts could be declared immediately due and payable;
- other creditors could also be entitled to terminate their loan agreements with TLG as a result of cross-default provisions;

- creditors may be entitled to extraordinary prepayments or higher interest rates; and
- creditors may have the right to request the granting of additional security interest.

To secure the repayment of its loans, TLG has granted land charges over its properties and has assigned as security rental income, potential insurance claims and other claims. It has also pledged to its creditors rental income and other accounts, as well as shares in 29 property holding subsidiaries, including 26 subsidiaries of WCM. If TLG is unable to perform obligations under its financing agreements, its creditors could seize and realize this collateral without further negotiations. This could result in a loss of part or all of TLG's real estate or a forced sale of properties on economically unfavorable terms. If the proceeds from such forced sales are insufficient for the repayment of TLG's liabilities, this could ultimately lead to an insolvency of the Company or other entities of TLG.

In addition, the Notes include certain covenants (see "*Terms and Conditions*"). If TLG were to issue additional bonds in the future, such bonds would typically also include various covenants. If TLG were to breach its covenants under the Notes or any future bonds, the effects therefrom could be similar to those described with respect to TLG's loans above.

Any breach of covenants under TLG's existing or future financing could have a material adverse effect on TLG's business, net assets, financial condition, results of operations or cash flows.

Regulatory, Legal and Tax Risks

TLG may be adversely affected by changes to the general regulatory environment in Germany.

TLG's business is subject to the general regulatory framework that applies to commercial properties and lease agreements for such properties as well as special provisions of other laws (e.g., construction and construction planning laws, the building code, environmental laws and safety regulations, including fire protection). If German federal or state laws or the interpretation or application thereof change, this could force TLG to significantly change the way it conducts its business and therefore affect the value of its portfolio. TLG could incur additional expenses in trying to comply with more restrictive laws. Furthermore, European and German legislators or regulators could subject TLG's business to additional regulatory obligations and restrictions.

Any changes to the general regulatory environment could have a material adverse effect on TLG's business, net assets, financial condition, results of operations or cash flows.

TLG may incur costs in connection with residual pollution including wartime ordnance, soil contaminations and hazardous materials.

Some of TLG's properties do, and some of the properties TLG acquires may, contain soil contaminations, hazardous materials (including asbestos), other residual pollution or wartime ordnance. As of September 30, 2017, 15 properties from the aggregate portfolio of the Combined Group (including ten properties in the retail asset class) were affected by soil contaminations. The Company estimates that the total exposure from soil contaminations of the Combined Group amounted to €1.6 million as of that date. TLG has received declarations of indemnification (*Freistellungserklärungen*) relating to these contaminations and it may be, and has on past occasions been, otherwise released and indemnified, pursuant to the German Environmental Framework Act (*Umweltrahmengesetz*) and administrative agreements, from certain responsibilities for sites

contaminated and polluted prior to July 1, 1990. The Company believes that these indemnifications cover €0.4 million or 26.6% of the Combined Group's aggregate exposure from soil contaminations as of September 30, 2017. Thus, the uncovered exposure (*e.g.*, for additional costs associated with remediation) for soil contaminations amounts to €1.2 million as of that date. However, declarations of indemnification only cover periods prior to July 1, 1990. Other periods could be relevant for contamination and pollution as well. Also, such declarations of indemnification may not cover all costs associated with remediation measures (*e.g.*, loss of rent). The existence or even suspected existence of soil contaminations or wartime ordinance may negatively affect TLG's ability to lease or sell such properties.

As of September 30, 2017, the Combined Group was already engaged in remediating soil contaminations with an aggregate exposure of €1.2 million relating to six properties. The Company expects that the costs associated with remediation for these properties not covered by declarations of indemnification will amount to €0.1 million, or 10.4% of the aggregate exposure of the Combined Group as of September 30, 2017. However, any remediation or removal of any pollution and related measures may involve considerable additional costs that may not be covered for by declarations of indemnification.

TLG could also be responsible for the remediation of properties that TLG and WCM sold in the past. For soil contaminations, the German Federal Soil Protection Act (*Bundesbodenschutzgesetz*) provides for an ongoing responsibility of previous property owners if the property has been sold or transferred after March 1, 1999 and the contamination was, or should have been, known to the previous owner. TLG and WCM sold various properties in the past and plan to sell further properties in the future. TLG could thus be held liable as a previous owner, but also as the responsible party having caused the contamination.

For instance, TLG is or was the owner of several properties in Apolda, Thuringia, affected by soil contaminations. The contaminated soil from TLG's properties was moved to a neighboring property owned by GESA Gesellschaft zur Entwicklung und Sanierung von Altstandorten mbH ("GESA"). In 2011, GESA estimated that costs for a full remediation of contaminated properties in Apolda owned by TLG and GESA would amount to between €20 million to €44 million. The Company believes that TLG's share for the removal of the contaminated soil on the property owned by GESA amounts to no more than €1.7 million. TLG voluntarily agreed to pay 6% of the costs associated with the investigation of soil contaminations on the contaminated properties in Apolda owned by TLG and for the preparation of a remediation plan. It has received a declaration of indemnification in the amount of €20.2 million by the state of Thuringia and TLG could request additional indemnifications if this amount were to prove to be insufficient. However, there is no guarantee that such indemnification will be granted or that the indemnification granted will prove sufficient. Furthermore, TLG also obtained indemnifications from purchasers of those Apolda properties that it sold. However, there is no guarantee that all costs incurred by TLG will ultimately be covered by declarations of indemnification or purchase agreements, or that the buyers of TLG's properties will be able to fulfill their indemnification obligations.

As of September 30, 2017, a total of 14 buildings located on properties of the Combined Group contained hazardous materials. While remediation of such hazardous materials would only be required in case of building activities with respect to the affected buildings, the Company estimates that the Combined Group's total exposure from such hazardous materials amounted to €1.6 million as of that date. Even if TLG itself is not responsible for existing contamination or pollution of the soil or buildings, it might be legally or practically difficult or impossible to force the responsible parties to remedy or remove the damage or take recourse against such parties. Even if TLG performs its customary due diligence with regard to soil contamination prior to acquiring new real estate, this due diligence may not expose all environmental issues such that TLG may remain liable.

The existence or even suspected existence of hazardous materials or other residual pollution may negatively affect TLG's ability to lease or sell such properties. In the course of decontamination procedures, tenants of the affected building may withhold part or all of their rent, may view such contamination as cause to exercise extraordinary termination rights or assert damage claims due to an interruption of their business. Additionally, tenants' employees may claim damages due to personal injury caused by the contamination.

The materialization of one or more of these risks could have a material adverse effect on TLG's business, net assets, financial condition, results of operations or cash flows.

Clauses in TLG's lease agreements may be invalid and some of these agreements may not fulfill the strict written form requirements under German law.

TLG uses standardized contracts in its contractual relationships with a large number of parties, in particular with its tenants. Any invalid provisions or ambiguities in standardized contracts can therefore affect a multitude of contractual relationships. Standardized terms under German law are required to comply with the statutory law on general terms and conditions (*Allgemeine Geschäftsbedingungen*), which means that they are subject to fairness control by the courts regarding their content and the way they are presented to the other contractual party by TLG. As a general rule, standardized terms are invalid if they are not transparent, unclearly worded, unbalanced or discriminatory. Any standardized clauses in TLG's contracts being invalid could lead to a substantial number of claims being brought against TLG or TLG being forced to bear costs which it had previously considered to be allocable to its contractual counterparties. In addition, clauses which are not standardized clauses may also be invalid, which could have a material adverse effect on TLG (e.g., if due to such invalid clauses a key tenant could exercise an extraordinary termination right).

Real estate owned by TLG is leased predominantly long term. Pursuant to German law, fixed-term lease agreements with a term exceeding one year can be terminated prior to their contractually agreed expiration date if certain formal requirements are not complied with. These include the requirement that there needs to be a document that contains all material terms of the lease agreement, including all attachments and amendments, and the signatures of all parties thereto. While the details of the applicable formal requirements are assessed differently by various German courts, most courts agree that such requirements are, in principle, strict. Some lease agreements regarding real estate owned by TLG may not satisfy the strictest interpretations of these requirements. In this case, the respective lease agreement would be deemed to have been concluded for an indefinite term and could therefore be terminated one year after handover of the respective property to the tenant at the earliest, provided that the statutory notice period is complied with (i.e., notice of termination is admissible at the latest on the third working day of a calendar quarter towards the end of the next

calendar quarter). Consequently, some of TLG's tenants might attempt to invoke alleged non-compliance with these formal requirements in order to procure an early termination of their lease agreements or a renegotiation of the terms of these lease agreements to TLG's disadvantage.

The occurrence of any one or more of the aforementioned risks could have a material adverse effect on TLG's business, net assets, financial condition, results of operations or cash flows.

TLG's and WCM's compliance structure may not have been, and may not be, sufficient to adequately protect TLG from all legal or financial risks.

TLG appointed an anti-corruption officer and a data protection officer and implemented a group-wide code of conduct to protect TLG against legal risks and other potential harm. These binding policies address law-abiding conduct, including corruption prevention, insider information, conflicts of interest, information and data protection, and protection of company property and apply to all employees, the members of the Management Board and the Supervisory Board.

While the Company believes that the aforementioned compliance policies will offer a degree of protection, they may not be sufficient to completely rule out all unauthorized practices, legal infringements, criminal offenses or corruption by employees of TLG. In case of a breach of law or other unauthorized practice, TLG's brand, image or reputation may suffer.

In addition, prior to the Completion on October 6, 2017, TLG was not able to assess and control the compliance structure of WCM and there is no guarantee that such compliance structure was up to TLG's standards and sufficient to protect WCM from breaches of laws or other unauthorized practices in the past. Should any past misconduct of WCM be uncovered, this could also adversely affect TLG's brand, image or reputation.

Any compliance violation could have a material adverse effect on TLG's business, net assets, financial condition, results of operations, cash flows or reputation.

TLG is exposed to risks from potential future legal disputes.

TLG may become the subject of legal disputes, administrative proceedings and government investigations. Such legal disputes, proceedings and investigations may, in particular, arise from its relationships with investors, tenants, employees, third-party facility managers, building contractors and other contractual counterparties, neighbors and public authorities alleging breaches of contract, tort or failure to comply with applicable laws and regulations. TLG may be required to pay damages or fines and to take, or to refrain from taking, certain actions. There may also be investigations by governmental authorities into circumstances of which TLG is currently not aware of or which will arise in the future, including possible regulatory and environmental laws, licensing requirements or criminal proceedings.

If TLG were to be found liable under any such claims or even if complaints, law suits or investigations brought against TLG are unsuccessful, they could have a material adverse effect on TLG's business, net assets, financial condition, results of operations, cash flows or reputation.

TLG may be forced to repay certain subsidies.

As of September 30, 2017, the Combined Group had received investment supplements (*Investitionszulagen*), investment subsidies (*Investitionszuschüsse*) and other public grants with unexpired commitment periods (*Bindungsfristen*) in an aggregate amount of approximately €8.0 million relating to properties in its portfolio as of that date. Certain subsidies were directly paid to TLG and set-off against the lease obligations of the respective tenants. The administrative decisions, based on which these subsidies were granted, impose certain obligations on these tenants. Failure to comply with such obligations or an insolvency of the respective tenant or other factors could lead to a revocation of subsidies and force TLG to repay amounts paid to TLG, even where it may not be able to take recourse against its tenants. As a result, TLG has been involved in litigation with government authorities over the revocation of grants in the past.

In addition, as of September 30, 2017, the Combined Group had received subsidies in an aggregate amount of approximately €23.5 million relating to properties in its portfolio as of that date, where there are no commitment periods or where commitment periods have already expired. While TLG was rarely forced to repay subsidies for which there were no commitment periods or for which commitment periods had already expired in the past, the authorities granting such subsidies could nevertheless demand repayment of such subsidies if they were to decide that TLG or its tenants have violated certain obligations or due to other reasons.

Furthermore, the Combined Group has sold a number of properties for which it had received subsidies in the past and TLG could be forced to repay these subsidies if the buyer of the respective property does not qualify for such subsidies or violated obligations under the administrative decisions granting these subsidies. While TLG may have obtained contractual indemnities against the respective buyer, it may be unable to actually take recourse against the buyer (*e.g.*, due to an insolvency of the respective buyer).

In addition, the Combined Group has received subsidies for development measures, which also impose certain obligations. TLG may be forced to repay these subsidies if it were in breach of these obligations.

An obligation to repay certain subsidies could have a material adverse effect on TLG's business, net assets, financial condition, results of operations or cash flows.

TLG may be subject to restitution or compensation claims if its properties have been unlawfully expropriated, and this could delay or prevent the transfer of its properties in case of a sale.

TLG has been and may in the future be subject to third-party claims in connection with restitution and compensation claims. Under German law, former owners of assets that were dispossessed either by the national socialist government between January 30, 1933 and May 8, 1945 or by the former German Democratic Republic (*Deutsche Demokratische Republik*) can demand the restitution of such assets. TLG has obtained contractual indemnity claims against the Federal Institute for Special Tasks Arising from Unification (*Bundesanstalt für vereinigungsbedingte Sonderaufgaben*) if restitution or compensation is successfully claimed because of unlawful expropriation during certain historical periods.

Furthermore, when disposing of properties TLG has to comply with the German Real Estate Transfer Ordinance (*Grundstücksverkehrsordnung*), pursuant to which TLG needs to obtain approval from the competent authorities prior to disposing of any properties it has not purchased itself. If any restitution claims have been filed for a property that TLG intends to sell, such approval will not be granted before the claim has been settled. Therefore, restitution claims may adversely impact TLG's ability to dispose of properties, in particular those that fall into TLG's "Other" asset class.

Inability to transfer properties due to restitution claims could have a material adverse effect on TLG's business, net assets, financial condition, results of operations or reputation or cash flows.

TLG may be adversely affected by an increase of its tax burden.

TLG is dependent on the general tax environment in Germany. The tax burden depends on various tax laws, as well as their application and interpretation. For instance, increases in the RETT-rate, as recently experienced in most German states and uncertainties with regards to the legal framework concerning interest deductibility and trade tax relief for the administration of real estate could make the acquisition and sale of properties more expensive and adversely affect TLG's business. Its tax planning and optimization depends on the current and expected tax environment. Amendments to tax laws may take retroactive effect and their application or interpretation by tax authorities or courts may change unexpectedly. Furthermore, court decisions are occasionally limited to their specific facts by tax authorities by way of non-application decrees. This may also increase TLG's tax burden.

TLG received the last final and binding tax assessments with respect to the fiscal years of 2007 up to and including 2011. WCM received the last final and binding tax assessments with respect to the fiscal years up to and including 2010. The lack of more recent tax assessments increases the uncertainty regarding the tax authorities' interpretations of applicable tax laws for periods for which no assessment has been received and increases the possibility that these interpretations may differ from the interpretations of TLG and WCM, respectively. Any tax assessments that deviate from the expectations of TLG and WCM, respectively, could lead to an increase in its tax obligations and, additionally, could give rise to interest payable on the additional amount of taxes.

Furthermore, future tax audits and other investigations conducted by the competent tax authorities could result in the assessment of additional taxes. In particular, this may be the case with respect to changes in TLG's shareholding structure, other reorganization measures or impairment on properties with regard to which tax authorities could take the view that they ought to be disregarded for tax purposes. Furthermore, expenses could be treated as non-deductible or RETT could be assessed. Any of these assessments could lead to an increase of TLG's tax obligations and could result in the assessment of interest or fines. TLG has established, and will continue to establish, provisions for risks associated with tax audits based on its past experience. These provisions, however, may prove to be insufficient and when paid may negatively impact TLG's cash flow.

In addition, it is German market practice for the purchaser of properties to pay RETT. The respective RETT is determined at the state level. The statutory RETT-framework falls within the competency of federal lawmakers. German politicians recently have announced an intention to tighten the statutory RETT framework with regards to share deals. Thereby, share deals that do not trigger any RETT may no longer be possible in the future or such acquisitions might be more difficult. The German Parliament (*Deutscher Bundestag*) may reduce the legal or economic ownership threshold of currently 95% of the shares or interests in a real-estate holding company upon which RETT is triggered or introduce other amendments to the RETT regime which may increase the number of transactions which would fall within the scope of the RETT regime in the future. Furthermore, the holding period for various RETT exemptions may be extended from five to ten years. In addition, the applicable RETT rate currently varies between 3.5% in Bavaria and Saxony and up to 6.5% in other federal states. Federal states may increase the RETT rate in the future. This would increase acquisition costs for the purchase of properties.

TLG may become party to tax proceedings. The outcome of such tax proceedings may not be predictable and may turn out to be detrimental to TLG.

The materialization of any of these risks could have a material adverse effect on TLG's business, net assets, financial condition, results of operations or cash flows.

Taxable capital gains arising out of the sale of real estate may not be completely offset by the tax transfer of built-in gains.

Under the German Income Tax Act (*Einkommensteuergesetz*), the possibility of a tax-neutral transfer of built-in gains (*stille Reserven*) to newly acquired or constructed real estate is available within a certain period of time, subject to certain conditions (Section 6b of the German Income Tax Act (*Einkommensteuergesetz*)). The taxable capital gains realized upon sale of the real estate can either be deducted from the tax base of the new real estate in the same fiscal year or by forming a reserve ("**6b Reserve**") and, for a later deduction in tax costs relating to acquisitions or construction, using it to reduce the tax base of new real estate acquired or constructed in the near future. If the 6b Reserve is not utilized within four years (or, under certain conditions, within six years), then generally it has to be dissolved, thereby increasing the taxable income. In such case, the taxable income is increased by 6% for each full fiscal year for which the 6b Reserve existed. As of December 31, 2016, the Company's 6b Reserve amounted to approximately €158.4 million as shown on the balance sheet prepared for tax purposes.

In the past, TLG acquired or disposed of a significant number of properties in its portfolio and may continue to do so in the future. These transactions are generally taxable for income tax purposes. However, subject to certain requirements, the respective capital gain can be rolled over in an income tax-neutral way according to Section 6b of the German Income Tax Act (*Einkommensteuergesetz*). The Company believes that built-in gains from property disposals in the past can be transferred in sufficient amounts. However, if these assumptions turn out to be inaccurate or if the competent tax authorities decide otherwise, TLG may be unable to roll over capital gains arising out of property sales in the past or in the future in an income-tax-neutral manner.

The materialization of any of these risks could have material adverse effects on TLG's business, net assets, financial condition, results of operations or cash flows.

Risks related to the Takeover Offer

The integration of WCM into TLG may not be successful or may not proceed as planned or may involve higher or unexpected costs.

On May 10, 2017, the Company announced its intention to submit a voluntary public takeover offer for all shares of WCM AG in the form of an exchange offer (the “**Takeover Offer**”). The Takeover Offer was accepted for a total of 117,505,327 shares of WCM AG. On October 6, 2017, these shares were transferred to the Company as contribution in kind, while the Company issued a total of 20,435,708 new shares to former shareholders of WCM AG who had accepted the Takeover Offer.

Following the successful Completion, WCM is being integrated into TLG (the “**Integration**”). The Integration is expected to take several years and to require considerable personnel capacities and financial resources. For a successful Integration, it is particularly important to integrate the existing personnel, corporate cultures, IT-Systems and group structures, as well as to implement common processes. The Integration will be time-consuming and expensive, and it may disrupt the business of TLG and TLG may encounter numerous difficulties in the course of the Integration, including:

- managing a significantly larger group, including a larger portfolio;
- integrating and unifying the offerings and services available to tenants and coordinating operations;
- coordinating corporate and administrative infrastructures and harmonizing insurance coverage;
- unanticipated issues in coordinating accounting, information technology, communications, administration and other systems;
- difficulties addressing possible differences in corporate cultures and management philosophies;
- creating uniform standards, controls, procedures and policies;
- differences in accounting policies and methods;
- litigation relating to the Integration, including shareholder litigation;
- diversion of management’s attention from other operations;
- maintaining existing agreements and relationships with tenants, providers and financing banks and avoiding delays in entering into new agreements with prospective tenants, providers and financing banks;
- unforeseen and unexpected liabilities related to the Integration of WCM’s business; and
- identifying and eliminating redundant and underperforming functions and assets.

If TLG is unable to pursue the Integration in an efficient and effective manner, the anticipated benefits and cost savings of the Integration may not be fully realized, or at all, or it may take longer to realize them, which could adversely affect TLG's business.

In addition, the Integration may result in additional or unforeseen expenses, and the anticipated benefits of the Integration may not be fully realized, or at all. Actual growth and cost savings, if achieved, may be lower than what the Company currently expects and may take longer to achieve than currently anticipated. If the Company is unable to adequately address integration challenges, TLG may be unable to pursue the Integration or to realize the anticipated benefits of the Integration.

The materialization of any of these risks could have material adverse effects on TLG's business, net assets, financial condition, results of operations or cash flows.

The expected synergies in connection with the Integration may not be fully realized, or at all, and the actual synergies may be offset by higher than anticipated costs.

The Company expects that the Integration will result in various synergies and economies of scale. In particular, it expects that such effects will result from the further development of shared services, a combined management organization, combined back office functions, optimized local management and a focus on achieving overhead synergies. However, it cannot be excluded that the expected synergies and economies of scale will not be fully realized, or at all. In addition, the costs required to achieve these synergies may be higher than anticipated and WCM's portfolio could develop differently than the Company currently expects, which could offset synergies from the Integration, if any.

Furthermore, goodwill may be recognized in connection with the Completion. Any potential goodwill is subject to regular impairment tests and may, if synergies turn out to be lower than expected, result in significant impairments that would have to be recognized as impairment losses in the consolidated financial statements of the Company.

The materialization of any of these risks could have material adverse effects on TLG's business, net assets, financial condition, results of operations or cash flows.

TLG may experience negative reactions to the Integration from its employees, tenants, service providers and financing banks.

Due to management's focus on the Integration instead of on pursuing other business opportunities that could have been beneficial to TLG, its employees, tenants, service providers and financing banks may react negatively to the Integration, which could have material adverse effects on TLG's business, net assets, financial condition, results of operations, cash flows or reputation.

The Company may have been unable to correctly identify and assess all risks associated with the Completion.

Due to timing constraints and given that WCM AG is a publicly listed company, the Company could not conduct a full due diligence investigation of WCM prior to launching the Takeover Offer. Therefore, important circumstances material for the evaluation of WCM may not have been sufficiently taken into account in the Company's evaluation of WCM and the attractiveness of the Integration. In particular, the Company may have been unable to correctly identify and assess all risks associated with the Completion. While TLG has already initiated the Integration, there is no guarantee that in the course of the Integration, all relevant risks will be discovered quickly or at all.

A failure to correctly identify and assess all risks associated with the Completion could have material adverse effects on TLG's business, net assets, financial condition, results of operations or cash flows.

The Completion may have resulted in adverse tax consequences.

As of December 31, 2016, WCM accounted for significant corporate tax and trade tax loss carryforwards. Prior to the Completion, WCM had implemented specific reorganization measures to ensure that only a part of these loss carryforwards is forfeit following the Completion. However, the legal position on tax loss carryforwards and their forfeiture is controversial. At least for the years from 2008 up to and including 2015, the Federal Constitutional Court (*Bundesverfassungsgericht*) has ruled that the legal position applicable to the transfer of up to 50% of the shares of a company is unconstitutional and to be adjusted retroactively; a proceeding with regard to the transfer of more than 50% of the shares of a company is pending with the Federal Constitutional Court (*Bundesverfassungsgericht*). Also, with the acquisition of shares of a minority shareholder in March 2017, a considerable share of the then existing tax loss carryforwards of WCM may already have been lost at that time.

Prior to the Completion, WCM implemented additional reorganization measures, which TLG expects will ensure that only a small amount of RETT will be triggered in connection with the Completion or any further acquisition of shares in WCM AG. However, there is no guarantee that the competent tax authorities will actually concur with this assessment and consequently, the Completion may have triggered substantial RETT.

Any failure to properly assess the tax consequences of the Completion could have material adverse effects on TLG's business, net assets, financial condition, results of operations or cash flows.

The Domination Agreement may not become effective.

On October 6, 2017, the Company and WCM AG entered into the Domination Agreement, pursuant to which WCM AG as the controlled company subordinates the management of its business to the Company as the controlling company. The Company believes that the Domination Agreement will greatly benefit the Integration and the economic benefits TLG can derive therefrom. The Domination Agreement was approved by the shareholders' meetings of WCM AG and the Company on November 17, 2017 and November 22, 2017, respectively.

However, the Domination Agreement will only become effective once it is registered in the commercial register of WCM AG. Outside shareholders have registered objections during both shareholders' meetings and may file lawsuits against the relevant resolutions, in which case the registration may be delayed or even fail and the Domination Agreement would not become effective.

If the Domination Agreement does not become effective in the foreseeable future or at all, this could have material adverse effects on TLG's business, net assets, financial condition, results of operations or cash flows.

Outside shareholders of WCM AG may delay or prevent future measures enacted for the benefit of the Integration or force an increase of the exchange ratio and/or annual compensation under the Domination Agreement.

Outside shareholders of WCM AG have certain rights under German law which may result in delays or disruptions of other planned measures under corporate law with respect to WCM AG (e.g., a change of the legal form, a squeeze-out or a merger). Outside shareholders may delay or even prevent such measures. Such delays or a failure to implement important measures as well as any legal disputes associated therewith may limit TLG's control over WCM, its access to WCM's cash flows and delay or even prevent corporate measures enacted for the benefit of the Integration.

In addition, outside shareholders of WCM AG may bring action to force an increase of the exchange ratio and/or annual compensation under the Domination Agreement by the competent court. If such action were successful, TLG would be required to grant the higher exchange ratio and/or annual compensation to such outside shareholders of WCM AG, thereby reducing the net economic benefits TLG can derive from the Domination Agreement.

The materialization of any of these risks could have material adverse effects on TLG's business, net assets, financial condition, results of operations or cash flows.

Risk Factors Relating to the Notes

The Notes may not be a suitable investment for all investors.

Potential investors should consider whether an investment in the Notes is appropriate in their respective circumstances and should consult with their legal, business, and tax advisors to determine the consequences of an investment in the Notes and to form an independent opinion whether to invest in the Notes.

An investment in the Notes is only suitable for investors who:

- (i) possess sufficient knowledge and experience in financial and business matters to make a meaningful evaluation of the chances and risks of an investment in the Notes and the information contained in, or incorporated by reference in, this Prospectus or any supplement hereto;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate such chances and risks in the context of the potential investor's particular financial situation and to evaluate the impact the Notes will have on their overall investment portfolio;

- (iii) fully understand the Terms and Conditions and are familiar with financial markets;
- (iv) are capable of bearing the economic risk of an investment in the Notes, including where the currency for principal or interest payments is different from the potential investor's currency;
- (v) know that it may not be possible to dispose of the Notes for a substantial period of time, if at all, before maturity; and
- (vi) are able to evaluate (either alone or with the help of a financial advisor) possible scenarios for economic, interest rate and other factors that may affect a potential investor's investment and ability to bear the applicable risks.

If a loan is used to finance the acquisition of the Notes, the loan may significantly increase the risk of a loss.

If a loan is used to finance the acquisition of Notes by a potential investor and the Notes subsequently go into default, or if the trading price diminishes significantly, the investor may not only have to face a potential loss on its investment, but will also have to repay the loan and pay interest thereon. A loan may significantly increase the risk of a loss. Potential investors should not assume that they will be able to repay the loan or pay interest thereon from the profits of an investment in the Notes. Instead, potential investors should assess their financial situation prior to an investment in the Notes as to whether they are able to pay interest on the loan, repay the loan on demand, and the possibility that they may suffer losses instead of realizing gains.

An investment in the Notes may be subject to inflation risks.

The inflation risk is the risk of a future depreciation of currencies. The real yield from an investment is reduced by inflation. The higher the rate of inflation, the lower the real yield on the Notes. If the inflation rate were to increase and match or exceed the nominal yield, the real yield of the Notes would be zero or even negative.

Holdings face exchange rate risks and exchange controls.

The Notes are denominated in Euros. Potential investors should bear in mind that an investment in the Notes involves currency risks. This presents certain risks relating to currency conversions if financial activities of a Holder are denominated principally in a currency or currency unit other than the Euro (the "**Investor's Currency**"). These include the risk that exchange rates may change significantly (including changes due to devaluation of the Euro or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Euro would decrease (i) the Investor's Currency-equivalent yield on the Notes, (ii) the Investor's Currency-equivalent value of the principal payable on the Notes, and (iii) the Investor's Currency-equivalent market value of the Notes.

In addition, government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect applicable currency exchange rates. As a result, Holders may receive less interest or principal than expected, or no interest or principal at all.

Holder face risks relating to fixed interest notes.

The Notes bear interest at a fixed rate. A Holder of a fixed interest rate note bears the risk that the price of such note may fall as a result of changes in the current interest rate on the capital markets (the “**Market Interest Rate**”). While the nominal interest rate of a note with a fixed interest rate is fixed in advance for the entire duration or during a certain period, the Market Interest Rate typically changes on a daily basis. As the Market Interest Rate changes, the price of a note with a fixed interest rate also changes, but in the opposite direction. If the Market Interest Rate increases, the price of a note with a fixed interest rate typically falls until the yield of such note approximately equals the Market Interest Rate. If the Market Interest Rate decreases, the price of a fixed interest rate note typically increases until the yield of such note is approximately equal to the Market Interest Rate. Potential investors should be aware that movements of the Market Interest Rate may adversely affect the market price of the Notes and lead to losses for Holders if they sell their Notes.

The Issuer may partly or completely fail to make payments on the Notes.

Any person who purchases Notes is relying on the creditworthiness of the Issuer and has no rights against any other person. Holders are subject to the risk that the Issuer partly or completely fails to make payments on the Notes which the Issuer is obliged to make. The worse the creditworthiness of the Issuer, the higher the risk of a loss. A materialization of the credit risk may result in partial or complete failure of the Issuer to make payments on the Notes.

In addition, even if the likelihood that the Issuer will be in a position to fully perform all obligations under the Notes when they fall due actually has not decreased, market participants could nevertheless be of that opinion. In particular, market participants may be of this opinion if their assessment of the creditworthiness of corporate debtors in general or debtors operating in the same industry as the Issuer adversely changes.

If any of these risks occurs, third parties may only be willing to purchase Notes for a lower price than before the materialization of said risk, or not at all. Therefore, the market value of the Notes may decrease and investors could lose some or all of their investment.

The Holders’ only remedy against the Issuer is the institution of legal proceedings to enforce payment or to file an application for insolvency proceedings.

The only remedy against the Issuer available to the Holders for recovery of amounts which are due in respect of the Notes will be the institution of legal proceedings to enforce payment of the amounts or to file an application for the institution of insolvency proceedings. In an insolvency or liquidation of the Issuer, any Holder may only declare its Notes due and payable and claim the amounts due and payable thereunder after the Issuer has discharged or secured in full (*i.e.*, not only with a quota) all claims that rank senior to the Notes in such proceedings.

The Notes will effectively be subordinated to the Issuer's debt to the extent such debt is secured by assets that are not also securing the Notes.

Although the Terms and Conditions require the Issuer and its material subsidiaries to secure the Notes equally if they provide security for the benefit of capital market indebtedness, the requirement to provide equal security to the Notes is limited to capital market indebtedness and is subject to a number of significant exceptions and carve-outs as set forth in detail in the Terms and Conditions included in this Prospectus. To the extent the Issuer or any of its subsidiaries provides security interest over their assets for the benefit of other debt without also securing the Notes, the Notes will effectively be junior to such debt with respect to such assets.

As a result of the foregoing, holders of (present or future) secured debt of TLG may recover disproportionately more on their claims than the Holders in an insolvency, bankruptcy or similar proceeding. The Issuer may not have sufficient assets remaining to make payments under the Notes.

The Notes may not be recognized as eligible collateral for the Eurosystem.

The Notes are issued in new global note form. The new global note form has been introduced to allow for the possibility of debt instruments being issued and held in a manner which will permit them to be recognized as eligible collateral for monetary policy of the Eurosystem and intra-day credit operations by the Eurosystem. However, such recognition will depend upon satisfaction of the Eurosystem eligibility criteria at the relevant time and the Notes may not, or may cease to, qualify as eligible collateral for the Eurosystem. Investors should make their own assessment as to whether the Notes meet such Eurosystem eligibility criteria.

If the Notes are redeemed prior to maturity, Holders may receive a lower than expected yield.

Under certain circumstances specified in the Terms and Conditions, the Issuer may redeem all or some of the outstanding Notes prior to maturity. In such case, Holders may receive a lower than expected yield on their investment and be unable to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the Notes. Also, if Holders have purchased Notes above par, the redemption proceeds may be lower than the price such Holders paid to acquire their Notes.

The Issuer's ability to redeem or repurchase the Notes upon the occurrence of change of control event may be limited.

Upon occurrence of change of control event, the Holders will have the right to require the redemption or, at the option of the Issuer, repurchase (or procure the purchase) in whole or in part of all of their Notes at 101% of the principal amount of such Notes, plus interest accrued thereon. The Issuer's ability to redeem or repurchase the Notes upon a change of control event will be limited by its access to funds at the time of the redemption or repurchase, as the case may be, and the Issuer may be required to repay any amounts due within a short period of time. There can be no assurance that the Issuer will have access to sufficient funds upon a change of control event to make these repayments and any required redemption or repurchases of Notes.

There is no active public trading of Notes and it is unclear whether such active trading will develop.

Application has been made for the Notes to be admitted to trading on the regulated market of the Luxembourg Stock Exchange (*Bourse de Luxembourg*) and to be listed on the official list of the Luxembourg Stock Exchange (*Bourse de Luxembourg*). However, no assurance can be given as to whether such admission to trading and/or listing will be obtained and for how long it may be sustained.

Furthermore, the future development of a market for the Notes or the ability of Holders to sell their Notes or the price at which Holders may be able to sell their Notes is currently uncertain. If such a market were to develop, the Notes could trade at prices that may be higher or lower than the initial offer price depending on a variety of factors (*e.g.*, prevailing interest rates, TLG's operating results, the market for similar securities and general economic conditions, performance and prospects as well as analyst recommendations). The liquidity of, and the trading market for, the Notes may also be adversely affected by a general decline in debt securities markets. Such a decline may affect the liquidity and trading of the Notes independent of TLG's financial performance and prospects. In an illiquid market, Holders may be unable to sell Notes at fair market prices, or at all. The possibility to sell Notes may also be restricted by country specific reasons. Potential investors must therefore be prepared to retain Notes for an unspecified time period.

The development of market prices of the Notes depends on various factors, including the development of the overall debt securities market.

The market price of the Notes is influenced by a change in the creditworthiness (or the perception thereof) of the Issuer and by the credit rating of the Issuer and a number of other factors, including the Market Interest Rate levels and yield.

The development of market prices of the Notes depends on various factors, such as changes of Market Interest Rate levels, the policies of central banks, overall economic developments (*e.g.*, inflation rates) and demand for the Notes. Holders are therefore exposed to the risk of an unfavorable development of market prices of the Notes.

The market for Notes is influenced by a number of factors (*e.g.*, economic, financial and political conditions and events in Germany as well as economic conditions and, to varying degrees, market conditions, Market Interest Rates, currency exchange rates and inflation rates in other European and non-European countries). Events in Germany, Europe or elsewhere may cause market volatility and such volatility could adversely affect the market price of the Notes. Accordingly, the price at which Holders will be able to sell their Notes may be at a discount to the issue price or the purchase price paid by such Holder.

Transfer of the Notes will be restricted, which may adversely affect the value of the Notes.

The Notes have not been registered under the Securities Act, or any U.S. state securities laws. Consequently the Notes may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws, and Holders who have acquired Notes may be required to bear the cost of their investment in the Notes until their maturity. It is the Holders' obligation to ensure that their offers and sales of Notes within the United States and other countries comply with applicable securities laws.

Ratings may not reflect all risks and are subject to change.

Ratings assigned to the Issuer by rating agencies are an indicator of the Issuer's ability to meet its obligations under the Notes in a timely manner. The lower the assigned rating, the higher the respective rating agency assesses the risk that the Issuer's obligations will be met in a timely manner or at all. The market value of the Notes likely depends upon the credit rating assigned to the long-term debt of the Issuer. Rating agencies may change, suspend or withdraw their ratings at short notice, and this may affect the price and the market value of the Notes. Therefore, Holders may incur financial disadvantages as they may not be able to sell their Notes or will only be able to do so at a discount to the issue price or the purchase price paid by such Holder.

One or more independent credit rating agencies may assign credit ratings to the Notes. Such ratings may not reflect the potential impact of all risks related to the structure, market and additional factors discussed herein, and other factors that may affect the value of the Notes. In addition, the respective rating agencies may change their methodologies for rating securities with features similar to the Notes in the future. This may include the relationship between ratings assigned to an issuer's senior securities and ratings assigned to securities with features similar to the Notes, sometimes called "notching". If the rating agencies were to change their practices for rating such securities and the ratings of the Notes were to be lowered as a consequence thereof, this could have an adverse impact on the market price of the Notes.

A credit rating is not a recommendation to buy, sell or hold Notes and may be revised or withdrawn by the rating agency at any time.

Incidental costs may reduce the profit from holding the Notes.

When Notes are purchased or sold, several types of incidental costs (*e.g.*, transaction fees and commissions) may be incurred. These incidental costs may significantly reduce or eliminate any profit from holding Notes. Credit institutions generally charge commissions, which are either fixed minimum commissions or *pro rata* commissions, depending on the order value. To the extent that additional (domestic or foreign) parties are involved in the execution of an order (*e.g.*, domestic dealers or brokers in foreign markets), investors may also be charged brokerage fees, commissions and other fees and expenses of such parties (third-party costs).

In addition to costs directly related to the purchase of Notes (direct costs), investors may also incur follow-up costs (*e.g.*, custody fees). Investors should inform themselves about any additional costs incurred in connection with the purchase, custody or sale of the Notes before investing in Notes. These additional costs may significantly reduce or eliminate any profit from holding the Notes.

Investors will have to rely on the procedures of the Clearing System for transfer, payment and communication with the Issuer.

The Notes will be represented by the Global Notes. These will be deposited with a common safekeeper on behalf of the Clearing System. Investors will not be entitled to receive definitive notes. Euroclear and Clearstream will maintain records of the beneficial interests in the Global Notes. While the Notes are represented by the Global Notes, investors will only be able to trade their beneficial interests through Euroclear and Clearstream and the Issuer will discharge its payment obligations under the Notes by making payments to, or to the order of, the Clearing System for distribution to the Holders. Holders must rely on the procedures of Euroclear and Clearstream to receive payments under the Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of beneficial interests in, the Global Notes.

No assurance can be given as to the impact of any possible judicial decision or change of laws or administrative practices after the date of this Prospectus.

The Terms and Conditions are based on the laws of Germany in effect as of the date of this Prospectus. No assurance can be given as to the impact of any possible judicial decision or change in laws or administrative practice or the official application or interpretation of applicable laws after the date of this Prospectus.

Potential investors may not rely on the Issuer, the Joint Bookrunners or any of their respective affiliates in connection with their determination as to the legality or suitability of a purchase of Notes.

Each potential investor in the Notes must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, whether a purchase of Notes is fully consistent with its (or if it is acquiring the Notes in a fiduciary capacity, the beneficiary's) financial needs, objectives and condition, complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it (whether acquiring the Notes as principal or in a fiduciary capacity) and whether it is a fit, proper and suitable investment for such potential investor (or if it is acquiring the Notes in a fiduciary capacity, for the beneficiary), notwithstanding the clear and substantial risks connected therewith.

Potential investors may not rely on the Issuer, the Joint Bookrunners or any of their respective affiliates in connection with their determination as to the legality of its acquisition of Notes or as to the other matters referred to above.

Without independent review and advice, potential investors may not adequately understand the risks inherent with an investment in Notes and may lose parts or all of their investment without taking such or other risks into consideration before investing in Notes.

The Terms and Conditions, including the terms of payment of principal and interest, can be amended by a Holders' resolution and any such resolution will be binding for all Holders. Any such resolution may effectively be passed with the consent of less than a majority of the aggregate principal amount of the Notes then outstanding.

The Terms and Conditions may be amended or other measures relating to the Notes may be resolved by a majority resolution of the Holders. The voting process under the Terms and Conditions will be governed by the SchVG, pursuant to which the required quorum is principally set at 50% of the aggregate principal amount of the Notes then outstanding. In case there is no sufficient quorum, there is no minimum quorum requirement at a second meeting (unless the resolution to be passed requires a qualified majority, in which case Holders representing at least 25% of the principal amount of the Notes then outstanding must participate in the meeting or voting).

As the relevant majority for Holders' resolutions is generally based on votes cast, rather than on principal amount of the Notes then outstanding, the aggregate principal amount required to vote in favor of an amendment will vary based on the participating votes. Therefore, a Holder may be outvoted by a majority resolution of other Holders and lose rights towards the Issuer against its will.

The insolvency laws of Germany may not be as favorable to Holders as the laws of other jurisdictions. Furthermore, the Issuer may shift its center of main interest to jurisdictions that are less favorable to Holders and thereby preclude or limit the ability of Holders to recover payments due on the Notes.

The Issuer is organized under the laws of Germany and has its registered offices in Germany and substantially all of its assets are located in Germany. A court is therefore likely to hold that the center of main interest of the Issuer is in Germany. Therefore, any insolvency proceedings with regard to the Issuer are likely to be initiated in Germany and would most likely be governed by the insolvency laws of Germany. The provisions of German insolvency law may differ substantially from the insolvency laws of other jurisdictions, including with respect to any consolidation of assets and liabilities of a group of companies in the event of an insolvency, preferred satisfaction of secured creditors from enforcement proceedings (*Absonderungsrechte*), the ability to obtain post-petition interest and the duration of the insolvency proceedings. Thus, such laws may be less favorable to Holders than comparable provisions of other jurisdictions.

The Issuer may shift its center of main interest, and thereby the applicable restructuring or insolvency laws, to another jurisdiction, which could offer less favorable terms to Holders than the laws of Germany. In addition, even without such intentional shift of the center of main interests by the Issuer, it cannot be ruled out that a court or other competent authority of such other jurisdiction will deem the restructuring or insolvency laws of such jurisdiction to be applicable and open restructuring or insolvency proceedings under the laws of such jurisdiction with or without the Issuer's consent. Thus, the ability of Holders to recover payments due on the Notes may be or may become more limited or precluded than would be the case under the laws of other jurisdictions.

In case of certain events of default, the Notes will only be redeemable if Holders holding at least 15% of the aggregate principal amount of the Notes then outstanding declare the Notes due and payable. Such declaration of acceleration may be rescinded by a majority resolution of the Holders.

Under the Terms and Conditions, any notice declaring the Notes due and payable in case of certain events of default shall only become effective when the Paying Agent has received such default notices from Holders representing at least 15% of the aggregate principal amount of the Notes then outstanding. In addition, the SchVG provides that even if the threshold of 15% for a default notice has been reached, the Holders could rescind such acceleration by majority resolution within three months. A simple majority of votes would be sufficient for a resolution on the rescission of such acceleration but, in any case, more Holders would have to consent to a rescission than have delivered default notices. Therefore, Holders will be unable to accelerate the Notes upon occurrence of certain events of default, unless the required quorum of Holders delivers default notices and such acceleration is not rescinded by a majority resolution of the Holders.

Since no Holders' Representative will be appointed on the Issue Date, it may be difficult for Holders to take collective action with respect to the Notes.

No initial Holders' Representative will be appointed under the Terms and Conditions. Any appointment of a Holders' Representative post-issuance of the Notes will require a majority resolution of the Holders. Therefore, it may be difficult for Holders to take collective action with respect to the Notes.

If a Holders' Representative is appointed, Holders may be deprived of their individual rights to pursue and enforce their rights under the Terms and Conditions against the Issuer, if such rights were passed to the Holders' Representative by a majority vote. In such case, the Holders' Representative becomes exclusively responsible to claim and enforce the rights of all Holders.

The Holders have no voting rights in shareholders' meeting.

The Notes do not grant voting rights in the Issuer's shareholders' meeting. Therefore, Holders cannot influence any decisions by the Issuer to defer interest payments or to optionally settle arrears of interest or any other decisions by the Issuer's shareholders' meeting concerning the capital structure or any other matters relating to the Issuer.

Changes in Accounting Standards.

The Issuer's consolidated financial statements are prepared in accordance with IFRS and the additional requirements of German commercial law pursuant to Section 315a para. 1 of the German Commercial Code (*Handelsgesetzbuch* ("HGB")). New or changed accounting standards may lead to adjustments in the relevant accounting positions of the Issuer. This may adversely affect the perception regarding the Issuer's creditworthiness, which could reduce the market price of the Notes.

The income from the Notes may be reduced by taxes.

Potential investors should be aware that they may be required to pay taxes or other charges or duties in accordance with applicable laws and practices of the country where the Notes are transferred or other jurisdictions. In some jurisdictions, no official statements of the tax authorities or court decisions may be available for financial instruments such as the Notes. Potential investors should not rely on the tax discussions contained in this Prospectus, but obtain their own tax advisor's advice on their individual taxation with respect to the acquisition, sale and redemption of Notes. Only these advisors are in a position to duly consider the specific situation of the relevant investor.

The Financial Transactions Tax could apply to certain dealings in the Notes.

The European Commission has published a proposal for a directive for a common financial transactions tax ("**FTT**") in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**Participating Member States**"). However, Estonia has since stated that it will not participate in such FTT. If introduced in its current form, the proposed FTT could apply to certain dealings in the Notes, in particular where at least one party is a financial institution. The FTT could apply to persons both within and outside of the Participating Member States. As a result, Holders may incur additional costs for the execution of transactions with Notes. For further information with respect to the FTT, potential investors should refer to "*Taxation—The Proposed Financial Transactions Tax*".

TERMS AND CONDITIONS OF THE NOTES

§ 1

WÄHRUNG, STÜCKELUNG, FORM, BESTIMMTE DEFINITIONEN

- (1) *Währung; Stückelung.* Diese Emission von Schuldverschreibungen (die **Schuldverschreibungen**) der TLG IMMOBILIEN AG (die **Emittentin**) wird am 27. November 2017 (der **Begebungstag**) im Gesamtnennbetrag von € 400.000.000 (in Worten: Euro vierhundert Millionen) in einer Stückelung von € 100.000 (die **Festgelegte Stückelung**) begeben.
- (2) *Form.* Die Schuldverschreibungen lauten auf den Inhaber.
- (3) *Vorläufige Globalurkunde – Austausch gegen Dauerglobalurkunde.*
 - (a) Die Schuldverschreibungen werden anfänglich durch eine vorläufige Globalurkunde (die **Vorläufige Globalurkunde**) ohne Zinsscheine verbrieft. Die Vorläufige Globalurkunde wird gegen Schuldverschreibungen in der Festgelegten Stückelung, die durch eine Dauerglobalurkunde (die **Dauerglobalurkunde**) und, zusammen mit der Vorläufigen Globalurkunde, die **Globalurkunden**) ohne Zinsscheine verbrieft sind, ausgetauscht. Jegliche Zinszahlungsansprüche aus den Schuldverschreibungen sind durch die jeweilige Globalurkunde verbrieft. Die Vorläufige Globalurkunde und die Dauerglobalurkunde werden jeweils von oder im Namen der Emittentin unterschrieben und sind jeweils von der Zahlstelle oder in deren Namen mit einer Kontrollunterschrift versehen. Einzelurkunden für die Schuldverschreibungen und Zinsscheine werden nicht ausgegeben.

§ 1

CURRENCY, DENOMINATION, FORM, CERTAIN DEFINITIONS

- (1) *Currency; Denomination.* This issue of notes (the **Notes**) of TLG IMMOBILIEN AG (the **Issuer**), is being issued in the aggregate principal amount of €400,000,000 (in words: Euro four hundred million) in a denomination of €100,000 each (the **Specified Denomination**) on November 27, 2017 (the **Issue Date**).
- (2) *Form.* The Notes are being issued in bearer form.
- (3) *Temporary Global Note – Exchange for Permanent Global Note.*
 - (a) The Notes are initially represented by a temporary global note (the **Temporary Global Note**) without coupons. The Temporary Global Note will be exchangeable for Notes in the Specified Denomination represented by a permanent global note (the **Permanent Global Note**) and, together with the Temporary Global Note, the **Global Notes**) without coupons. Any claim for interest payments under the Notes shall be represented by the relevant Global Note. The Temporary Global Note and the Permanent Global Note shall each be signed by or on behalf of the Issuer and shall each be authenticated by or on behalf of the Paying Agent. Definitive certificates representing individual Notes and coupons will not be issued.

Die Schuldverschreibungen werden in Form einer New Global Note (NGN) ausgegeben und von einem von den ICSDs bestellten *common safekeeper* (der *Common Safekeeper*) im Namen der ICSDs verwahrt.

The Notes are issued in new global note (NGN) form and are kept in custody on behalf of the ICSDs by a common safekeeper (the *Common Safekeeper*) appointed by the ICSDs.

- (b) Die Vorläufige Globalurkunde wird gegen die Dauerglobalurkunde innerhalb von mindestens 40 und höchstens 180 Tagen nach dem Begebungstag ausgetauscht. Ein solcher Austausch darf nur nach Vorlage von Bescheinigungen erfolgen, wonach der oder die wirtschaftlichen Eigentümer der Schuldverschreibungen keine U.S.-Person(en) ist bzw. sind (ausgenommen bestimmte Finanzinstitute oder bestimmte Personen, die Schuldverschreibungen über solche Finanzinstitute halten). Solange die Schuldverschreibungen durch eine Vorläufige Globalurkunde verbrieft sind, werden Zinszahlungen erst nach Vorlage solcher Bescheinigungen vorgenommen. Eine gesonderte Bescheinigung ist für jede solche Zinszahlung erforderlich. Jede Bescheinigung, die am oder nach dem 40. Tag nach dem Begebungstag eingeht, wird als ein Ersuchen behandelt werden, die Vorläufige Globalurkunde gemäß diesem Absatz (b) auszutauschen. Schuldverschreibungen, die im Austausch für die Vorläufige Globalurkunde geliefert werden, dürfen nur außerhalb der Vereinigten Staaten (wie in Absatz (7) definiert) geliefert werden.
- (b) The Temporary Global Note shall be exchanged for the Permanent Global Note not less than 40 nor more than 180 days after the Issue Date. Such exchange shall only be made upon delivery of certifications to the effect that the beneficial owner or owners of the Notes is or are, as applicable, not (a) U.S. person(s) (other than certain financial institutions or certain persons holding Notes through such financial institutions). Payment of interest on Notes represented by a Temporary Global Note will be made only after delivery of such certifications. A separate certification shall be required in respect of each such payment of interest. Any such certification received on or after the 40th day after the Issue Date will be treated as a request to exchange the Temporary Global Note pursuant to this paragraph (b). Any Notes delivered in exchange for the Temporary Global Note shall be delivered only outside of the United States (as defined in paragraph (7)).
- (4) *Register der ICSDs.* Der Gesamtnennbetrag der durch die Globalurkunde verbrieften Schuldverschreibungen entspricht dem jeweils in den Registern beider ICSDs eingetragenen Gesamtbetrag. Die Register der ICSDs (unter denen die Register zu verstehen sind, die jeder ICSD für seine Kunden über den Betrag ihres Anteils an den Schuldverschreibungen führt) sind maßgeblicher Nachweis des Gesamtnennbetrags
- (4) *Records of the ICSDs.* The aggregate principal amount of Notes represented by the Global Note shall be the aggregate amount from time to time entered in the records of both ICSDs. The records of the ICSDs (which expression means the records that each ICSD holds for its customers which reflect the amount of such customer's interest in the Notes) shall be conclusive evidence of the aggregate principal amount of Notes

der durch die Globalurkunde verbrieften Schuldverschreibungen, und eine zu diesem Zweck von einem ICSD jeweils ausgestellte Bescheinigung mit dem Gesamtnennbetrag der so verbrieften Schuldverschreibungen ist maßgeblicher Nachweis des Inhalts des Registers des betreffenden ICSD zu dem fraglichen Zeitpunkt.

Bei jeder Rück- oder Zinszahlung auf die durch die Globalurkunde verbrieften Schuldverschreibungen bzw. beim Kauf und der Entwertung der durch die Globalurkunde verbrieften Schuldverschreibungen stellt die Emittentin sicher, dass die Einzelheiten der Rückzahlung, der Zinszahlung oder des Kaufs und der Entwertung bezüglich der Globalurkunde entsprechend in die Unterlagen der ICSDs eingetragen werden, und dass nach dieser Eintragung vom Gesamtnennbetrag der in die Register der ICSDs aufgenommenen und durch die Globalurkunde verbrieften Schuldverschreibungen der Gesamtnennbetrag der zurückgezahlten bzw. gekauften und entwerteten Schuldverschreibungen abgezogen wird.

Sofern nur ein Teil der Schuldverschreibungen, die durch eine vorläufige Globalurkunde verbrieft sind, ausgetauscht wird, wird die Emittentin sicherstellen, dass die Einzelheiten dieses Austauschs entsprechend in die Register der ICSDs aufgenommen werden.

(5) *Clearingsystem*. Jede Globalurkunde wird solange von einem oder im Namen eines Clearingsystems verwahrt, bis sämtliche Verbindlichkeiten der Emittentin aus den Schuldverschreibungen erfüllt sind. *Clearingsystem* bezeichnet Clearstream Banking, société anonyme, Luxemburg (*CBL*) und Euroclear Bank SA/NV, Brüssel (*Euroclear*) (CBL und Euroclear jeweils ein *ICSD* und zusammen die *ICSDs*) sowie jeder Funktionsnachfolger.

represented by the Global Note and, for these purposes, a statement issued by an ICSD stating the aggregate principal amount of Notes so represented at any time shall be conclusive evidence of the records of the relevant ICSD at that time.

On any redemption or payment of interest being made in respect of, or purchase and cancellation of, any of the Notes represented by the Global Note the Issuer shall procure that details of any redemption, payment of interest or purchase and cancellation (as the case may be) in respect of the Global Note shall be entered accordingly in the records of the ICSDs and, upon any such entry being made, the aggregate principal amount of the Notes recorded in the records of the ICSDs and represented by the Global Note shall be reduced by the aggregate principal amount of the Notes so redeemed or purchased and cancelled.

On an exchange of a portion only of the Notes represented by a Temporary Global Note, the Issuer shall procure that details of such exchange shall be entered accordingly in the records of the ICSDs.

(5) *Clearing System*. Each Global Note will be kept in custody by or on behalf of the Clearing System until all obligations of the Issuer under the Notes have been satisfied. *Clearing System* means the following: Clearstream Banking, société anonyme, Luxembourg (*CBL*) and Euroclear Bank SA/NV, Brussels (*Euroclear*) (CBL and Euroclear each an *ICSD* and together the *ICSDs*) and any successor in such capacity.

- (6) *Gläubiger von Schuldverschreibungen.* **Gläubiger** bezeichnet jeden Inhaber eines Miteigentumsanteils oder anderen vergleichbaren Anteils oder Rechts an den Schuldverschreibungen.
- (6) *Holder of Notes.* **Holder** means any holder of a proportionate co-ownership or other beneficial interest or right in the Notes.
- (7) *Vereinigte Staaten.* Für die Zwecke dieser Anleihebedingungen bezeichnet **Vereinigte Staaten** die Vereinigten Staaten von Amerika (einschließlich deren Bundesstaaten und des District of Columbia) sowie deren Territorien (einschließlich Puerto Rico, der U.S. Virgin Islands, Guam, American Samoa, Wake Island und den Northern Mariana Islands).
- (7) *United States.* For the purposes of these Terms and Conditions, **United States** means the United States of America (including the States thereof and the District of Columbia) and its possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and Northern Mariana Islands).

§ 2 STATUS

Die Schuldverschreibungen begründen unmittelbare, unbedingte, nicht besicherte und nicht nachrangige Verbindlichkeiten der Emittentin, die untereinander und mit allen anderen nicht besicherten und nicht nachrangigen Verbindlichkeiten der Emittentin gleichrangig sind, soweit solchen Verbindlichkeiten nicht durch zwingende gesetzliche Bestimmungen ein Vorrang eingeräumt wird.

§ 3 NEGATIVVERPFLICHTUNG

- (1) *Negativverpflichtung.* Die Emittentin verpflichtet sich, solange Schuldverschreibungen ausstehen, jedoch nur bis zu dem Zeitpunkt, an dem alle Beträge an Kapital und Zinsen der Zahlstelle zur Verfügung gestellt wurden, keine dinglichen Sicherungsrechte an ihren Vermögenswerten zur Besicherung von Kapitalmarktverbindlichkeiten mit Ausnahme Verbriefter Kapitalmarktverbindlichkeiten zu bestellen oder fortbestehen zu lassen, und zu gewährleisten, dass keine ihrer Wesentlichen Tochtergesellschaften die zuvor genannten Sicherungsrechte bestellt oder fortbestehen lässt, es sei denn, die Verbindlichkeiten der Emittentin aus den Schuldverschreibungen werden, vorbehaltlich Absatz (3), durch das

§ 2 STATUS

The obligations under the Notes constitute direct, unconditional, unsecured and unsubordinated obligations of the Issuer ranking *pari passu* among themselves and *pari passu* with all other unsecured and unsubordinated obligations of the Issuer, unless such obligations are accorded priority under mandatory provisions of statutory law.

§ 3 NEGATIVE PLEDGE

- (1) *Negative Pledge.* The Issuer undertakes, so long as any Notes are outstanding, but only up to the time all amounts of principal and interest have been placed at the disposal of the Paying Agent, not to create or permit to subsist, and to procure that none of its Material Subsidiaries will create or permit to subsist, any security interest *in rem* over its assets to secure any Capital Market Indebtedness other than Securitized Capital Market Indebtedness unless, subject to paragraph (3), the Issuer's obligations under the Notes are secured equally with (or, in case such Capital Market Indebtedness is subordinated debt, senior in priority to) the Capital Market Indebtedness secured by such security interest.

betreffende Sicherungsrecht gleichrangig mit der jeweiligen Kapitalmarktverbindlichkeit (oder, sofern es sich dabei um eine nachrangige Verbindlichkeit handelt, im Vergleich dazu vorrangig) besichert.

- (2) *Beschränkung.* Die Verpflichtungserklärungen nach Absatz (1) gelten jedoch nicht für eine Sicherheit, die (i) über Vermögensgegenstände einer Tochtergesellschaft der Emittentin, die erst nach dem Begebungstag zu einer Tochtergesellschaft der Emittentin wurde, gewährt wurde, (ii) nach anwendbarem Recht zwingend vorgeschrieben ist, (iii) Voraussetzung für die Gewährung staatlicher Genehmigungen ist, (iv) bereits am Begebungstag bestand, (v) durch eine Tochtergesellschaft zur Sicherung von gegenwärtigen oder zukünftigen Ansprüchen dieser Tochtergesellschaft gegen die Emittentin oder eine ihrer Tochtergesellschaften aufgrund der Weiterleitung von Erlösen aus der Emission von Wertpapieren gewährt wurde, soweit diese Sicherheit zur Sicherung von Verpflichtungen dieser Tochtergesellschaft aus diesen Wertpapieren dient, (vi) eine im Zeitpunkt einer Akquisition bestehende Kapitalmarktverbindlichkeit besichert, die infolge der Akquisition eine Verpflichtung der Emittentin wird, (vii) eine Erneuerung, Verlängerung oder Ersetzung einer Sicherheit gemäß vorstehender Ziffern (i) bis (vi) darstellt oder (viii) nicht in den Anwendungsbereich von (i) bis (vii) fällt und Kapitalmarktverbindlichkeiten besichert, deren Kapitalbetrag (zusammen mit dem Kapitalbetrag anderer Kapitalmarktverbindlichkeiten, für die dingliche Sicherheiten (begeben durch die Emittentin oder eine Wesentliche Tochtergesellschaft) bestehen, die nicht in den Anwendungsbereich von (i) bis (vii) fallen) 10 % der Summe Aktiva zum unmittelbar vorausgehenden Berichtsstichtag, zu dem ein Konzernabschluss der Emittentin veröffentlicht worden ist, (bzw. den Gegenwert in anderen Währungen am Tag
- (2) *Limitation.* The undertakings pursuant to paragraph (1) shall not apply to a security which (i) was granted over assets of a subsidiary of the Issuer that becomes a Subsidiary only after the Issue Date, (ii) is mandatory according to applicable laws, (iii) is required as a prerequisite for governmental approvals, (iv) existed on the Issue Date, (v) is granted by a Subsidiary over any existing or future claims of this Subsidiary against the Issuer or any of its Subsidiaries as a result of passing on proceeds from the sale of any issuance of any securities, *provided that* such security serves as security for obligations of this Subsidiary under such securities, (vi) secures Capital Market Indebtedness existing at the time of an acquisition that becomes an obligation of the Issuer as a consequence of such acquisition, (vii) constitutes the renewal, extension or replacement of any security pursuant to the foregoing (i) through (vi), or (viii) does not fall within the scope of application of (i) through (vii) above and which secures Capital Market Indebtedness with a principal amount (when aggregated with the principal amount of other Capital Market Indebtedness which has the benefit of security (issued by the Issuer or any Material Subsidiary) other than any falling within the scope of application of (i) through (vii) above) not exceeding 10 per cent. of the Total Assets as of the immediately preceding Reporting Date for which Consolidated Financial Statements of the Issuer have been published (or its equivalent in other currencies as of the date of granting this Security).

der Bestellung dieser Sicherheit) nicht überschreitet.

Eine nach diesem Absatz (2) zu bestellende Sicherheit kann auch zugunsten einer Person, die als Treuhänder der Gläubiger tätig ist, bestellt werden.

- (3) *Bestellung Zusätzlicher Sicherheiten.* Entsteht für die Emittentin eine Verpflichtung zur Besicherung der Schuldverschreibungen gemäß diesem § 3 (oder entsteht die Verpflichtung, für deren Besicherung durch eine Wesentliche Tochtergesellschaft Sorge zu tragen), so ist die Emittentin berechtigt, diese Verpflichtung dadurch zu erfüllen, dass sie ein Sicherungsrecht an dem jeweiligen Sicherungsgegenstand zugunsten eines Sicherheitentreuhänders bestellt (bzw. dadurch, dass sie die betreffende Wesentliche Tochtergesellschaft zur Begründung eines solchen Sicherungsrechts veranlasst), und zwar in einer Weise, dass der Sicherheitentreuhänder diesen Sicherungsgegenstand dinglich oder, falls rechtlich nicht möglich, aufgrund schuldrechtlicher Vereinbarung gleichrangig zugunsten der Gläubiger der Schuldverschreibungen und der Gläubiger derjenigen Kapitalmarktverbindlichkeit hält, die aufgrund der Besicherung zur Bestellung dieses Sicherungsrechts an dem betreffenden Sicherungsgegenstand führte.

§ 4

VERZINSUNG

- (1) *Zinssatz und Zinszahlungstage.* Die Schuldverschreibungen werden bezogen auf ihren Nennbetrag verzinst, und zwar vom 27. November 2017 (der *Verzinsungsbeginn*) (einschließlich) mit 1,375 % p.a. bis zum Fälligkeitstag (ausschließlich). Die Zinsen sind jährlich nachträglich am 27. November zahlbar (jeweils ein *Zinszahlungstag*). Die erste Zinszahlung erfolgt am 27. November 2018.

Any security which is to be provided pursuant to this paragraph (2) may also be provided to a person acting as trustee for the Holders.

- (3) *Provision of Additional Security.* Whenever the Issuer becomes obligated to secure (or procure that a Material Subsidiary secures) the Notes pursuant to this § 3, the Issuer shall be entitled to discharge such obligation by providing (or procuring that the relevant Material Subsidiary provides) a security interest in the relevant collateral to a security trustee, such security trustee to hold such collateral and the security interest that gave rise to the creation of such collateral, equally, for the benefit of the Holders and the holders of the Capital Market Indebtedness secured by the security interest that gave rise to the creation of such security interest in such collateral, such equal rank to be created *in rem* or, if impossible to create *in rem*, contractually.

§ 4

INTEREST

- (1) *Rate of Interest and Interest Payment Dates.* The Notes shall bear interest on their principal amount at the rate of 1.375 per cent. per annum from (and including) November 27, 2017 (the *Interest Commencement Date*) to (but excluding) the Maturity Date. Interest shall be payable annually in arrears on November 27 (each such date, an *Interest Payment Date*). The first payment of interest shall be made on November 27, 2018.

- (2) *Zahlungsverzug.* Wenn die Emittentin aus irgendeinem Grund die Schuldverschreibungen bei Fälligkeit nicht zurückzahlt, wird der ausstehende Betrag vom Tag der Fälligkeit (einschließlich) bis zum Tag der tatsächlichen Rückzahlung der Schuldverschreibungen (ausschließlich) mit dem gesetzlichen Verzugszins¹ verzinst. Die Geltendmachung eines weitergehenden Schadens im Falle eines Zahlungsverzugs ist nicht ausgeschlossen.
- (2) *Late Payment.* If the Issuer for any reason fails to redeem the Notes when due, interest shall continue to accrue on the outstanding amount from (and including) the due date to (but excluding) the date of actual redemption of the Notes at the default rate of interest established by law.² Claims for further damages in case of late payment are not excluded.
- (3) *Berechnung der Zinsen.* Sind Zinsen für einen Zeitraum zu berechnen, der kürzer ist als die Zinsperiode (wie in diesem Absatz (3) definiert), wird der Zins auf Grundlage der tatsächlichen Anzahl der in dem betreffenden Zeitraum abgelaufenen Kalendertage (einschließlich des ersten, aber ausschließlich des letzten Tages dieses Zeitraums) geteilt durch die tatsächliche Anzahl der Kalendertage der Zinsperiode (einschließlich des ersten, aber ausschließlich des letzten Tages dieses Zeitraums), in den der maßgebliche Zeitraum fällt, ermittelt.
- (3) *Calculation of Interest.* Where interest is to be calculated in respect of a period which is shorter than an Interest Period (as defined in this paragraph (3)), the interest will be calculated on the basis of the actual number of calendar days elapsed in the relevant period, from (and including) the first date in the relevant period to (but excluding) the last date of the relevant period, divided by the actual number of calendar days in the Interest Period in which the relevant period falls (including the first such day of the relevant Interest Period, but excluding the last day of the relevant Interest Period).

Zinsperiode bezeichnet den Zeitraum ab dem Verzinsungsbeginn (einschließlich) bis zum ersten Zinszahlungstag (ausschließlich) und anschließend den Zeitraum vom jeweiligen Zinszahlungstag (einschließlich) bis zum darauffolgenden Zinszahlungstag (ausschließlich).

Interest Period means the period from (and including) the Interest Commencement Date to (but excluding) the first Interest Payment Date and thereafter from (and including) each relevant Interest Payment Date to (but excluding) the next following Interest Payment Date.

¹ Der gesetzliche Verzugszinssatz beträgt fünf Prozentpunkte über dem von der Deutschen Bundesbank jeweils veröffentlichten Basiszinssatz, §§ 288 Abs. 1, 247 Abs. 1 BGB.

² The default rate of interest established by statutory law is five percentage points above the base rate of interest published by *Deutsche Bundesbank* from time to time, sections 288 paragraph 1, 247 paragraph 1 of the German Civil Code (*Bürgerliches Gesetzbuch*).

§ 5
ZÄHLUNGEN

- (1) *Zahlung von Kapital und Zinsen.* Die Zahlung von Kapital und Zinsen auf die Schuldverschreibungen erfolgt, vorbehaltlich Absatz (2), an die Zahlstelle zur Weiterleitung an das Clearingsystem oder dessen Order zur Gutschrift auf den Konten der jeweiligen Kontoinhaber des Clearingsystems.
- (2) *Zahlungsweise.* Vorbehaltlich geltender steuerlicher und sonstiger gesetzlicher Regelungen und Vorschriften werden auf die Schuldverschreibungen fällige Zahlungen in Euro geleistet.
- (3) *Erfüllung.* Die Emittentin wird durch Zahlung an das Clearingsystem oder dessen Order von ihrer Zahlungspflicht befreit.
- (4) *Geschäftstag.* Ist der Tag für eine Zahlung in Bezug auf eine Schuldverschreibung ein Tag, der kein Geschäftstag ist, so hat der Gläubiger keinen Anspruch auf Zahlung vor dem nächsten Geschäftstag am jeweiligen Ort und ist nicht berechtigt, weitere Zinsen oder sonstige Zahlungen aufgrund dieser Verspätung zu verlangen. Für diese Zwecke bezeichnet **Geschäftstag** einen Tag (außer einem Samstag oder Sonntag), an dem Banken in London und Frankfurt am Main für den allgemeinen Geschäftsverkehr geöffnet sind und an dem das Clearingsystem sowie alle maßgeblichen Bereiche des Trans-European Automated Real-time Gross Settlement Express Transfer System 2 (TARGET2) betriebsbereit sind, um Zahlungen vorzunehmen.

§ 5
PAYMENTS

- (1) *Payment of Principal and Interest.* Payment of principal and interest in respect of the Notes shall be made, subject to paragraph (2) below, to the Paying Agent for forwarding to the Clearing System or to its order for credit to the accounts of the relevant accountholders of the Clearing System.
- (2) *Manner of Payment.* Subject to applicable fiscal and other laws and regulations, payments of amounts due in respect of the Notes shall be made in Euro.
- (3) *Discharge.* The Issuer shall be discharged by payment to, or to the order of, the Clearing System.
- (4) *Business Day.* If the date for payment of any amount in respect of any Note is not a Business Day then the Holder shall not be entitled to payment until the next such day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, **Business Day** means a day (other than a Saturday or a Sunday) on which banks are open for general business in London and Frankfurt am Main and on which the Clearing System as well as all relevant parts of the Trans-European Automated Real-time Gross Settlement Express Transfer System 2 (TARGET2) are operational to effect payments.

- (5) *Bezugnahmen auf Kapital und Zinsen.* Bezugnahmen in diesen Anleihebedingungen auf Kapital der Schuldverschreibungen schließen, soweit anwendbar, die folgenden Beträge ein: Rückzahlungsbetrag, Wahl-Rückzahlungsbetrag (Call), Wahl-Rückzahlungsbetrag (Put), gegebenenfalls gemäß § 8 zahlbare Zusätzliche Beträge und alle Aufschläge oder sonstigen auf die Schuldverschreibungen oder im Zusammenhang damit gegebenenfalls zahlbaren Beträge. Bezugnahmen in diesen Anleihebedingungen auf Zinsen auf die Schuldverschreibungen schließen, soweit anwendbar, sämtliche gegebenenfalls gemäß § 8 zahlbaren Zusätzlichen Beträge ein.
- (6) *Hinterlegung von Kapital und Zinsen.* Die Emittentin ist berechtigt, beim Amtsgericht Frankfurt am Main Kapital- oder Zinsbeträge zu hinterlegen, die von den Gläubigern nicht innerhalb von zwölf Monaten nach dem Fälligkeitstag beansprucht worden sind, auch wenn die Gläubiger sich nicht in Annahmeverzug befinden. Wenn und soweit eine solche Hinterlegung erfolgt und auf das Recht der Rücknahme verzichtet wird, erlöschen die diesbezüglichen Ansprüche der Gläubiger gegen die Emittentin.
- (5) *References to Principal and Interest.* References in these Terms and Conditions to principal in respect of the Notes shall be deemed to include, as applicable: the Final Redemption Amount, the Call Redemption Amount, the Put Redemption Amount, Additional Amounts which may be payable under § 8 and any other premium and any other amounts which may be payable under or in respect of the Notes. References in these Terms and Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any Additional Amounts which may be payable under § 8.
- (6) *Deposit of Principal and Interest.* The Issuer may deposit with the local court in Frankfurt am Main principal or interest not claimed by Holders within twelve months after the Maturity Date, even though such Holders may not be in default of acceptance of payment. If and to the extent that the deposit is effected and the right of withdrawal is waived, the respective claims of such Holders against the Issuer shall cease.

§ 6 RÜCKZAHLUNG

- (1) *Rückzahlung bei Endfälligkeit.* Soweit nicht zuvor bereits ganz oder teilweise zurückgezahlt oder angekauft und entwertet, werden die Schuldverschreibungen zu ihrem Rückzahlungsbetrag am 27. November 2024 (dem **Fälligkeitstag**) zurückgezahlt. Der **Rückzahlungsbetrag** einer jeden Schuldverschreibung entspricht dabei ihrem Nennbetrag.

§ 6 REDEMPTION

- (1) *Redemption at Maturity.* Unless previously redeemed in whole or in part or purchased and cancelled, the Notes shall be redeemed at their Final Redemption Amount on November 27, 2024 (the **Maturity Date**). The **Final Redemption Amount** in respect of each Note shall be its principal amount.

- (2) *Vorzeitige Rückzahlung aus steuerlichen Gründen.* Die Schuldverschreibungen können jederzeit insgesamt, jedoch nicht teilweise, nach Wahl der Emittentin mit einer Kündigungsfrist von mindestens 45 und höchstens 60 Tagen durch Erklärung gegenüber der Zahlstelle und gemäß § 15 gegenüber den Gläubigern gekündigt und zu ihrem Nennbetrag zuzüglich bis zum für die Rückzahlung festgesetzten Tag (ausschließlich) aufgelaufener Zinsen vorzeitig zurückgezahlt werden, falls die Emittentin als Folge einer Änderung oder Ergänzung der Gesetze oder Vorschriften der Bundesrepublik Deutschland (oder für den Fall, dass die Emittentin gemäß § 8(4) einer anderen Steuerrechtsordnung unterworfen wird, der Gesetze oder Vorschriften dieser anderen Steuerrechtsordnung), die Steuern oder die Verpflichtung zur Zahlung von Abgaben jeglicher Art betreffen, oder als Folge einer Änderung oder Ergänzung der offiziellen Auslegung oder Anwendung dieser Gesetze und Vorschriften (vorausgesetzt, diese Änderung oder Ergänzung wird am oder nach dem Tag der Begebung der Schuldverschreibungen wirksam) am nächstfolgenden Zinszahlungstag zur Zahlung von Zusätzlichen Beträgen verpflichtet sein wird und diese Verpflichtung nicht durch das Ergreifen der Emittentin zur Verfügung stehender Maßnahmen vermieden werden kann, die nach Auffassung der Emittentin zumutbar sind (wobei jeweils die Interessen der Gläubiger zu berücksichtigen sind).

Eine solche Kündigung darf allerdings nicht (i) früher als 90 Tage vor dem frühestmöglichen Termin erfolgen, an dem die Emittentin verpflichtet wäre, solche Zusätzlichen Beträge zu zahlen, falls eine Zahlung auf die Schuldverschreibungen dann fällig wäre, oder (ii) erfolgen, wenn zu dem Zeitpunkt, zu dem die Kündigung erklärt wird, die Verpflichtung zur Zahlung von Zusätzlichen Beträgen nicht mehr wirksam ist.

- (2) *Early Redemption for Reasons of Taxation.* If as a result of any change in, or amendment to, the laws or regulations of the Federal Republic of Germany (or in the event the Issuer becoming subject to another tax jurisdiction pursuant to § 8(4), the laws or regulations of such other tax jurisdiction) affecting taxation or the obligation to pay duties of any kind, or any change in, or amendment to, an official interpretation or application of such laws or regulations, which amendment or change becomes effective on or after the date on which the Notes were issued, the Issuer is required to pay Additional Amounts on the next succeeding Interest Payment Date, and this obligation cannot be avoided by the use of measures available to the Issuer which are, in the judgement of the Issuer, in each case taking into account the interests of Holders, reasonable, the Notes may be redeemed, in whole but not in part, at the option of the Issuer, at any time upon not less than 45 days' nor more than 60 days' prior notice of redemption given to the Paying Agent and, in accordance with § 15, to the Holders, at the principal amount together with interest accrued to (but excluding) the date fixed for redemption.

However, no such notice of redemption may be given (i) earlier than 90 days prior to the earliest date on which the Issuer would be obligated to pay such Additional Amounts if a payment in respect of the Notes was then due, or (ii) if at the time such notice is given, such obligation to pay such Additional Amounts does not remain in effect.

Eine solche Kündigung hat gemäß § 15 zu erfolgen. Sie ist unwiderruflich, muss den für die Rückzahlung festgelegten Termin nennen und eine zusammenfassende Erklärung enthalten, welche die das Rückzahlungsrecht der Emittentin begründenden Umstände darlegt.

Any such notice shall be given in accordance with § 15. It shall be irrevocable, must specify the date fixed for redemption and must set forth a statement summarizing the facts constituting the basis for the right of the Issuer so to redeem.

(3) *Vorzeitige Rückzahlung nach Wahl der Emittentin.* (3) *Early Redemption at the Option of the Issuer.*

(a) Vorbehaltlich einer Kündigung gemäß Unterabsatz (b) kann die Emittentin die Schuldverschreibungen (ausgenommen Schuldverschreibungen, deren Rückzahlung der Gläubiger bereits in Ausübung seines Wahlrechts nach Absatz (5) verlangt hat) nach ihrer Wahl insgesamt oder teilweise innerhalb des Zeitraums vom 27. August 2024 bis zum Fälligkeitstag zum Rückzahlungsbetrag, zuzüglich bis zum für die Rückzahlung festgesetzten Tag (ausschließlich) aufgelaufener Zinsen zurückzahlen.

(a) The Issuer may, upon notice given in accordance with subparagraph (b), redeem at its option all or some of the Notes (except for any Note which is the subject of the prior exercise by the Holder thereof of the option to require the redemption of such Note under paragraph (5)) within the period from August 27, 2024 to the Maturity Date at the Final Redemption Amount together with interest accrued, if any, to (but excluding) the date fixed for redemption.

(b) Eine solche Kündigung hat durch Erklärung gegenüber der Zahlstelle und gemäß § 15 gegenüber den Gläubigern zu erfolgen. Sie beinhaltet die folgenden Angaben: (i) die Erklärung, ob die Schuldverschreibungen ganz oder teilweise zurückgezahlt werden und im letzteren Fall den Gesamtnennbetrag der zurückzuzahlenden Schuldverschreibungen, und (ii) den für die Rückzahlung festgesetzten Tag, der nicht weniger als 30 und nicht mehr als 60 Tage nach dem Tag der Kündigung durch die Emittentin gegenüber den Gläubigern liegen darf.

(b) Any such notice of redemption shall be given to the Paying Agent and, in accordance with § 15, to the Holders. Such notice shall specify (i) whether the Notes are to be redeemed in whole or in part and, if in part, the aggregate principal amount of the Notes which are to be redeemed, and (ii) the date fixed for redemption, which shall be not less than 30 nor more than 60 days after the date on which notice is given by the Issuer to the Holders.

(c) Werden die Schuldverschreibungen nur teilweise zurückgezahlt, werden die zurückzuzahlenden Schuldverschreibungen in Übereinstimmung mit den üblichen Verfahren des betreffenden Clearingsystems ausgewählt. Die teilweise Rückzahlung wird in den Registern von CBL und Euroclear nach

(c) In the case of a partial redemption of Notes, Notes to be redeemed shall be selected in accordance with the customary proceedings of the relevant Clearing System. Such partial redemption shall be reflected in the records of CBL and Euroclear as either a pool factor or a reduction in principal amount, at the

deren Ermessen entweder als Pool-Faktor oder als Reduzierung des Nennbetrags wiedergegeben.

(4) *Vorzeitige Rückzahlung nach Wahl der Emittentin (Make-Whole)*. Die Emittentin kann die Schuldverschreibungen (ausgenommen Schuldverschreibungen, deren Rückzahlung der Gläubiger bereits in Ausübung seines Wahlrechts nach Absatz (5) verlangt hat) insgesamt, jedoch nicht teilweise, nach ihrer Wahl mit einer Kündigungsfrist von mindestens 45 und höchstens 60 Tagen durch Erklärung gegenüber der Zahlstelle und gemäß § 15 gegenüber den Gläubigern kündigen und an einem von ihr anzugebenden Tag (dem **Wahl-Rückzahlungstag (Call)**) zu ihrem Wahl-Rückzahlungsbetrag (Call) zusammen mit allen nicht gezahlten Zinsen zurückzahlen, die bis zum Wahl-Rückzahlungstag (Call) (ausschließlich) (aber ohne aufgelaufene Zinsen, die in dem Wahl-Rückzahlungsbetrag (Call) berücksichtigt sind) aufgelaufen sind. Eine solche Kündigung hat gemäß § 15 zu erfolgen. Sie ist unwiderruflich und muss den Wahl-Rückzahlungstag (Call) und den Wahl-Rückzahlungsbetrag (Call) angeben, zu dem die betreffenden Schuldverschreibungen zurückgezahlt werden.

Der **Wahl-Rückzahlungsbetrag (Call)** je Schuldverschreibung entspricht (i) dem Nennbetrag je Schuldverschreibung oder (ii), falls höher, dem Abgezinsten Marktpreis (*Make-Whole Amount*) je Schuldverschreibung. Der **Abgezinsten Marktpreis (Make-Whole Amount)** wird von der Berechnungsstelle am Rückzahlungsberechnungstag berechnet, indem der Nennbetrag und die verbleibenden Zinszahlungen bis zum Fälligkeitstag auf jährlicher Basis unter Zugrundelegung eines Jahres mit 365 bzw. 366 Tagen und der Zahl der tatsächlich in dem Jahr verstrichenen Tage und mit der Bund-Rendite plus

discretion of CBL and Euroclear.

(4) *Early Redemption at the Option of the Issuer (Make-Whole)*. The Issuer may, upon not less than 45 days' nor more than 60 days' prior notice of redemption given to the Paying Agent and, in accordance with § 15, to the Holders, redeem on any date specified by it (the **Call Redemption Date**), at its option, the Notes (except for any Note which is the subject of the prior exercise by the Holder thereof of its option to require the redemption of such Note under paragraph (5)) in whole but not in part, at their Call Redemption Amount together with any unpaid interest accrued to (but excluding) the Call Redemption Date (but excluding accrued interest accounted for in the Call Redemption Amount). Any such notice of redemption shall be given in accordance with § 15. It shall be irrevocable and must specify the Call Redemption Date and the Call Redemption Amount at which such Notes are to be redeemed.

The **Call Redemption Amount** per Note means the higher of (i) the principal amount per Note and (ii) the Make-Whole Amount per Note. The **Make-Whole Amount** will be an amount calculated by the Calculation Agent on the Redemption Calculation Date by discounting the principal amount and the remaining interest payments to the Maturity Date on an annual basis, assuming a 365-day year or a 366-day year, as the case may be, and the actual number of days elapsed in such year and using the Bund Rate plus 25 basis points.

25 Basispunkte abgezinst werden.

Die **Bund-Rendite** entspricht der bis zur Fälligkeit am Rückzahlungs-Berechnungstag bestehenden Rendite p.a. einer unmittelbaren Verbindlichkeit der Bundesrepublik Deutschland (Bund oder Bundesanleihen) mit einer Festlaufzeit (wie offiziell bestimmt und in den mindestens zwei (und höchstens fünf) Geschäftstage vor dem jeweiligen Rückzahlungs-Berechnungstag zuletzt verfügbaren öffentlich zugänglichen Finanzstatistiken veröffentlicht (oder falls solche statistischen Finanzinformationen nicht veröffentlicht oder zugänglich sind, wie in einer anderen öffentlich zugänglichen Quelle vergleichbarer Marktdaten angegeben)), die der Zeitspanne vom jeweiligen Wahl-Rückzahlungstag (Call) bis zum Fälligkeitstag der Schuldverschreibung am ehesten entspricht. Sollte jedoch die Zeitspanne vom jeweiligen Wahl-Rückzahlungstag (Call) bis zum Fälligkeitstag nicht der Festlaufzeit einer solchen unmittelbaren Verbindlichkeit der Bundesrepublik Deutschland entsprechen, für die eine wöchentliche Durchschnittsrendite angegeben wird, so ist die Bund-Rendite im Wege der linearen Interpolation (berechnet auf das nächste Zwölftel eines Jahres) aus den wöchentlichen Durchschnittsrenditen einer unmittelbaren Verbindlichkeit der Bundesrepublik Deutschland zu ermitteln, für die solche Renditen angegeben werden. Sofern die Zeitspanne vom Wahl-Rückzahlungstag (Call) bis zum Fälligkeitstag kürzer als ein Jahr ist, so ist die wöchentliche Durchschnittsrendite einer tatsächlich gehandelten unmittelbaren Verbindlichkeit der Bundesrepublik Deutschland, angepasst an eine Festlaufzeit von einem Jahr, anzuwenden.

Rückzahlungs-Berechnungstag ist der zehnte Geschäftstag vor dem Tag, an dem die Schuldverschreibungen gemäß diesem Absatz (4) zurückgezahlt werden.

The **Bund Rate** shall be the yield to maturity per annum at the Redemption Calculation Date of a direct obligation of the Federal Republic of Germany with a constant maturity (as officially compiled and published in the most recent financial statistics that have become publicly available at least two Business Days (but not more than five Business Days) prior to the relevant Redemption Calculation Date (or, if such financial statistics are not so published or available, any publicly available source of similar market data)) most nearly equal to the period from the relevant Call Redemption Date to the Maturity Date; *provided, however, that* if the period from the relevant Call Redemption Date to the Maturity Date is not equal to the constant maturity of the direct obligation of the Federal Republic of Germany for which a weekly average yield is given, the Bund Rate shall be obtained by linear interpolation (calculated to the nearest one-twelfth of a year) from the weekly average yields of a direct obligation of the Federal Republic of Germany for which such yields are given, except that if the period from the relevant Call Redemption Date to the Maturity Date is less than one year, the weekly average yield on an actually traded direct obligation of the Federal Republic of Germany adjusted to a constant maturity of one year shall be used.

Redemption Calculation Date means the tenth Business Day prior to the date on which the Notes are redeemed in accordance with this paragraph (4).

(5) *Vorzeitige Rückzahlung nach Wahl der Gläubiger bei Vorliegen eines Kontrollwechsels.*

- (a) Tritt nach dem Begebungstag ein Kontrollwechsel ein, so ist jeder Gläubiger berechtigt, aber nicht verpflichtet, von der Emittentin die vollständige oder teilweise Rückzahlung oder, nach Wahl der Emittentin, den Ankauf (oder die Veranlassung eines Ankaufs) seiner Schuldverschreibungen innerhalb von 60 Tagen, nachdem die Gläubigerwahl-Rückzahlungsereignis-Mitteilung gemäß Unterabsatz (b) bekannt gegeben wurde (der **Ausübungszeitraum**), zum Wahl-Rückzahlungsbetrag (Put) (das **Gläubiger-Rückzahlungswahlrecht**) zu verlangen. Dieses Gläubiger-Rückzahlungswahlrecht ist wie nachstehend unter den Unterabsätzen (b) bis (c) beschrieben auszuüben.

Ein **Kontrollwechsel** gilt jedes Mal als eingetreten (unabhängig davon, ob der Vorstand oder der Aufsichtsrat der Emittentin zugestimmt haben), wenn eine oder mehrere Personen, die gemeinsam handeln, (die **relevante(n) Person(en)**) oder ein oder mehrere Dritte, die im Auftrag der relevanten Person(en) handeln, zu irgendeiner Zeit unmittelbar oder mittelbar (i) 30 % oder mehr des Grundkapitals der Emittentin oder (ii) eine solche Anzahl von Aktien der Emittentin, auf 30 % oder mehr der Stimmrechte entfallen, erwirbt bzw. erwerben oder hält bzw. halten.

Der **Wahl-Rückzahlungsbetrag (Put)** bezeichnet für jede Schuldverschreibung 101 % des Nennbetrags einer solchen Schuldverschreibung zuzüglich nicht gezahlter bis zum Wahl-Rückzahlungstag (Put) (ausschließlich) aufgelaufener Zinsen.

(5) *Early Redemption at the Option of the Holders upon a Change of Control.*

- (a) If a Change of Control occurs after the Issue Date, each Holder shall have the right, but not the obligation, to require the Issuer to redeem or, at the Issuer's option, purchase (or procure the purchase of) in whole or in part his Notes, within 60 days after a Put Event Notice under subparagraph (b) has been published (the **Put Period**), at the Put Redemption Amount (the **Put Option**). Such Put Option shall operate as set out below under subparagraphs (b) to (c).

A **Change of Control** shall be deemed to have occurred at each time (whether or not approved by the management board or supervisory board of the Issuer) that any person or persons acting in concert (**Relevant Person(s)**) or any person or persons acting on behalf of any such Relevant Person(s), at any time directly or indirectly acquire(s) or come(s) to own (i) 30 per cent. or more of the registered share capital of the Issuer or (ii) such number of the shares in the capital of the Issuer carrying 30 per cent. or more of the voting rights.

Put Redemption Amount means for each Note 101 per cent. of the principal amount of such Note, plus unpaid interest accrued to (but excluding) the Put Date.

- (b) Tritt ein Kontrollwechsel ein, so teilt die Emittentin dies unverzüglich, nachdem die Emittentin davon Kenntnis erlangt hat, den Gläubigern gemäß § 15 mit (eine **Gläubigerwahl-Rückzahlungsereignis-Mitteilung**) und gibt dabei die Art des Kontrollwechsels und das in diesem Absatz (5) vorgesehene Verfahren zur Ausübung des Gläubiger-Rückzahlungswahlrechts an.
- (c) Zur Ausübung des Gläubiger-Rückzahlungswahlrechts muss der Gläubiger an einem Geschäftstag innerhalb des Ausübungszeitraums, (i) bei der bezeichneten Geschäftsstelle der Zahlstelle eine ordnungsgemäß ausgefüllte und unterzeichnete Ausübungserklärung in der jeweils bei der Zahlstelle erhältlichen maßgeblichen Form (oder in einer anderen durch die ICSDs und die Zahlstelle akzeptierten Form) einreichen (die **Gläubiger-Ausübungserklärung**) und (ii) Schuldverschreibungen in Höhe des Gesamtbetrags der Festgelegten Stückelung einreichen, für die der Gläubiger sein Gläubiger-Rückzahlungswahlrecht ausüben möchte. Die Emittentin wird die betreffende(n) Schuldverschreibung(en) sieben Tage nach Ablauf des Ausübungszeitraums (der **Wahl-Rückzahlungstag (Put)**) zurückzahlen oder nach ihrer Wahl ankaufen (oder ankaufen lassen), soweit sie nicht bereits vorher zurückgezahlt oder angekauft und entwertet wurde(n). Die Zahlung in Bezug auf solchermaßen eingereichte Schuldverschreibungen erfolgt gemäß den üblichen Verfahren über das Clearingsystem. Eine einmal abgegebene Gläubiger-Ausübungserklärung ist unwiderruflich.
- (b) If a Change of Control occurs, then the Issuer shall, without undue delay, after the Issuer becoming aware thereof, give notice of the Change of Control (a **Put Event Notice**) to the Holders in accordance with § 15 specifying the nature of the Change of Control and the procedure for exercising the Put Option contained in this paragraph (5).
- (c) To exercise the Put Option, the Holder must deliver on any Business Day within the Put Period (i) to the Paying Agent at its specified office a duly signed and completed notice of exercise in the then current form obtainable from the Paying Agent (or such other form as is acceptable to the ICSDs and the Paying Agent) (a **Put Notice**) and (ii) the aggregate Specified Denomination of Notes for which the Holder wishes to exercise its Put Option. The Issuer shall redeem or, at its option, purchase (or procure the purchase of) the relevant Note(s) on the date seven days after the expiration of the Put Period (the **Put Date**) unless previously redeemed or purchased and cancelled. Payment in respect of any Note so delivered will be made in accordance with the customary procedures through the Clearing System. A Put Notice, once given, shall be irrevocable.

- (6) *Vorzeitige Rückzahlung bei Geringem Ausstehenden Gesamtnennbetrag der Schuldverschreibungen.* Wenn 80 % oder mehr des Gesamtnennbetrags der Schuldverschreibungen nach diesem § 6 von der Emittentin oder einer direkten oder indirekten Tochtergesellschaft der Emittentin zurückgezahlt oder angekauft wurden, ist die Emittentin berechtigt, nach vorheriger Bekanntmachung gegenüber den Gläubigern gemäß § 15 mit einer Frist von mindestens 30 und höchstens 60 Tagen nach ihrer Wahl die ausstehenden Schuldverschreibungen insgesamt, aber nicht teilweise, zum Nennbetrag zuzüglich bis zum tatsächlichen Rückzahlungstag (ausschließlich) nicht gezahlter, aufgelaufener Zinsen zurückzuzahlen.
- (6) *Early Redemption in case of Minimal Outstanding Aggregate Principal Amount of the Notes.* If 80 per cent. or more of the aggregate principal amount of the Notes have been redeemed or purchased by the Issuer or any direct or indirect Subsidiary of the Issuer pursuant to the provisions of this § 6, the Issuer may, on not less than 30 or more than 60 days' notice to the Holders given in accordance with § 15, redeem, at its option, the remaining Notes in whole but not in part at the principal amount thereof plus unpaid interest accrued to (but excluding) the date of actual redemption.

§ 7

ZAHLSTELLE, BERECHNUNGSSTELLE

- (1) *Bestellung; bezeichnete Geschäftsstelle.* Die anfänglich bestellte Zahlstelle und die anfänglich bestellte Berechnungsstelle und deren anfänglich bezeichneten Geschäftsstellen sind:

Zahlstelle:

Citibank, N.A., London Branch
 Citigroup Centre
 Canada Square
 Canary Wharf
 London E14 5LB
 Vereinigtes Königreich

Berechnungsstelle: Die Zahlstelle ist auch die Berechnungsstelle.

Die Zahlstelle und die Berechnungsstelle behalten sich das Recht vor, jederzeit ihre bezeichneten Geschäftsstellen durch eine andere Geschäftsstelle in derselben Stadt zu ersetzen.

§ 7

PAYING AGENT, CALCULATION AGENT

- (1) *Appointment; Specified Office.* The initial Paying Agent and the initial Calculation Agent and their initial specified offices shall be:

Paying Agent:

Citibank, N.A., London Branch
 Citigroup Centre
 Canada Square
 Canary Wharf
 London E14 5LB
 United Kingdom

Calculation Agent: The Paying Agent shall also be the Calculation Agent.

The Paying Agent and the Calculation Agent reserve the right at any time to change their specified offices to some other office in the same city.

- (2) *Änderung oder Beendigung der Bestellung.* Die Emittentin behält sich das Recht vor, jederzeit die Bestellung der Zahlstelle oder der Berechnungsstelle zu ändern oder zu beenden und zusätzliche oder eine oder mehrere andere Zahlstellen oder eine andere Berechnungsstelle gemäß den in einem Agency Agreement festgelegten Bestimmungen zu bestellen. Die Emittentin wird zu jedem Zeitpunkt (i) eine Zahlstelle, (ii) solange die Schuldverschreibungen an der Luxemburger Börse notiert sind, eine Zahlstelle mit einer bezeichneten Geschäftsstelle in Luxemburg und/oder an solchen anderen Orten, die die Vorschriften der betreffenden Börse oder ihrer Aufsichtsbehörde verlangen, und (iii) eine Berechnungsstelle unterhalten.
- (2) *Variation or Termination of Appointment.* The Issuer reserves the right at any time to vary or terminate the appointment of the Paying Agent or the Calculation Agent and to appoint another Paying Agent, additional or other paying agents or another Calculation Agent in accordance with the terms of an agency agreement. The Issuer shall at all times maintain (i) a Paying Agent, (ii) so long as the Notes are listed on the Luxembourg Stock Exchange, a Paying Agent with a specified office in Luxembourg and/or in such other places as may be required by the rules of such stock exchange or its supervisory authority, and (iii) a Calculation Agent.
- (3) *Erfüllungsgehilfen der Emittentin.* Die Zahlstelle, die Berechnungsstelle und jede andere nach Absatz (2) bestellte Zahlstelle handeln ausschließlich als Erfüllungsgehilfen der Emittentin und übernehmen keinerlei Verpflichtungen gegenüber den Gläubigern, und es wird kein Auftrags- oder Treuhandverhältnis zwischen ihnen und den Gläubigern begründet.
- (3) *Agents of the Issuer.* The Paying Agent, the Calculation Agent and any other paying agent appointed pursuant to paragraph (2) act solely as the agents of the Issuer and do not assume any obligations towards or relationship of agency or trust with any Holder.

§ 8
STEUERN

- (1) *Zahlungen ohne Einbehalt oder Abzug von Steuern.* Alle in Bezug auf die Schuldverschreibungen zu zahlenden Beträge werden ohne Einbehalt oder Abzug von oder aufgrund von gegenwärtigen oder zukünftigen Steuern oder Abgaben gleich welcher Art gezahlt, die von oder im Namen der Bundesrepublik Deutschland oder einer steuererhebungsberechtigten Gebietskörperschaft oder Steuerbehörde dieses Landes im Wege des Einbehalts oder Abzugs an der Quelle auferlegt oder erhoben werden, es sei denn, ein solcher Einbehalt oder Abzug ist gesetzlich vorgeschrieben.

§ 8
TAXATION

- (1) *Payments Free of Taxes.* All amounts payable in respect of the Notes shall be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied at source by way of withholding or deduction by or on behalf of the Federal Republic of Germany or any political subdivision or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law.

- (2) *Zahlung Zusätzlicher Beträge.* Ist ein Einbehalt oder Abzug in Bezug auf zu zahlende Beträge auf die Schuldverschreibungen gesetzlich vorgeschrieben, so wird die Emittentin diejenigen zusätzlichen Beträge (die **Zusätzlichen Beträge**) zahlen, die erforderlich sind, damit die den Gläubigern zufließenden Nettobeträge nach einem solchen Einbehalt oder Abzug jeweils den Beträgen entsprechen, die ohne einen solchen Einbehalt oder Abzug erhalten worden wären; eine Verpflichtung zur Zahlung solcher Zusätzlichen Beträge besteht jedoch nicht für Steuern oder Abgaben:
- (a) die anders als durch Einbehalt oder Abzug in Bezug auf Zahlungen, welche die Emittentin an den Gläubiger leistet, zu entrichten sind; oder
- (b) die von einer als Depotbank oder Inkassobeauftragte im Namen eines Gläubigers handelnden Person oder sonst auf andere Weise zu entrichten sind als dadurch, dass die Emittentin von den von ihr zu leistenden Zahlungen von Kapital oder Zinsen einen Einbehalt oder Abzug vornimmt; oder
- (c) die aufgrund einer bestehenden oder früheren persönlichen oder geschäftlichen Beziehung des Gläubigers zur Bundesrepublik Deutschland zu zahlen sind, und nicht allein deshalb, weil Zahlungen auf die Schuldverschreibungen aus Quellen in der Bundesrepublik Deutschland stammen (oder für Zwecke der Besteuerung so behandelt werden) oder dort besichert sind; oder
- (d) die durch eine Zahlstelle von der Zahlung einzubehalten oder abzuziehen sind, wenn die Zahlung von einer anderen Zahlstelle ohne einen solchen Einbehalt oder Abzug hätte vorgenommen werden können; oder
- (2) *Payments of Additional Amounts.* If such withholding or deduction with respect to amounts payable in respect of the Notes is required by law, the Issuer will pay such additional amounts (the **Additional Amounts**) as shall be necessary in order that the net amounts received by the Holders, after such withholding or deduction shall equal the respective amounts which would otherwise have been receivable in the absence of such withholding or deduction; except that no such Additional Amounts shall be payable on account of any taxes or duties which:
- (a) are payable otherwise than by withholding or deduction from payments, made by the Issuer to the Holder, or
- (b) are payable by any Person acting as custodian bank or collecting agent on behalf of a Holder, or otherwise in any manner which does not constitute a withholding or deduction by the Issuer from payments of principal or interest made by it, or
- (c) are payable by reason of the Holder having, or having had, some personal or business relation to the Federal Republic of Germany and not merely by reason of the fact that payments in respect of the Notes are, or for purposes of taxation are deemed to be, derived from sources in, or are secured in, the Federal Republic of Germany, or
- (d) are withheld or deducted by a paying agent from a payment if the payment could have been made by another paying agent without such withholding or deduction, or

- (e) die aufgrund (i) einer Richtlinie oder Verordnung der Europäischen Union betreffend die Besteuerung von Zinserträgen oder Sparguthaben oder (ii) zwischenstaatlicher Abkommen oder Vereinbarungen über deren Besteuerung, an denen die Bundesrepublik Deutschland oder die Europäische Union beteiligt ist, oder (iii) einer gesetzlichen Vorschrift, die der Umsetzung dieser Richtlinie, Verordnung oder dieses Abkommens oder dieser Vereinbarung dient, diesen entspricht oder zur Anpassung an diese eingeführt wurde, einzubehalten oder abzuziehen sind; oder
- (f) die nicht erhoben oder einbehalten oder abgezogen worden wären, wenn es der Gläubiger oder der wirtschaftliche Eigentümer der Schuldverschreibungen (für die vorliegenden Zwecke einschließlich Finanzinstitute, über die der Gläubiger oder wirtschaftliche Eigentümer die Schuldverschreibungen hält oder über die Zahlungen auf die Schuldverschreibungen erfolgen) nicht unterlassen hätte, nach einer an den Gläubiger oder wirtschaftlichen Eigentümer gerichteten schriftlichen Aufforderung der Emittentin oder in deren Namen (die so rechtzeitig erfolgt, dass der Gläubiger bzw. der wirtschaftliche Eigentümer dieser Aufforderung mit zumutbaren Anstrengungen nachkommen kann, in jedem Fall aber mindestens 30 Tage, bevor ein Einbehalt oder Abzug erforderlich wäre), einer aufgrund von Gesetzen, Abkommen, Verordnungen oder der Verwaltungspraxis in der Bundesrepublik Deutschland vorgeschriebenen Bescheinigungs-, Identifizierungs-, Informations-, oder sonstigen Nachweispflicht nachzukommen, die Voraussetzung für eine Befreiung von in der Bundesrepublik Deutschland erhobenen Steuern oder für
- (e) are withheld or deducted pursuant to (i) any European Union Directive or Regulation concerning the taxation of interest income or savings, or (ii) any international treaty or understanding relating to such taxation and to which the Federal Republic of Germany or the European Union is a party, or (iii) any provision of law implementing, or complying with, or introduced to conform with, such Directive, Regulation, treaty or understanding, or
- (f) would not have been imposed, withheld or deducted but for the failure of the Holder or beneficial owner of Notes (including, for these purposes, any financial institution through which the Holder or beneficial owner holds the Notes or through which payment on the Notes is made), following a written request by or on behalf of the Issuer addressed to the Holder or beneficial owner (and made at a time that would enable the Holder or beneficial owner acting reasonably to comply with that request, and in all events, at least 30 days before any withholding or deduction would be required), to comply with any certification, identification, information or other reporting requirement whether required by statute, treaty, regulation or administrative practice of the Federal Republic of Germany, that is a precondition to exemption from, or reduction in the rate of withholding or deduction of, taxes imposed by the Federal Republic of Germany (including, without limitation, a certification that the Holder or beneficial owner is not resident in the Federal Republic of Germany), but in each case, only to the extent the Holder or beneficial owner is legally entitled to provide such certification,

eine Reduzierung der Höhe des Einbehalts oder Abzugs solcher Steuern ist (u. a. eine Bescheinigung, dass der Gläubiger bzw. der wirtschaftliche Eigentümer nicht in der Bundesrepublik Deutschland ansässig ist), jedoch jeweils nur, soweit der Gläubiger bzw. der wirtschaftliche Eigentümer rechtlich berechtigt ist, die Bescheinigung, Information oder Dokumentation vorzulegen; oder

- (g) die abzuführen sind in Bezug auf Zahlungen, bei denen der Einbehalt oder Abzug vorzunehmen ist, weil der Gläubiger eine Bank ist, die die Schuldverschreibungen im ordentlichen Geschäftsgang ihres Kreditgeschäfts erwirbt; oder
- (h) die Grundsteuern, Erbschaftsteuern, Schenkungsteuern, Umsatzsteuern, Verbrauchsteuern, Verkehrssteuern, Vermögensteuern oder ähnliche Steuern darstellen, oder
- (i) die wegen einer Rechtsänderung zu zahlen sind, welche später als 30 Tage nach Fälligkeit der betreffenden Zahlung wirksam wird; oder
- (j) die aufgrund jeglicher Kombination der Absätze (a) bis (i) zu entrichten sind.

Zudem werden keine Zusätzlichen Beträge im Hinblick auf Zahlungen auf die Schuldverschreibungen an einen Gläubiger gezahlt, welcher die Zahlung als Treuhänder oder Personengesellschaft oder als sonstiger nicht alleiniger wirtschaftlicher Eigentümer der Zahlung erhält, soweit nach den Gesetzen der Bundesrepublik Deutschland eine solche Zahlung für Steuerzwecke dem Einkommen des Begünstigten bzw. Gründers eines Treuhandvermögens oder eines Gesellschafters der Personengesellschaft zugerechnet würde, der

information or documentation, or

- (g) are payable with respect to payments where such withholding or deduction is imposed because the Holder is a bank purchasing the Notes in the ordinary course of its lending business; or
- (h) are estate, inheritance, gift, sales, excise, transfer, personal property or similar taxes, or
- (i) are payable by reason of a change in law that becomes effective more than 30 days after the relevant payment becomes due, or
- (j) are payable due to any combination of items (a) to (i),

nor shall any Additional Amounts be paid with respect to any payment on a Note to a Holder who is a fiduciary or partnership or who is other than the sole beneficial owner of such payment to the extent such payment would be required by the laws of the Federal Republic of Germany to be included in the income, for tax purposes, of a beneficiary or settlor with respect to such fiduciary or a member of such partnership or a beneficial owner who would not have been entitled to such Additional Amounts had such beneficiary, settlor, member or

jeweils selbst nicht zum Erhalt von Zusätzlichen Beträgen berechtigt gewesen wäre, wenn der Begünstigte, Gründer eines Treuhandvermögens, Gesellschafter oder wirtschaftliche Eigentümer selbst Gläubiger der Schuldverschreibungen wäre.

Zur Klarstellung wird festgehalten, dass die in der Bundesrepublik Deutschland gemäß dem zum Begebungstag geltenden Steuerrecht auf der Ebene der Depotbank (oder sonstigen auszahlenden Stelle (einschließlich die Zahlstelle)) erhobene Kapitalertragsteuer zuzüglich des darauf anfallenden Solidaritätszuschlags sowie Kirchensteuer, soweit eine solche im Wege des Steuerabzugs erhoben wird, keine Steuern oder Abgaben der vorstehend beschriebenen Art darstellen, für die von der Emittentin Zusätzliche Beträge zu zahlen wären.

Falls aufgrund einer Änderung der Rechtslage die in der Bundesrepublik Deutschland gemäß dem zum Begebungstag geltenden Steuerrecht auf der Ebene der Depotbank (oder sonstigen auszahlenden Stelle (einschließlich der Zahlstelle)) erhobene Kapitalertragsteuer und der darauf anfallende Solidaritätszuschlag einschließlich Kirchensteuer, soweit eine solche im Wege des Steuerabzugs erhoben wird, künftig auf Ebene der Emittentin zu erheben sind, stellen auch diese keine Steuern oder Abgaben der vorstehend beschriebenen Art dar, für die von der Emittentin Zusätzliche Beträge zu zahlen wären.

beneficial owner been the Holder of the Note.

For the avoidance of doubt, the withholding tax levied in the Federal Republic of Germany at the level of the custodian bank (or other paying institution (including the Paying Agent)) plus the solidarity surcharge imposed thereon as well as church tax, where such tax is levied by way of withholding, pursuant to tax law as in effect as of the Issue Date do not constitute a tax or duty as described above in respect of which Additional Amounts would be payable by the Issuer.

In case that due to a change in law the withholding tax levied in the Federal Republic of Germany at the level of the custodian bank (or other paying institution (including the Paying Agent)) and the solidarity surcharge imposed thereon including church tax, where such tax is levied by way of withholding, pursuant to tax law as in effect as of the Issue Date have to be levied at the level of the Issuer in the future, these, too, do not constitute a tax or duty as described above in respect of which Additional Amounts would be payable by the Issuer.

(3) *FATCA*. Ungeachtet sonstiger hierin enthaltener Bestimmungen, darf die Emittentin Beträge, die gemäß einer beschriebenen Vereinbarung in Section 1471(b) des U.S. Internal Revenue Code von 1986 (der *Code*) erforderlich sind oder die anderweitig aufgrund der Sections 1471 bis 1474 des Codes (oder jeder Änderung oder Nachfolgeregelung), der Regelungen oder Verträge darunter, der offiziellen Auslegungen davon oder jeglicher rechtsausführender und zwischenstaatlicher Zusammenarbeit dazu beruhen, einbehalten oder abziehen (*FATCA Quellensteuer*). Die Emittentin ist aufgrund einer durch die Emittentin, eine Zahlstelle oder eine andere Partei abgezogenen oder einbehaltenen *FATCA* Quellensteuer nicht zur Zahlung zusätzlicher Beträge oder anderweitig zur Entschädigung eines Investors verpflichtet.

(4) *Andere Steuerjurisdiktion*. Falls die Emittentin zu irgendeinem Zeitpunkt einer anderen Steuerrechtsordnung als der gegenwärtig maßgeblichen Steuerrechtsordnung der Emittentin oder einer zusätzlichen Steuerrechtsordnung unterworfen wird, sollen die Bezugnahmen in diesem § 8 auf die Rechtsordnung der Emittentin als Bezugnahmen auf die Rechtsordnung der Emittentin und/oder diese anderen Rechtsordnungen gelesen und ausgelegt werden.

§ 9

VORLEGUNGSFRIST, VERJÄHRUNG

Die Vorlegungsfrist gemäß § 801 Absatz 1 Satz 1 BGB für die Schuldverschreibungen wird auf zehn Jahre verkürzt. Die Verjährungsfrist für Ansprüche aus den Schuldverschreibungen, die innerhalb der Vorlegungsfrist zur Zahlung vorgelegt wurden, beträgt zwei Jahre vom Ende der betreffenden Vorlegungsfrist an.

(3) *FATCA*. Notwithstanding any other provisions contained herein, the Issuer shall be permitted to withhold or deduct any amounts required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the *Code*) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code (or any amended or successor provisions), any regulations or agreements thereunder, official interpretations thereof, or any law implementing and intergovernmental approach thereto (*FATCA Withholding*). The Issuer will have no obligation to pay additional amounts or otherwise indemnify an investor for any such *FATCA* Withholding deducted or withheld by the Issuer, any paying agent or any other party.

(4) *Other Tax Jurisdiction*. If at any time the Issuer becomes subject to any taxing jurisdiction other than, or in addition to, the currently relevant taxing jurisdiction of the Issuer, references in this § 8 to the jurisdiction of the Issuer shall be read and construed as references to the jurisdiction of the Issuer and/or to such other jurisdiction(s).

§ 9

PRESENTATION PERIOD, PRESCRIPTION

The presentation period provided for in section 801 paragraph 1, sentence 1 German Civil Code is reduced to ten years for the Notes. The period of limitation for claims under the Notes presented during the period for presentation will be two years calculated from the expiration of the relevant presentation period.

§ 10
KÜNDIGUNGSGRÜNDE

(1) *Kündigungsgründe.* Tritt ein Kündigungsgrund ein und dauert dieser an, so ist jeder Gläubiger berechtigt, seine sämtlichen Forderungen aus den Schuldverschreibungen durch Abgabe einer Kündigungserklärung gemäß Absatz (2) gegenüber der Emittentin fällig zu stellen und (vorbehaltlich des nachfolgenden Absatzes (4)) deren unverzügliche Rückzahlung zu ihrem Nennbetrag zuzüglich bis zum Tag der tatsächlichen Rückzahlung (ausschließlich) nicht gezahlter, aufgelaufener Zinsen zu verlangen. Jedes der folgenden Ereignisse stellt einen **Kündigungsgrund** dar:

- (a) Die Emittentin zahlt auf die Schuldverschreibungen fällige Kapital- oder Zinsbeträge oder sonstige Beträge nicht innerhalb von 30 Tagen nach Fälligkeit; oder
- (b) die Emittentin erfüllt eine andere wesentliche Verpflichtung aus den Schuldverschreibungen nicht und die Nichterfüllung dauert – sofern sie geheilt werden kann – jeweils länger als 90 Tage fort, nachdem die Emittentin eine schriftliche Aufforderung in der in Absatz (2) vorgesehenen Art und Weise von einem Gläubiger erhalten hat, die Verpflichtung zu erfüllen; oder

§ 10
EVENTS OF DEFAULT

(1) *Events of Default.* If an Event of Default occurs and is continuing, each Holder shall be entitled to declare due and payable by submitting a Termination Notice pursuant to paragraph (2) to the Issuer its entire claims arising from the Notes and demand (subject to paragraph (4) below) immediate redemption at the principal amount thereof together with unpaid interest accrued to (but excluding) the date of actual redemption. Each of the following is an **Event of Default**:

- (a) The Issuer fails to pay principal, interest or any other amounts due under the Notes within 30 days from the relevant due date; or
- (b) the Issuer fails to duly perform any other material obligation arising from the Notes and such failure, if capable of remedy, continues unremedied for more than 90 days after the Issuer has received a written request thereof in the manner set forth in paragraph (2) from a Holder to perform such obligation; or

- (c) eine nicht im Rahmen der Schuldverschreibungen bestehende Finanzverbindlichkeit der Emittentin oder einer Wesentlichen Tochtergesellschaft wird infolge eines Kündigungsgrunds (unabhängig von der Bezeichnung) aufgrund des Vorliegens einer Nichterfüllung einer Zahlungsverpflichtung oder eines Verzugs vor ihrer festgelegten Fälligkeit fällig und zahlbar (sei es durch Kündigung, automatische Fälligestellung oder auf andere Weise), wobei der Gesamtbetrag der Finanzverbindlichkeiten mindestens 2,5 % der Summe Aktiva zum unmittelbar vorausgehenden Berichtsstichtag, zu dem ein Konzernabschluss der Emittentin veröffentlicht worden ist, beträgt. Zur Klarstellung wird festgehalten, dass dieser Absatz (1)(c) keine Anwendung findet, wenn die Emittentin oder die jeweilige Wesentliche Tochtergesellschaft nach Treu und Glauben bestreitet, dass diese Zahlungsverpflichtung besteht, fällig ist oder die Anforderungen für die vorzeitige Fälligestellung erfüllt sind; oder
- (d) die Emittentin gibt ihre Zahlungsunfähigkeit bekannt oder stellt ihre Zahlungen generell ein; oder
- (e) gegen die Emittentin wird ein Insolvenzverfahren eingeleitet und nicht innerhalb von 90 Tagen aufgehoben oder ausgesetzt, oder die Emittentin beantragt oder leitet ein solches Verfahren ein, oder
- (f) die Emittentin geht in Liquidation, es sei denn, dies geschieht im Zusammenhang mit einer Verschmelzung oder einer anderen Form des Zusammenschlusses mit einer anderen Gesellschaft oder im Zusammenhang mit einer Umwandlung, und die andere oder neue Gesellschaft übernimmt alle Verpflichtungen, die die Emittentin im Zusammenhang mit den Schuldverschreibungen eingegangen ist.
- (c) any Financial Indebtedness of the Issuer or any Material Subsidiary (other than under the Notes) becomes due and payable prior to its specified maturity (whether by declaration, automatic acceleration or otherwise) as a result of a termination right (howsoever described) due to a failure to comply with a payment obligation, *provided that* the aggregate amount of Financial Indebtedness amounts to at least 2.5 per cent. of the Total Assets as of the immediately preceding Reporting Date for which Consolidated Financial Statements of the Issuer have been published. For the avoidance of doubt, this paragraph (1)(c) shall not apply, where the Issuer or the relevant Material Subsidiary contests in good faith that such payment obligation exists, is due or the requirements for the acceleration are satisfied; or
- (d) the Issuer announces its inability to meet its financial obligations or ceases its payments generally; or
- (e) insolvency proceedings against the Issuer are instituted and have not been discharged or stayed within 90 days, or the Issuer applies for or institutes such proceedings; or
- (f) The Issuer enters into liquidation unless this is done in connection with a merger or other form of amalgamation with another company or in connection with a corporate restructuring, and the other or the new company assumes all obligations of the Issuer in connection with the Notes.

- (2) *Kündigungserklärungen.* Eine Erklärung eines Gläubigers (i) gemäß Absatz (1)(b) oder (ii) zur Kündigung seiner Schuldverschreibungen gemäß diesem § 10 (eine **Kündigungserklärung**) hat in der Weise zu erfolgen, dass der Gläubiger der Emittentin eine entsprechende schriftliche Erklärung in deutscher oder englischer Sprache persönlich übergibt oder per Brief übermittelt und dabei durch eine Bescheinigung seiner Depotbank (wie in § 17(4) definiert) nachweist, dass er die betreffenden Schuldverschreibungen zum Zeitpunkt der Kündigungserklärung hält.
- (2) *Termination Notices.* Any notice by a Holder (i) in accordance with paragraph (1)(b) or (ii) to terminate its Notes in accordance with this § 10 (a **Termination Notice**) shall be made by means of a written declaration to the Issuer in the German or English language delivered by hand or mail together with evidence by means of a certificate of the Holder's Custodian (as defined in § 17(4)) that such Holder, at the time of such Termination Notice, is a holder of the relevant Notes.
- (3) *Heilung.* Zur Klarstellung wird festgehalten, dass das Recht zur Kündigung der Schuldverschreibungen gemäß diesem § 10 erlischt, falls der Kündigungsgrund vor Ausübung des Rechts geheilt worden ist; es ist zulässig, den Kündigungsgrund gemäß Absatz (1)(c) durch Rückzahlung der maßgeblichen Finanzverbindlichkeiten in voller Höhe zu heilen. Vorbehaltlich anwendbarer zwingender Rechtsvorschriften berechtigen andere als die in Absatz (1) genannten Ereignisse oder Umstände die Gläubiger nicht dazu, ihre Schuldverschreibungen vorzeitig zur Rückzahlung fällig zu stellen, es sei denn, dies ist ausdrücklich in diesen Anleihebedingungen bestimmt.
- (3) *Cure.* For the avoidance of doubt, the right to declare Notes due in accordance with this § 10 shall terminate if the situation giving rise to it has been cured before the right is exercised and it shall be permissible to cure the Event of Default pursuant to paragraph (1)(c) by repaying in full the relevant Financial Indebtedness. No event or circumstance other than an event specified in paragraph (1) shall entitle Holders to declare their Notes due and payable prior to their stated maturity, save as expressly provided for in these Terms and Conditions and subject to applicable mandatory law.
- (4) *Quorum.* In den Fällen gemäß den Absätzen (1)(b) bis (f) wird eine Kündigungserklärung erst wirksam, wenn bei der Emittentin Kündigungserklärungen von Gläubigern im Nennbetrag von mindestens 15 % des Gesamtnennbetrages der dann ausstehenden Schuldverschreibungen eingegangen sind. Die Wirksamkeit einer solchen Kündigung entfällt, wenn die Gläubiger dies binnen drei Monaten mit Mehrheit beschließen. Für den Beschluss über die Unwirksamkeit der Kündigung genügt die einfache Mehrheit der Stimmrechte, vorausgesetzt, dass in jedem Fall mehr Gläubiger diesem Beschluss zustimmen als
- (4) *Quorum.* In the events specified in paragraph (1)(b) to (f), any notice declaring Notes due shall become effective only when the Issuer has received such default notices from the Holders representing at least 15 per cent. of the aggregate principal amount of the Notes then outstanding. Any such termination shall become ineffective if within three months the majority of the Holders so resolve. The resolution in relation to the ineffectiveness of a termination may be passed by simple majority of the voting rights, *provided, however*, that in any case there must be more Holders consenting to such resolution than Holders having

gekündigt haben.

§ 11

VERPFLICHTUNGSERKLÄRUNGEN

(1) *Beschränkungen für das Eingehen von Finanzverbindlichkeiten.* Die Emittentin verpflichtet sich, nach dem Begebungstag keine Finanzverbindlichkeiten (mit Ausnahme von Finanzverbindlichkeiten zur Refinanzierung bestehender Finanzverbindlichkeiten mit einem Gesamtnennbetrag, der dem Gesamtnennbetrag der refinanzierten Finanzverbindlichkeiten entspricht oder diesen unterschreitet) einzugehen und sicherzustellen, dass ihre Tochtergesellschaften nach dem Begebungstag keine Finanzverbindlichkeiten eingehen, wenn unmittelbar nach dem wirksamen Eingehen solcher weiterer Finanzverbindlichkeiten (unter Berücksichtigung der Verwendung der damit erzielten Nettoerlöse):

(a) das Verhältnis der (i) Summe (x) der Konsolidierten Nettofinanzverbindlichkeiten der Gruppe zum unmittelbar vorangegangenen Berichtsstichtag, zu dem ein Konzernabschluss der Emittentin veröffentlicht worden ist, und (y) der Nettofinanzverbindlichkeiten, die seit dem unmittelbar vorangegangenen Berichtsstichtag eingegangen wurden, zu dem ein Konzernabschluss der Emittentin veröffentlicht worden ist, zu der (ii) Summe (unter Ausschluss einer Doppelberücksichtigung) (x) der Summe Aktiva zum unmittelbar vorangegangenen Berichtsstichtag, zu dem ein Konzernabschluss der Emittentin veröffentlicht worden ist, (y) der Kaufpreise für Immobilienvermögen (ohne Abzüge für übernommene Finanzverbindlichkeiten), das seit dem unmittelbar vorangegangenen Berichtsstichtag, zu dem ein Konzernabschluss der Emittentin veröffentlicht worden ist, erworben wurde oder für dessen Erwerb seit

terminated the Notes.

§ 11

COVENANTS

(1) *Limitations on the Incurrence of Financial Indebtedness.* The Issuer undertakes that it will not, and will procure that none of its Subsidiaries will, after the Issue Date, incur any Financial Indebtedness (except for Financial Indebtedness for refinancing existing Financial Indebtedness with an aggregate principal amount that is equal to or less than the aggregate principal amount of the refinanced Financial Indebtedness) if, immediately after giving effect to the incurrence of such additional Financial Indebtedness (taking into account the application of the net proceeds of such incurrence),

(a) the ratio of (i) the sum of (x) the Consolidated Net Financial Indebtedness of the Group as of the immediately preceding Reporting Date for which Consolidated Financial Statements of the Issuer have been published and (y) the Net Financial Indebtedness incurred since the immediately preceding Reporting Date for which Consolidated Financial Statements of the Issuer have been published to (ii) the sum of (without duplication) (x) the Total Assets as of the immediately preceding Reporting Date for which Consolidated Financial Statements of the Issuer have been published, (y) the purchase prices of any Real Estate Property (without any deductions for assumed Financial Indebtedness) acquired or contracted for acquisition since the immediately preceding Reporting Date for which Consolidated Financial Statements of the Issuer have been published and (z) the proceeds of any Financial Indebtedness incurred since the immediately preceding

diesem Zeitpunkt eine Verpflichtung eingegangen wurde, und (z) des Erlöses aus Finanzverbindlichkeiten, die seit dem unmittelbar vorangegangenen Berichtsstichtag eingegangen wurden, zu dem ein Konzernabschluss der Emittentin veröffentlicht worden ist (jedoch nur soweit dieser Erlös nicht zum Erwerb von Immobilienvermögen oder zur Verringerung von Finanzverbindlichkeiten verwendet wurde) (dieses Verhältnis in Bezug auf einen beliebigen Zeitpunkt der *Verschuldungsgrad (LTV)* zu dem entsprechenden Zeitpunkt) 60 % überstiege; oder

- (b) das Verhältnis des (i) Gesamtbetrags des Bereinigten EBITDA in den letzten vier aufeinanderfolgenden Quartalen, die vor dem Berichtsstichtag geendet haben, zu dem ein Konzernabschluss der Emittentin veröffentlicht worden ist, zu dem (ii) Gesamtbetrag des Zahlungswirksamen Zinsergebnisses in den letzten vier aufeinanderfolgenden Quartalen, die vor dem Berichtsstichtag geendet haben, zu dem ein Konzernabschluss der Emittentin veröffentlicht worden ist, geringer als 1,80 zu 1,00 wäre ((i) und (ii) jeweils durch die Emittentin (nach eigenem vernünftigen Ermessen) auf einer *pro forma* Grundlage ermittelt (einschließlich einer daraus resultierenden *pro forma* Verwendung der Nettoerlöse), als wären die zusätzlichen Finanzverbindlichkeiten zu Beginn dieses Vier-Quartal-Zeitraums eingegangen worden); oder

Reporting Date for which Consolidated Financial Statements of the Issuer have been published (but only to the extent such proceeds were not used to acquire Real Estate Property or to reduce Financial Indebtedness) (such ratio, with respect to any date, the *Loan-to-Value Ratio* as of that date) would exceed 60 per cent.; or

- (b) the ratio of (i) the aggregate amount of Adjusted EBITDA in the respective most recent four consecutive quarters ending prior to the Reporting Date for which Consolidated Financial Statements of the Issuer have been published to (ii) the aggregate amount of Net Cash Interest in the respective most recent four consecutive quarters ending prior to the Reporting Date for which Consolidated Financial Statements of the Issuer have been published would be less than 1.80 to 1.00 (each of (i) and (ii) determined by the Issuer (in its reasonable judgment) on a *pro forma* basis (including a *pro forma* application of the net proceeds therefrom), as if the additional Financial Indebtedness had been incurred at the beginning of such four quarter period); or

(c) (i) die Summe (x) der Besicherten Finanzverbindlichkeiten der Gruppe zum unmittelbar vorangegangenen Berichtsstichtag, zu dem ein Konzernabschluss der Emittentin veröffentlicht worden ist, und (y) der Neuen Besicherten Finanzverbindlichkeiten, die seit dem unmittelbar vorangegangenen Berichtsstichtag eingegangen wurden, zu dem ein Konzernabschluss der Emittentin veröffentlicht worden ist, einen Betrag in Höhe von 45 % (ii) der Summe (unter Ausschluss einer Doppelberücksichtigung) (x) der Summe Aktiva zum unmittelbar vorangegangenen Berichtsstichtag, zu dem ein Konzernabschluss der Emittentin veröffentlicht worden ist, (y) der Kaufpreise für Immobilienvermögen (ohne Abzüge für übernommene Finanzverbindlichkeiten), das seit dem unmittelbar vorangegangenen Berichtsstichtag, zu dem ein Konzernabschluss der Emittentin veröffentlicht worden ist, erworben wurde oder für dessen Erwerb seit diesem Zeitpunkt eine Verpflichtung eingegangen wurde, und (z) des Erlöses aus Finanzverbindlichkeiten, die seit dem unmittelbar vorangegangenen Berichtsstichtag eingegangen wurden, zu dem ein Konzernabschluss der Emittentin veröffentlicht worden ist (jedoch nur soweit dieser Erlös nicht zum Erwerb von Immobilienvermögen oder zur Verringerung von Finanzverbindlichkeiten verwendet wurde) überstiege.

(2) *Berichte.* Solange Schuldverschreibungen ausstehen, veröffentlicht die Emittentin die folgenden Angaben auf ihrer Internetseite:

(c) (i) the sum of (x) the Secured Financial Indebtedness as of the immediately preceding Reporting Date for which Consolidated Financial Statements of the Issuer have been published and (y) the New Secured Financial Indebtedness incurred since the immediately preceding Reporting Date for which Consolidated Financial Statements of the Issuer have been published would exceed 45 per cent. of (ii) the sum of (without duplication) (x) Total Assets as of the immediately preceding Reporting Date for which Consolidated Financial Statements of the Issuer have been published, (y) the purchase prices of any Real Estate Property (without any deductions for assumed Financial Indebtedness) acquired or contracted for acquisition since the immediately preceding Reporting Date for which Consolidated Financial Statements of the Issuer have been published and (z) the proceeds of any Financial Indebtedness incurred since the immediately preceding Reporting Date for which Consolidated Financial Statements of the Issuer have been published (but only to the extent such proceeds were not used to acquire Real Estate Property or to reduce Financial Indebtedness).

(2) *Reports.* For so long as any Notes are outstanding, the Issuer shall post on its website,

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| <p>(a) Innerhalb von 120 Tagen nach dem Ende des Geschäftsjahrs der Emittentin einen Geschäftsbericht mit einem geprüften Konzernabschluss nach den in der EU anzuwendenden International Financial Reporting Standards (IFRS) und einem Lagebericht nach § 315 HGB (oder geltenden Nachfolgeregelungen); und</p> <p>(b) innerhalb von 60 Tagen nach dem Ende jedes der ersten drei Quartale jedes Geschäftsjahrs der Emittentin einen ungeprüften verkürzten Konzern-Zwischenabschluss nach den in der EU anzuwendenden IFRS für Zwischenberichterstattung (IAS 34) bzw. eine Quartalsmitteilung entsprechend den Anforderungen der Frankfurter Wertpapierbörse.</p> | <p>(a) within 120 days after the end of each of the Issuer's fiscal years, annual reports containing the audited consolidated financial statements in accordance with IFRS as adopted by the EU and the management report in accordance with section 315 of the German Commercial Code (or its successor provisions from time to time); and</p> <p>(b) within 60 days after the end of each of the first three fiscal quarters in each fiscal year of the Issuer, unaudited condensed interim consolidated financial statements in accordance with IFRS as adopted by the EU on interim financial reporting (IAS 34) or a quarterly statement in accordance with the requirements of the Frankfurt Stock Exchange.</p> |
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§ 12

ERSETZUNG, SITZVERLEGUNG

- (1) *Ersetzung.* Die Emittentin ist berechtigt, wenn kein Zahlungsverzug hinsichtlich Kapital oder Zinsen auf die Schuldverschreibungen vorliegt, jederzeit ohne die Zustimmung der Gläubiger ein mit der Emittentin Verbundenes Unternehmen an Stelle der Emittentin als Hauptschuldnerin (die **Nachfolgeschuldnerin**) für alle Verpflichtungen aus oder im Zusammenhang mit den Schuldverschreibungen einzusetzen, vorausgesetzt, dass:
- (a) die Nachfolgeschuldnerin alle Verpflichtungen der Emittentin im Zusammenhang mit den Schuldverschreibungen rechtswirksam übernimmt;
 - (b) die Nachfolgeschuldnerin und die Emittentin alle für die Ersetzung notwendigen Genehmigungen und Zustimmungen von staatlichen Stellen und Aufsichtsbehörden erhalten haben, die Nachfolgeschuldnerin alle für die Erfüllung ihrer Verpflichtungen aus den

§ 12

SUBSTITUTION, TRANSFER OF DOMICILE

- (1) *Substitution.* The Issuer may, without the consent of the Holders, if no payment of principal of or interest on any of the Notes is in default, at any time substitute for the Issuer any Affiliate of the Issuer as principal debtor in respect of all obligations arising from or in connection with these Notes (the **Substitute Debtor**) *provided that:*
- (a) the Substitute Debtor, in a manner legally effective, assumes all obligations of the Issuer in respect of the Notes;
 - (b) the Substitute Debtor and the Issuer have obtained all necessary governmental and regulatory approvals and consents for such substitution, that the Substitute Debtor has obtained all necessary governmental and regulatory approvals and consents for the performance by the

Schuldverschreibungen notwendigen Genehmigungen und Zustimmungen von staatlichen Stellen und Aufsichtsbehörden erhalten hat und sämtliche dieser Genehmigungen und Zustimmungen in vollem Umfang gültig und wirksam sind und die Verpflichtungen der Nachfolgeschuldnerin aus den Schuldverschreibungen gemäß ihren Bestimmungen wirksam und rechtsverbindlich und durch jeden Gläubiger durchsetzbar sind;

- (c) die Nachfolgeschuldnerin alle für die Erfüllung der Zahlungsverpflichtungen aus den Schuldverschreibungen erforderlichen Beträge in der erforderlichen Währung an die Zahlstelle überweisen kann, ohne zum Einbehalt oder Abzug von Steuern oder sonstigen Abgaben gleich welcher Art verpflichtet zu sein, die in dem Land erhoben werden, in dem die Nachfolgeschuldnerin oder die Emittentin ihren Sitz hat oder steuerlich ansässig ist;
- (d) die Nachfolgeschuldnerin sich verpflichtet hat, jeden Gläubiger hinsichtlich solcher Steuern, Abgaben, Festsetzungen oder behördlichen Lasten freizustellen, die einem Gläubiger im Zusammenhang mit der Ersetzung auferlegt werden;
- (e) die Emittentin (in derartiger Eigenschaft, die **Garantin**) unwiderruflich und unbedingte gegenüber den Gläubigern die Zahlung aller von der Nachfolgeschuldnerin auf die Schuldverschreibungen zahlbaren Beträge zu Bedingungen garantiert (die **Garantie**), die sicherstellen, dass jeder Gläubiger in der wirtschaftlichen Position ist, die genauso vorteilhaft ist wie die Position, in der die Gläubiger wären, wenn die Ersetzung nicht stattgefunden hätte; und

Substitute Debtor of its obligations under the Notes and that all such approvals and consents are in full force and effect and that the obligations assumed by the Substitute Debtor in respect of the Notes are valid and binding in accordance with their respective terms and enforceable by each Holder;

- (c) the Substitute Debtor can transfer to the Paying Agent in the currency required and without being obligated to withhold or deduct any taxes or other duties of whatever nature levied by the country in which the Substitute Debtor or the Issuer has its domicile or tax residence, all amounts required for the fulfilment of the payment obligations arising under the Notes;
- (d) the Substitute Debtor has agreed to indemnify and hold harmless each Holder against any tax, duty, assessment or governmental charge imposed on such Holder in respect of such substitution;
- (e) the Issuer (in such capacity, the **Guarantor**) irrevocably and unconditionally guarantees (the **Guarantee**) in favour of each Holder the payment of all sums payable by the Substitute Debtor in respect of the Notes on terms which ensure that each Holder will be put in an economic position that is at least as favourable as that which would have existed if the substitution had not taken place; and

(f) die Emittentin einem zu diesem Zweck bestellten Beauftragten ein Rechtsgutachten bezüglich jeder betroffenen Rechtsordnung von anerkannten Rechtsanwälten vorgelegt hat, das bestätigt, dass die Bestimmungen in den vorstehenden Unterabsätzen (a) bis (d) erfüllt worden sind.

Für die Zwecke dieses § 12 bezeichnet **Verbundenes Unternehmen** ein verbundenes Unternehmen im Sinne von § 15 AktG.

(f) the Issuer shall have delivered to an agent appointed for that purpose one legal opinion for each jurisdiction affected of lawyers of recognized standing to the effect that subparagraphs (a) to (d) above have been satisfied.

For purposes of this § 12, *Affiliate* shall mean any affiliated company within the meaning of section 15 of the German Stock Corporation Act (*Aktiengesetz*).

(2) *Bekanntmachung*. Jede Ersetzung der Emittentin gemäß diesem § 12 sowie das Datum, an dem die Ersetzung wirksam wird, ist gemäß § 15 bekanntzugeben.

(3) *Änderung von Bezugnahmen*. Mit Wirksamwerden der Ersetzung gilt jede Bezugnahme in diesen Anleihebedingungen auf die Emittentin (mit Ausnahme der Bezugnahme auf die Emittentin in § 11) ab dem Zeitpunkt der Ersetzung als Bezugnahme auf die Nachfolgeschuldnerin, und jede Bezugnahme auf die Bundesrepublik Deutschland im Hinblick auf die Emittentin gilt ab diesem Zeitpunkt als Bezugnahme auf die im Hinblick auf die Nachfolgeschuldnerin maßgebliche Steuerjurisdiktion. Mit Wirksamwerden der Ersetzung gilt jede Bezugnahme auf die Emittentin in § 11 ab dann als Bezugnahme auf die Garantin. Zudem gilt eine Bezugnahme auf die Garantin in § 3 und § 10(1)(c) bis (f) als einbezogen (zusätzlich zur Bezugnahme auf die Nachfolgeschuldnerin gemäß dem ersten Satz dieses Absatzes (3)). Darüber hinaus gilt im Falle einer solchen Ersetzung ein weiterer Kündigungsgrund in § 10(1) als vereinbart; ein solcher Kündigungsgrund soll bestehen, falls die Garantie aus irgendeinem Grund unwirksam ist oder wird.

(2) *Notice*. Any substitution of the Issuer pursuant to this § 12 and the date of effectiveness of such substitution shall be published in accordance with § 15.

(3) *Change of References*. Upon effectiveness of the substitution any reference in these Terms and Conditions to the Issuer (other than references to the Issuer in § 11) shall from then on be deemed to refer to the Substitute Debtor and any reference to the Federal Republic of Germany with respect to the Issuer shall from then on be deemed to refer to the relevant taxing jurisdiction with respect to the Substitute Debtor. Upon effectiveness of the substitution any reference to the Issuer in § 11 shall from then on be deemed to refer to the Guarantor. In addition, in § 3 and § 10(1)(c) to (f) a reference to the Guarantor shall be deemed to have been included in addition to the reference according to the first sentence of this paragraph (3) to the Substitute Debtor. Furthermore, in the event of such substitution, a further event of default shall be deemed to be included in § 10(1); such event of default shall exist in the case that the Guarantee is or becomes invalid for any such reason.

- (4) *Weitere Ersetzungen.* Die Nachfolgeschuldnerin ist jederzeit nach einer Ersetzung gemäß vorstehendem Absatz (1) berechtigt, ohne die Zustimmung der Gläubiger eine weitere Ersetzung vorzunehmen, vorausgesetzt, dass alle Bestimmungen der vorstehenden Absätze (1) bis (3) sinngemäß Anwendung finden und, ohne hierauf beschränkt zu sein, Bezugnahmen in diesen Anleihebedingungen auf die Emittentin, sofern der Zusammenhang dies verlangt, (auch) als Bezugnahmen auf jede weitere Nachfolgeschuldnerin gelten, wobei die Ersetzung gemäß diesem § 12 in keinem Fall die Wirkung einer Befreiung der Emittentin von irgendwelchen Verpflichtungen aus ihrer Garantie hat.
- (4) *Further Substitution.* At any time after a substitution pursuant to paragraph (1) above, the Substitute Debtor may, without the consent of the Holders, effect a further substitution *provided that* all the provisions specified in paragraphs (1) to (3) above shall apply, *mutatis mutandis*, and, without limitation, references in these Terms and Conditions to the Issuer shall, where the context so requires, be deemed to be or include references to any such further Substitute Debtor, *provided that* in no event shall any substitution under this § 12 have the effect of releasing the Issuer from any of its obligations under its Guarantee.
- (5) *Sitzverlegung.* Eine Verlegung des Sitzes der Emittentin in ein anderes Land oder Gebiet ist nur zulässig, wenn die vorstehend in den Absätzen (1) und (2) genannten Voraussetzungen entsprechend erfüllt sind. Absatz (3) zweiter Halbsatz des ersten Satzes findet entsprechende Anwendung.
- (5) *Transfer of Domicile.* A transfer of domicile of the Issuer to another country or territory is only permissible if the requirements set forth in paragraphs (1) and (2) above are complied with accordingly. Paragraph (3) second half-sentence of the first sentence shall apply *mutatis mutandis*.

§ 13

BEGEBUNG WEITERER SCHULDVERSCHREIBUNGEN, ANKAUF UND ENTWERTUNG

- (1) *Begebung weiterer Schuldverschreibungen.* Die Emittentin ist, vorbehaltlich der Bestimmungen des § 11, berechtigt, jederzeit ohne Zustimmung der Gläubiger weitere Schuldverschreibungen mit in jeder Hinsicht gleicher Ausstattung (gegebenenfalls mit Ausnahme des jeweiligen Begebungstags, des Verzinsungsbeginns, der ersten Zinszahlung und/oder des Ausgabepreises) in der Weise zu begeben, dass sie mit diesen Schuldverschreibungen eine einheitliche Serie bilden.
- (1) *Further Issues.* Subject to § 11, the Issuer may from time to time, without the consent of the Holders, issue further Notes having the same terms and conditions as the Notes in all respects (or in all respects except for the relevant issue date, interest commencement date, first interest payment date and/or issue price) so as to form a single series with the Notes.

§ 13

FURTHER ISSUES, PURCHASES AND CANCELLATION

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| <p>(2) <i>Ankauf</i>. Die Emittentin ist berechtigt, jederzeit Schuldverschreibungen im Markt oder anderweitig zu jedem beliebigen Preis zu kaufen. Die von der Emittentin erworbenen Schuldverschreibungen können nach Wahl der Emittentin von ihr gehalten, weiterverkauft oder bei der Zahlstelle zwecks Entwertung eingereicht werden.</p> | <p>(2) <i>Purchases</i>. The Issuer may at any time purchase Notes in the open market or otherwise and at any price. Notes purchased by the Issuer may, at the option of the Issuer, be held, resold or surrendered to the Paying Agent for cancellation.</p> |
| <p>(3) <i>Entwertung</i>. Sämtliche vollständig zurückgezahlten Schuldverschreibungen sind unverzüglich zu entwerten und können nicht wiederbegeben oder wiederverkauft werden.</p> | <p>(3) <i>Cancellation</i>. All Notes redeemed in full shall be cancelled forthwith and may not be reissued or resold.</p> |

§ 14

**ÄNDERUNG DER ANLEIHEBEDINGUNGEN
DURCH BESCHLÜSSE DER GLÄUBIGER,
GEMEINSAMER VERTRETER**

- (1) *Änderung der Anleihebedingungen*. Die Emittentin kann mit den Gläubigern Änderungen der Anleihebedingungen durch Mehrheitsbeschluss der Gläubiger nach Maßgabe der §§ 5 ff. des Gesetzes über Schuldverschreibungen aus Gesamtemissionen (*SchVG*) in seiner jeweils geltenden Fassung beschließen. Die Gläubiger können insbesondere einer Änderung wesentlicher Inhalte der Anleihebedingungen, einschließlich der in § 5 Abs. 3 SchVG vorgesehenen Maßnahmen, durch Beschlüsse mit den in dem nachstehenden Absatz (2) genannten Mehrheiten zustimmen. Ein ordnungsgemäß gefasster Mehrheitsbeschluss ist für alle Gläubiger gleichermaßen verbindlich.

§ 14

**AMENDMENTS OF THE TERMS AND
CONDITIONS BY RESOLUTIONS OF HOLDERS,
JOINT REPRESENTATIVE**

- (1) *Amendment of the Terms and Conditions*. The Issuer may agree with the Holders on amendments to the Terms and Conditions by virtue of a majority resolution of the Holders pursuant to sections 5 et seqq. of the German Act on Issues of Debt Securities (*Gesetz über Schuldverschreibungen aus Gesamtemissionen – SchVG*), as amended from time to time. In particular, the Holders may consent to amendments which materially change the substance of the Terms and Conditions, including such measures as provided for under section 5 paragraph 3 of the SchVG by resolutions passed by such majority of the votes of the Holders as stated under paragraph (2) below. A duly passed majority resolution shall be binding equally upon all Holders.

- (2) *Mehrheit.* Vorbehaltlich des nachstehenden Satzes und der Erreichung der erforderlichen Beschlussfähigkeit, beschließen die Gläubiger mit der einfachen Mehrheit der an der Abstimmung teilnehmenden Stimmrechte. Beschlüsse, durch welche der wesentliche Inhalt der Anleihebedingungen geändert wird, insbesondere in den Fällen des § 5 Abs. 3 Nr. 1 bis 9 SchVG, bedürfen zu ihrer Wirksamkeit einer Mehrheit von mindestens 75 % der an der Abstimmung teilnehmenden Stimmrechte (eine *Qualifizierte Mehrheit*).
- (2) *Majority.* Except as provided by the following sentence and *provided that* the quorum requirements are being met, the Holders may pass resolutions by simple majority of the voting rights participating in the vote. Resolutions which materially change the substance of the Terms and Conditions, in particular in the cases of section 5 paragraph 3 numbers 1 through 9 of the SchVG, may only be passed by a majority of at least 75 per cent. of the voting rights participating in the vote (a *Qualified Majority*).
- (3) *Abstimmung ohne Versammlung.* Vorbehaltlich Absatz (4) sollen Beschlüsse der Gläubiger ausschließlich durch eine Abstimmung ohne Versammlung nach § 18 SchVG gefasst werden. Die Aufforderung zur Stimmabgabe enthält nähere Angaben zu den Beschlüssen und den Abstimmungsmodalitäten. Die Gegenstände und Vorschläge zur Beschlussfassung werden den Gläubigern mit der Aufforderung zur Stimmabgabe bekannt gemacht. Die Ausübung der Stimmrechte ist von einer Anmeldung der Gläubiger abhängig. Die Anmeldung muss unter der in der Aufforderung zur Stimmabgabe mitgeteilten Adresse spätestens am dritten Tag vor Beginn des Abstimmungszeitraums zugehen. Mit der Anmeldung müssen die Gläubiger ihre Berechtigung zur Teilnahme an der Abstimmung durch einen in Textform erstellten besonderen Nachweis der Depotbank gemäß § 17(4)(i)(a) und (b) und durch Vorlage eines Sperrvermerks der Depotbank, aus dem hervorgeht, dass die betreffenden Schuldverschreibungen ab dem Tag der Absendung der Anmeldung (einschließlich) bis zum Tag, an dem der Abstimmungszeitraum endet (einschließlich), nicht übertragbar sind, nachweisen.
- (3) *Vote without a meeting.* Subject to paragraph (4), resolutions of the Holders shall exclusively be made by means of a vote without a meeting in accordance with section 18 of the SchVG. The request for voting will provide for further details relating to the resolutions and the voting procedure. The subject matter of the vote as well as the proposed resolutions shall be notified to the Holders together with the request for voting. The exercise of voting rights is subject to the Holders' registration. The registration must be received at the address stated in the request for voting no later than the third day preceding the beginning of the voting period. As part of the registration, Holders must demonstrate their eligibility to participate in the vote by means of a special confirmation of the Custodian in accordance with § 17(4)(i)(a) and (b) hereof in text form and by submission of a blocking instruction by the Custodian stating that the relevant Notes are not transferable from (and including) the day such registration has been sent to (and including) the day the voting period ends.

- (4) *Zweite Gläubigerversammlung.* Wird für die Abstimmung ohne Versammlung gemäß Absatz (3) die mangelnde Beschlussfähigkeit festgestellt, kann der Abstimmungsleiter eine Gläubigerversammlung einberufen, die als zweite Versammlung im Sinne des § 15 Abs. 3 Satz 3 SchVG anzusehen ist. Die Teilnahme an der zweiten Gläubigerversammlung und die Ausübung der Stimmrechte sind von einer Anmeldung der Gläubiger abhängig. Die Anmeldung muss unter der in der Bekanntmachung der Einberufung mitgeteilten Adresse spätestens am dritten Tag vor der zweiten Gläubigerversammlung zugehen. Mit der Anmeldung müssen die Gläubiger ihre Berechtigung zur Teilnahme an der Abstimmung durch einen in Textform erstellten besonderen Nachweis der Depotbank gemäß § 17(4)(i)(a) und (b) und durch Vorlage eines Sperrvermerks der Depotbank, aus dem hervorgeht, dass die betreffenden Schuldverschreibungen ab dem Tag der Absendung der Anmeldung (einschließlich) bis zum angegebenen Ende der Gläubigerversammlung (einschließlich) nicht übertragbar sind, nachweisen.
- (4) *Second Noteholders' Meeting.* If it is ascertained that no quorum exists for the vote without meeting pursuant to paragraph (3), the scrutineer may convene a noteholders' meeting, which shall be deemed to be a second noteholders' meeting within the meaning of section 15 paragraph 3 sentence 3 of the SchVG. Attendance at the second noteholders' meeting and exercise of voting rights is subject to the Holders' registration. The registration must be received at the address stated in the convening notice no later than the third day preceding the second noteholders' meeting. As part of the registration, Holders must demonstrate their eligibility to participate in the vote by means of a special confirmation of the Custodian in accordance with § 17(4)(i)(a) and (b) hereof in text form and by submission of a blocking instruction by the Custodian stating that the relevant Notes are not transferable from (and including) the day such registration has been sent to (and including) the stated end of the noteholders' meeting.
- (5) *Gemeinsamer Vertreter.* Die Gläubiger können durch Mehrheitsbeschluss die Bestellung oder Abberufung eines gemeinsamen Vertreters (der **Gemeinsame Vertreter**), die Aufgaben und Befugnisse des Gemeinsamen Vertreters, die Übertragung von Rechten der Gläubiger auf den Gemeinsamen Vertreter und eine Beschränkung der Haftung des Gemeinsamen Vertreters bestimmen. Die Bestellung eines Gemeinsamen Vertreters bedarf einer Qualifizierten Mehrheit, wenn er ermächtigt werden soll, Änderungen des wesentlichen Inhalts der Anleihebedingungen gemäß Absatz (2) zuzustimmen.
- (5) *Holder's Representative.* The Holders may by majority resolution provide for the appointment or dismissal of a joint representative (the **Holder's Representative**), the duties and responsibilities and the powers of such Holder's Representative, the transfer of the rights of the Holders to the Holder's Representative and a limitation of liability of the Holder's Representative. Appointment of a Holder's Representative may only be passed by a Qualified Majority if such Holder's Representative is to be authorized to consent, in accordance with paragraph (2) hereof, to a material change in the substance of the Terms and Conditions.
- (6) *Veröffentlichung.* Bekanntmachungen betreffend diesen § 14 erfolgen ausschließlich gemäß den Bestimmungen des SchVG.
- (6) *Publication.* Any notices concerning this § 14 shall be made exclusively pursuant to the provisions of the SchVG.

§ 15
MITTEILUNGEN

- (1) *Mitteilungen.* Alle die Schuldverschreibungen betreffenden Mitteilungen werden im Bundesanzeiger veröffentlicht, wenn nicht in § 14(6) anders vorgesehen, sowie, falls gesetzlich vorgeschrieben, in den gesetzlich vorgesehenen zusätzlichen Medien. Jede derartige Mitteilung gilt am dritten Kalendertag nach dem Tag der Veröffentlichung (oder bei mehrfacher Veröffentlichung am dritten Kalendertag nach dem Tag der ersten solchen Veröffentlichung) als wirksam gegenüber den Gläubigern erfolgt.
- (2) *Mitteilungen an das Clearingsystem.* Wenn eine Veröffentlichung von Mitteilungen nach dem vorstehenden Absatz (1) nicht weiterhin rechtlich oder nach den Regeln der Wertpapierbörse, an denen die Schuldverschreibungen notiert sind, erforderlich ist, kann die Emittentin die betreffende Mitteilung an das Clearingsystem zur Weiterleitung an die Gläubiger übermitteln. Jede derartige Mitteilung gilt am fünften Kalendertag nach dem Tag der Mitteilung an das Clearingsystem als wirksam gegenüber den Gläubigern erfolgt.
- (3) *Mitteilungen an die Emittentin.* Mitteilungen eines Gläubigers an die Emittentin können in der Weise erfolgen, dass der Gläubiger der Zahlstelle eine entsprechende schriftliche Erklärung persönlich übergibt oder per Fax oder per Brief übermittelt. Eine derartige Mitteilung kann von jedem Gläubiger gegenüber der Zahlstelle durch das Clearingsystem in der von der Zahlstelle und dem Clearingsystem dafür vorgesehenen Weise erfolgen.

§ 15
NOTICES

- (1) *Notices.* Except as stipulated in § 14(6), all notices concerning the Notes shall be published in the Federal Gazette and, if legally required, in the form of media determined by law in addition thereto. Any notice so given will be deemed to have been validly given to the Holders on the third calendar day following the date of such publication (or, if published more than once, on the third calendar day following the date of the first such publication).
- (2) *Notification to the Clearing System.* If the publication of notices pursuant to paragraph (1) above is no longer required by law or the rules of the stock exchange on which the Notes are listed, the Issuer may deliver the relevant notice to the Clearing System, for communication by the Clearing System to the Holders. Any such notice shall be deemed to have been validly given to the Holders on the fifth calendar day following the day on which the said notice was given to the Clearing System.
- (3) *Notification to the Issuer.* Notices to be given by any Holder to the Issuer may be made by means of a written declaration to be delivered by hand, fax or mail to the Paying Agent. Such notice may be given by any Holder to the Paying Agent through the Clearing System in such manner as the Paying Agent and the Clearing System may approve for such purpose.

§ 16
DEFINITIONEN

Abgezinsten Marktpreis (Make-Whole Amount) hat die diesem Begriff in § 6(4) zugewiesene Bedeutung.

Ausübungszeitraum hat die diesem Begriff in § 6(5)(c) zugewiesene Bedeutung.

Begebungstag hat die diesem Begriff in § 1(1) zugewiesene Bedeutung.

Berechnungsstelle hat die diesem Begriff in § 7(1) zugewiesene Bedeutung.

Bereinigtes EBITDA bezeichnet das EBITDA bereinigt um das „Ergebnis aus der Veräußerung von als Finanzinvestition gehaltenen Immobilien“, das „Ergebnis aus der Veräußerung von Vorratsimmobilien“ und andere außerordentliche sowie periodenfremde Aufwendungen und Erträgen (jeweils vorbehaltlich der Bestimmungen in diesen Anleihebedingungen).

Berichtsstichtag ist der 31. März, 30. Juni, 30. September und 31. Dezember eines jeden Jahres.

Besicherte Finanzverbindlichkeiten bezeichnet den Teil der Konsolidierten Nettofinanzverbindlichkeiten, der mit Sicherungsrechten an Immobilien oder sonstigen Vermögenswerten der Emittentin oder ihrer Tochtergesellschaften besichert ist (jeweils nach IFRS ermittelt).

Bund-Rendite hat die diesem Begriff in § 6(4) zugewiesene Bedeutung.

CBL hat die diesem Begriff in § 1(5) zugewiesene Bedeutung.

Clearingsystem hat die diesem Begriff in § 1(5) zugewiesene Bedeutung.

Code hat die diesem Begriff in § 8(3) zugewiesene Bedeutung.

§ 16
DEFINITIONS

Make-Whole Amount has the meaning assigned to such term in § 6(4).

Put Period has the meaning assigned to such term in § 6(5)(c).

Issue Date has the meaning assigned to such term in § 1(1).

Calculation Agent has the meaning assigned to such term in § 7(1).

Adjusted EBITDA means the EBITDA adjusted for the “result from the disposal of investment property”, the “result from the disposal of real estate inventory” and other extraordinary and prior-period expenses and income (in each case subject to the determination specified in these Terms and Conditions).

Reporting Date means March 31, June 30, September 30 and December 31 of each year.

Secured Financial Indebtedness means that portion of the Consolidated Net Financial Indebtedness that is secured by a Lien on properties or other assets of the Issuer or any of its Subsidiaries (each as determined in accordance with IFRS).

Bund Rate has the meaning assigned to such term in § 6(4).

CBL has the meaning assigned to such term in § 1(5).

Clearing System has the meaning assigned to such term in § 1(5).

Code has the meaning assigned to such term in § 8(3).

Common Safekeeper hat die diesem Begriff in § 1(3)(a) zugewiesene Bedeutung.

Common Safekeeper has the meaning assigned to such term in § 1(3)(a).

Dauerglobalurkunde hat die diesem Begriff in § 1(3)(a) zugewiesene Bedeutung.

Permanent Global Note has the meaning assigned to such term in § 1(3)(a).

Depotbank hat die diesem Begriff in § 17(4) zugewiesene Bedeutung.

Custodian has the meaning assigned to such term in § 17(4).

EBITDA bezeichnet den unter der Überschrift „EBITDA“ im Konzernabschluss der Emittentin angegebene Zahlenwert (unter Berücksichtigung des Abzugs des Postens „Ergebnis aus der Bewertung der als Finanzinvestition gehaltenen Immobilien“).

EBITDA means the number set out under the heading “EBITDA” in the Consolidated Financial Statements of the Issuer (taking into account the deduction of the item “result from the remeasurement of investment property”).

Eingehen bezeichnet in Bezug auf eine Finanzverbindlichkeit oder eine sonstige Verbindlichkeit einer Person die Begründung, die Übernahme, Abgabe einer Garantie oder Bürgschaft dafür oder eine anderweitige Übernahme der Haftung für diese Finanzverbindlichkeit oder sonstige Verbindlichkeit; das **Eingehen** bzw. **eingegangen** sind entsprechend auszulegen, wobei Finanzverbindlichkeiten erst zu der Zeit **eingegangen** sind, wenn sie ausgezahlt werden, und auf Treuhandkonten eingezahlte Beträge erst dann als **eingegangen** gelten, wenn die Erlöse von dem Treuhandkonto freigegeben werden.

Incur means, with respect to any Financial Indebtedness or other obligation of any Person, to create, assume, guarantee or otherwise become liable in respect of such Financial Indebtedness or other obligation, and **incurrence** and **incurred** have the meanings correlative to the foregoing whereby Financial Indebtedness shall only be **incurred** at the time any funds are disbursed and amounts drawn and deposited into escrow accounts shall not be deemed **incurred** until such proceeds are withdrawn from such escrow account.

Emittentin hat die diesem Begriff in § 1(1) zugewiesene Bedeutung.

Issuer has the meaning assigned to such term in § 1(1).

Euroclear hat die diesem Begriff in § 1(5) zugewiesene Bedeutung.

Euroclear has the meaning assigned to such term in § 1(5).

Fälligkeitstag hat die diesem Begriff in § 6(1) zugewiesene Bedeutung.

Maturity Date has the meaning assigned to such term in § 6(1).

FATCA Quellensteuer hat die diesem Begriff in § 8(3) zugewiesene Bedeutung.

FATCA Withholding has the meaning assigned to such term in § 8(3).

Festgelegte Stückelung hat die diesem Begriff in § 1(1) zugewiesene Bedeutung.

Specified Denomination has the meaning assigned to such term in § 1(1).

Finanzverbindlichkeiten bezeichnet (unter Ausschluss einer Doppelberücksichtigung) alle Verbindlichkeiten (ausgenommen solche gegenüber anderen Mitgliedern der Gruppe) aus:

- (i) aufgenommenen Geldern;
- (ii) allen im Rahmen von Akzeptkrediten oder eines dematerialisierten Äquivalents aufgenommenen Beträge;
- (iii) allen im Rahmen von Fazilitäten zum Kauf kurzfristiger Schuldtitel oder aus der Begebung von Anleihen, Schuldverschreibungen, Commercial Paper oder vergleichbaren Instrumenten aufgenommenen Beträgen;
- (iv) veräußerten oder diskontierten Forderungen (außer bei einem Forderungsverkauf ohne Rückgriffsrecht);
- (v) der Aufnahme von Beträgen im Rahmen anderer Rechtsgeschäfte (einschließlich Termingeschäften), die die wirtschaftliche Wirkung einer Kreditaufnahme haben, ausgenommen jedoch Bankgarantie-Fazilitäten, die der Emittentin oder einer Tochtergesellschaft von Finanzinstituten gewährt werden oder gewährt werden sollen und in deren Rahmen die Emittentin bzw. die jeweilige Tochtergesellschaft die Ausstellung einer oder mehrerer Bankgarantien zugunsten einer Person verlangen kann, die sich zum Erwerb von Immobilienvermögen von der Emittentin oder einer Tochtergesellschaft verpflichtet hat;
- (vi) einer Gegenverpflichtung zur Freistellung in Bezug auf eine Bürgschaft, eine Freistellungsverpflichtung, eine Garantie, ein Garantie- oder Dokumentenakkreditiv oder ein anderes von einer Bank oder einem Finanzinstitut ausgestelltes Instrument; und

Financial Indebtedness means (without duplication) any indebtedness (excluding any indebtedness owed to another member of the Group) for or in respect of:

- (i) money borrowed;
- (ii) any amount raised by acceptance under any acceptance credit facility or a dematerialized equivalent;
- (iii) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, commercial papers or any similar instrument;
- (iv) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);
- (v) any amounts raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing, but excluding bank guarantee facilities made or to be made available by financial institutions to the Issuer or a Subsidiary under which the Issuer or the respective Subsidiary may request the issue of a bank guarantee or bank guarantees in favour of a person who agrees to purchase a Real Estate Property owned by the Issuer or a Subsidiary;
- (vi) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and

<p>(vii) Verbindlichkeiten aus einer Garantie, Bürgschaft oder Freistellungsverpflichtung in Bezug auf Verbindlichkeiten der in den vorstehenden Absätzen (i) bis (vi) genannten Art,</p> <p>jeweils nur falls und soweit der jeweilige Betrag oder die jeweilige Verpflichtung nach IFRS als „<i>Verbindlichkeit</i>“ erfasst wird.</p>	<p>(vii) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (i) to (vi) above,</p> <p>in each such case only if and to the extent the relevant amount or obligation is recorded as “<i>indebtedness</i>” in accordance with IFRS.</p>
<p>Garantie hat die diesem Begriff in § 12(1)(e) zugewiesene Bedeutung.</p>	<p>Guarantee has the meaning assigned to such term in § 12(1)(e).</p>
<p>Garantin hat die diesem Begriff in § 12(1)(e) zugewiesene Bedeutung.</p>	<p>Guarantor has the meaning assigned to such term in § 12(1)(e).</p>
<p>Gemeinsamer Vertreter hat die diesem Begriff in § 14(5) zugewiesene Bedeutung.</p>	<p>Holders’ Representative has the meaning assigned to such term in § 14(5).</p>
<p>Geschäftstag hat die diesem Begriff in § 5(4) zugewiesene Bedeutung.</p>	<p>Business Day has the meaning assigned to such term in § 5(4).</p>
<p>Gläubiger hat die diesem Begriff in § 1(6) zugewiesene Bedeutung.</p>	<p>Holder has the meaning assigned to such term in § 1(6).</p>
<p>Gläubiger-Ausübungserklärung hat die diesem Begriff in § 6(5)(c) zugewiesene Bedeutung.</p>	<p>Put Notice has the meaning assigned to such term in § 6(5)(c).</p>
<p>Gläubiger-Rückzahlungswahlrecht hat die diesem Begriff in § 6(5)(a) zugewiesene Bedeutung.</p>	<p>Put Option has the meaning assigned to such term in § 6(5)(a).</p>
<p>Gläubigerwahl-Rückzahlungsereignis-Mitteilung hat die diesem Begriff in § 6(5)(b) zugewiesene Bedeutung.</p>	<p>Put Event Notice has the meaning assigned to such term in § 6(5)(b).</p>
<p>Globalurkunden hat die diesem Begriff in § 1(3)(a) zugewiesene Bedeutung.</p>	<p>Global Notes has the meaning assigned to such term in § 1(3)(a).</p>
<p>Gruppe bezeichnet die Emittentin und ihre Tochtergesellschaften.</p>	<p>Group means the Issuer together with its Subsidiaries.</p>
<p>ICSDs hat die diesem Begriff in § 1(5) zugewiesene Bedeutung.</p>	<p>ICSDs has the meaning assigned to such term in § 1(5).</p>
<p>IFRS bezeichnet die International Financial Reporting Standards, wie sie in der Europäischen Union anzuwenden sind, in jeweils geltender Fassung.</p>	<p>IFRS means the International Financial Reporting Standards, as adopted by the European Union, as in effect from time to time.</p>

Immobilienvermögen bezeichnet (unter Ausschluss einer Doppelberücksichtigung) das im Konzernabschluss der Emittentin in der Position „Immobilienvermögen“ zum unmittelbar vorausgehenden Berichtsstichtag, zu dem ein Konzernabschluss der Emittentin veröffentlicht worden ist, angesetzte oder nach IFRS seit dem unmittelbar vorangegangenen Berichtsstichtag, zu dem ein Konzernabschluss der Emittentin veröffentlicht worden ist, anzusetzende Immobilienvermögen der Emittentin und der Tochtergesellschaften.

Kapitalmarktverbindlichkeit bezeichnet jede gegenwärtige oder künftige Verpflichtung zur Rückzahlung aufgenommener Geldbeträge (einschließlich Verbindlichkeiten aus Garantien oder sonstigen Haftungsvereinbarungen für solche Verbindlichkeiten Dritter), die verbrieft ist in Form von Anleihen oder Schuldverschreibungen, die an einer Börse notiert, zugelassen oder gehandelt werden können (zur Klarstellung: Schuldscheindarlehen sind keine Kapitalmarktverbindlichkeit).

Konsolidierte Nettofinanzverbindlichkeiten bezeichnet die nach IFRS ermittelten Nettofinanzverbindlichkeiten der Emittentin und ihrer Tochtergesellschaften auf konsolidierter Basis wie im Konzernabschluss der Emittentin als „Nettoverschuldung“ ausgewiesen.

Kontrollwechsel hat die diesem Begriff in § 6(5)(a) zugewiesene Bedeutung.

Konzernabschluss bezeichnet in Bezug auf eine Person den nach IFRS erstellten Konzernabschluss mit Anhang und Lagebericht für diese Person und ihre Tochterunternehmen sowie Konzernzwischenabschlüsse und Quartalsmitteilungen (zum relevanten Zeitpunkt).

Kündigungserklärung hat die diesem Begriff in § 10(2) zugewiesene Bedeutung.

Real Estate Property means (without duplication) the real estate property of the Issuer and the Subsidiaries that is recognized as of the immediately preceding Reporting Date for which Consolidated Financial Statements of the Issuer have been published, or is required to be recognized in accordance with IFRS since the immediately preceding Reporting Date for which Consolidated Financial Statements of the Issuer have been published, in the item “real estate” of the Consolidated Financial Statements of the Issuer.

Capital Market Indebtedness means any present or future obligation for the payment of borrowed money (including obligations by reason of any guarantee or other liability agreement for such obligations of third parties) which is in the form of, or represented by, bonds or notes which are capable of being quoted, listed, dealt in or traded on a stock exchange (for the avoidance of doubt: *Schuldschein* loans/promissory notes shall be no Capital Market Indebtedness).

Consolidated Net Financial Indebtedness means the net financial indebtedness of the Issuer and any of its Subsidiaries, on a consolidated basis determined in accordance with IFRS as shown as “net debt” in the Consolidated Financial Statements of the Issuer.

Change of Control has the meaning assigned to such term in § 6(5)(a).

Consolidated Financial Statements means, with respect to any Person, the consolidated financial statements and notes to those financial statements and the group management report of that Person and its subsidiaries prepared in accordance with IFRS as well as interim consolidated financial statements and quarterly statements (as of the relevant date).

Termination Notice has the meaning assigned to such term in § 10(2).

Kündigungsgrund hat die diesem Begriff in § 10(1) zugewiesene Bedeutung.

Event of Default has the meaning assigned to such term in § 10(1).

Nachfolgeschuldnerin hat die diesem Begriff in § 12(1) zugewiesene Bedeutung.

Substitute Debtor has the meaning assigned to such term in § 12(1).

Nettofinanzverbindlichkeiten bezeichnet den Nennbetrag der eingegangenen Finanzverbindlichkeiten abzüglich des Nennbetrags der zurückgezahlten Finanzverbindlichkeiten (seit dem relevanten Berichtsstichtag).

Net Financial Indebtedness means the nominal amount of Financial Indebtedness incurred minus the nominal amount of Financial Indebtedness repaid (since the relevant Reporting Date).

Neue Besicherte Finanzverbindlichkeiten bezeichnet den Betrag der eingegangenen Besicherten Finanzverbindlichkeiten abzüglich des Betrags der zurückgezahlten Besicherten Finanzverbindlichkeiten (jeweils nach IFRS ermittelt).

New Secured Financial Indebtedness means the amount of Secured Financial Indebtedness incurred minus the amount of Secured Financial Indebtedness repaid (each as determined in accordance with IFRS).

Person bezeichnet natürliche Personen, Körperschaften, Personengesellschaften, Joint Ventures, Vereinigungen, Aktiengesellschaften, Trusts, nicht rechtsfähige Vereinigungen, Gesellschaften mit beschränkter Haftung, staatliche Stellen (oder Behörden oder Gebietskörperschaften) oder sonstige Rechtsträger.

Person means any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organization, limited liability company or government (or any agency or political subdivision thereof) or any other entity.

Qualifizierte Mehrheit hat die diesem Begriff in § 14(2) zugewiesene Bedeutung.

Qualified Majority has the meaning assigned to such term in § 14(2).

Relevante Person(en) hat die diesem Begriff in § 6(5)(a) zugewiesene Bedeutung.

Relevant Person(s) has the meaning assigned to such term in § 6(5)(a).

Rückzahlungs-Berechnungstag hat die diesem Begriff in § 6(4) zugewiesene Bedeutung.

Redemption Calculation Date has the meaning assigned to such term in § 6(4).

Rückzahlungsbetrag hat die diesem Begriff in § 6(1) zugewiesene Bedeutung.

Final Redemption Amount has the meaning assigned to such term in § 6(1).

Schuldverschreibungen hat die diesem Begriff in § 1(1) zugewiesene Bedeutung.

Notes has the meaning assigned to such term in § 1(1).

SchVG hat die diesem Begriff in § 14(1) zugewiesene Bedeutung.

SchVG has the meaning assigned to such term in § 14(1).

Sicherungsrecht bezeichnet (unter Ausschluss einer Doppelberücksichtigung) Sicherungsrechte, Grundpfandrechte, Sicherung-Treuhandverträge, Sicherungsurkunden, Verpfändungsverträge, Sicherungsabtretungen, Sicherungsübereignungen, Hinterlegungsvereinbarungen oder sonstige Sicherungsabreden, ausgenommen Rechte zur Aufrechnung, jedoch u. a. einschließlich bedingte Kaufverträge oder Vereinbarungen unter Eigentumsvorbehalt, Finanzierungsleasingverträge, die wirtschaftlich im Wesentlichen den vorgenannten Vereinbarungen gleichkommen, sowie sonstige Vereinbarungen, die ein dingliches Sicherungsrecht gewähren oder übertragen und zwar einer Person, die nicht Mitglied der Gruppe ist, jeweils zur Besicherung ausstehender Finanzverbindlichkeiten, jedoch keine

Lien means (without duplication) any lien, mortgage, trust deed, deed of trust, deed, pledge, security interest, assignment for collateral purposes, deposit arrangement, or other security agreement, excluding any right of setoff but including, without limitation, any conditional sale or other title retention agreement, any financing lease having substantially the same economic effect as any of the foregoing, and any other like agreement granting or conveying a security interest *in rem* to a Person that is not a member of the Group, in each case to secure outstanding Financial Indebtedness, but in each case excluding

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|---|--|
| (i) in Abteilung 2 eines deutschen Grundbuchs eingetragenen Belastungen; | (i) any encumbrance registered in department 2 of the German land register; |
| (ii) Sicherungsrechte, die im Zusammenhang mit der Veräußerung eines Vermögenswerts im Rahmen der gewöhnlichen Geschäftstätigkeit entstehen, u. a. Sicherungsrechte an Vermögenswerten, die Gegenstand eines Kaufvertrags sind, zur Finanzierung des Kaufpreises; | (ii) any lien arising in connection with a disposal of an asset in the ordinary course of business including, without limitation, any lien created in assets subject to a sale agreement for the purposes of financing the purchase price; |
| (iii) Sicherungsrechte, für die dem maßgeblichen Mitglied der Gruppe eine unbedingte Löschungsbewilligung übermittelt wurde; | (iii) any lien in respect of which an unconditional deletion consent has been delivered to the relevant member of the Group; |
| (iv) Sicherungsrechte, die kraft Gesetzes (oder kraft einer Vereinbarung mit derselben Wirkung) oder im Rahmen der gewöhnlichen Geschäftstätigkeit entstehen; | (iv) any lien arising by operation of law (or by agreement having the same effect) or in the ordinary course of business; |
| (v) Barsicherheiten, die im Zusammenhang mit Währungs- und Zinsabsicherungsgeschäften gestellt werden; | (v) any cash collateral posted in connection with cross-currency and interest rate hedging transactions; |
| (vi) Sicherungsrechte an Bankkonten nach Maßgabe der allgemeinen Geschäftsbedingungen des Anbieters von Bankkonten;
und | (vi) any lien on bank accounts under general terms and conditions of any provider of bank accounts; and |

(vii) bestehende Sicherungsrechte an erworbenem oder zu erwerbendem Immobilienvermögen, die mit der beabsichtigten Rückzahlung der hiermit besicherten Finanzverbindlichkeiten aus den Nettoerlösen dieser Schuldverschreibungen abgelöst werden.

Summe Aktiva bezeichnet den Wert der konsolidierten Bilanzsumme der Emittentin und der Tochtergesellschaften, der in einer nach IFRS erstellten konsolidierten Bilanz der Emittentin erscheint oder erschienen würde, wobei zur Position „Bilanzsumme“ die Zuflüsse aus den einzugehenden Finanzverbindlichkeiten addiert werden sollen.

Tochtergesellschaft bezeichnet jede Person, die bei der Erstellung der Konzernabschlüsse der Emittentin mit ihr konsolidiert werden muss.

Verbriefte Kapitalmarktverbindlichkeit bezeichnet jede Kapitalmarktverbindlichkeit aus oder im Zusammenhang mit einer Verbriefung oder vergleichbaren Finanzierungsvereinbarung in Bezug auf Vermögenswerte der Emittentin oder ihrer Tochtergesellschaften, bei der die Rückgriffsrechte der Gläubiger der betreffenden Kapitalmarktverbindlichkeit auf die Emittentin ausschließlich auf die betreffenden Vermögenswerte oder die daraus erzielten Erträge beschränkt sind.

Verbundenes Unternehmen hat die diesem Begriff in § 12(1) zugewiesene Bedeutung.

Vereinigte Staaten hat die diesem Begriff in § 1(7) zugewiesene Bedeutung.

Verschuldungsgrad (LTV) hat die diesem Begriff in § 11(1)(a) zugewiesene Bedeutung.

Verzinsungsbeginn hat die diesem Begriff in § 4(1) zugewiesene Bedeutung.

Vorläufige Globalurkunde hat die diesem Begriff in § 1(3)(a) zugewiesene Bedeutung.

(vii) existing liens over Real Estate Property acquired or to be acquired which shall be released as a consequence of the intended repayment of the loans thereby secured from the net proceeds of these Notes.

Total Assets means the value of the consolidated total assets of the Issuer and the Subsidiaries, as such amount appears, or would appear, on a consolidated balance sheet of the Issuer prepared in accordance with IFRS, *provided that* the proceeds of the Financial Indebtedness to be incurred shall be added to the item “total assets”.

Subsidiary means any Person that must be consolidated with the Issuer for the purposes of preparing Consolidated Financial Statements of the Issuer.

Securitized Capital Market Indebtedness means any Capital Market Indebtedness incurred in respect of or in connection with any securitization or similar financing arrangement relating to assets owned by the Issuer or its Subsidiaries and where the recourse of the holders of such Capital Market Indebtedness against the Issuer is limited solely to such assets or any income generated therefrom.

Affiliate has the meaning assigned to such term in § 12(1).

United States has the meaning assigned to such term in § 1(7).

Loan-to-Value Ratio has the meaning assigned to such term in § 11(1)(a).

Interest Commencement Date has the meaning assigned to such term in § 4(1).

Temporary Global Note has the meaning assigned to such term in § 1(3)(a).

Wahl-Rückzahlungsbetrag (Call) hat die diesem Begriff in § 6(4) zugewiesene Bedeutung.

Wahl-Rückzahlungstag (Call) hat die diesem Begriff in § 6(4) zugewiesene Bedeutung.

Wahl-Rückzahlungsbetrag (Put) hat die diesem Begriff in § 6(5)(a) zugewiesene Bedeutung.

Wahl-Rückzahlungstag (Put) hat die diesem Begriff in § 6(5)(c) zugewiesene Bedeutung.

Wesentliche Tochtergesellschaft bezeichnet eine Tochtergesellschaft der Emittentin, deren Bilanzsumme mindestens 5 % der Summe Aktiva ausmacht.

Zahlstelle hat die diesem Begriff in § 7(1) zugewiesene Bedeutung.

Zahlungswirksames Zinsergebnis bezeichnet alle an Personen, die nicht Mitglied der Gruppe sind, aufgelaufenen, bar zu zahlenden Zinsen und sonstigen Finanzierungskosten abzüglich des Betrags aller durch Mitglieder der Gruppe von Personen, die nicht Mitglied der Gruppe sind, zu erhaltenden und aufgelaufenen Zinsen und sonstigen Finanzierungskosten, jeweils ausgenommen einmalige Finanzierungskosten (u. a. einmalige Entgelte und/oder Vorfälligkeitsentschädigungen).

Zinsperiode hat die diesem Begriff in § 4(3) zugewiesene Bedeutung.

Zinszahlungstag hat die diesem Begriff in § 4(1) zugewiesene Bedeutung.

Zusätzliche Beträge hat die diesem Begriff in § 8(2) zugewiesene Bedeutung.

Call Redemption Amount has the meaning assigned to such term in § 6(4).

Call Redemption Date has the meaning assigned to such term in § 6(4).

Put Redemption Amount has the meaning assigned to such term in § 6(5)(a).

Put Date has the meaning assigned to such term in § 6(5)(c).

Material Subsidiary means any Subsidiary of the Issuer whose total assets are at least equal to 5 per cent. of the Total Assets.

Paying Agent has the meaning assigned to such term in § 7(1).

Net Cash Interest means all cash interest and other financing charges accrued to persons who are not members of the Group less the amount of any interest and other financing charges accrued to be received by members of the Group from persons who are not members of the Group, in each case, excluding any one-off financing charges (including without limitation, any one-off fees and/or break costs).

Interest Period has the meaning assigned to such term in § 4(3).

Interest Payment Date has the meaning assigned to such term in § 4(1).

Additional Amounts has the meaning assigned to such term in § 8(2).

§ 17

ANWENDBARES RECHT, ERFÜLLUNGSORT UND GERICHTSSTAND, GERICHTLICHE GELTENDMACHUNG

- (1) *Anwendbares Recht.* Form und Inhalt der Schuldverschreibungen sowie die Rechte und Pflichten der Gläubiger und der Emittentin bestimmen sich in jeder Hinsicht nach deutschem Recht.
- (2) *Erfüllungsort.* Erfüllungsort ist Frankfurt am Main, Bundesrepublik Deutschland.
- (3) *Gerichtsstand.* Vorbehaltlich eines zwingend vorgeschriebenen Gerichtsstands für bestimmte Verfahren nach dem SchVG ist das Landgericht Frankfurt am Main nicht ausschließlicher Gerichtsstand für sämtliche aus oder im Zusammenhang mit den Schuldverschreibungen entstehenden Klagen oder sonstige Verfahren.
- (4) *Gerichtliche Geltendmachung.* Jeder Gläubiger von Schuldverschreibungen ist berechtigt, in jedem Rechtsstreit gegen die Emittentin oder in jedem Rechtsstreit, in dem der Gläubiger und die Emittentin Partei sind, seine Rechte aus diesen Schuldverschreibungen im eigenen Namen auf der folgenden Grundlage zu sichern und geltend zu machen:
(i) einer Bescheinigung der Depotbank, bei der er für die Schuldverschreibungen ein Wertpapierdepot unterhält, welche (a) den vollständigen Namen und die vollständige Adresse des Gläubigers enthält, (b) den Gesamtnennbetrag der Schuldverschreibungen bezeichnet, die unter dem Datum der Bestätigung auf dem Wertpapierdepot verbucht sind und (c) bestätigt, dass die Depotbank gegenüber dem Clearingsystem eine schriftliche Erklärung abgegeben hat, die die vorstehend unter (a) und (b) bezeichneten Informationen enthält, und (ii) einer Kopie der die betreffenden Schuldverschreibungen verbriefenden Globalurkunde, deren Übereinstimmung mit dem Original eine vertretungs-

§ 17

GOVERNING LAW, PLACE OF PERFORMANCE AND PLACE OF JURISDICTION, ENFORCEMENT

- (1) *Governing Law.* The Notes, as to form and content, and all rights and obligations of the Holders and the Issuer, shall be governed by German law.
- (2) *Place of Performance.* Place of performance is Frankfurt am Main, Federal Republic of Germany.
- (3) *Place of Jurisdiction.* Subject to any mandatory jurisdiction for specific proceedings under the SchVG, the district court of Frankfurt am Main shall have non-exclusive jurisdiction for any action or other legal proceedings arising out of or in connection with the Notes.
- (4) *Enforcement.* Any Holder of Notes may in any proceedings against the Issuer, or to which such Holder and the Issuer are parties, protect and enforce in his own name his rights arising under such Notes on the basis of (i) a statement issued by the Custodian with whom such Holder maintains a securities account in respect of the Notes (a) stating the full name and address of the Holder, (b) specifying the aggregate principal amount of Notes credited to such securities account on the date of such statement and (c) confirming that the Custodian has given written notice to the Clearing System containing the information pursuant to (a) and (b) and (ii) a copy of the Global Note representing the relevant Notes certified as being a true copy of the original Global Note by a duly authorized officer of the Clearing System or a depository of the Clearing System, without the need for production in such proceedings of the actual records or the Global Note representing the Notes. For purposes of the foregoing, *Custodian* means

berechtigte Person von dem Clearingsystem oder einer Verwahrstelle des Clearingsystems bestätigt hat, ohne dass eine Vorlage der Originalbelege oder der die Schuldverschreibungen verbriefenden Globalurkunde in einem solchen Verfahren erforderlich wäre. Für die Zwecke des Vorstehenden bezeichnet **Depotbank** jede Bank oder ein sonstiges anerkanntes Finanzinstitut, das berechtigt ist, das Depotgeschäft zu betreiben und bei der/dem der Gläubiger ein Wertpapierdepot für die Schuldverschreibungen unterhält, einschließlich dem Clearingsystem. Unbeschadet der vorstehenden Bestimmungen ist jeder Gläubiger berechtigt, seine Rechte aus diesen Schuldverschreibungen auch auf jede andere im Land des Verfahrens zulässige Weise geltend zu machen.

§ 18
SPRACHE

Diese Anleihebedingungen sind in deutscher Sprache abgefasst; eine Übersetzung in die englische Sprache ist beigelegt. Nur die deutsche Fassung ist rechtlich bindend. Die englische Übersetzung ist unverbindlich.

any bank or other financial institution of recognized standing authorized to engage in securities custody business with which the Holder maintains a securities account in respect of the Notes, including the Clearing System. Each Holder may, without prejudice to the foregoing, protect and enforce his rights under these Notes also in any other way which is admitted in the country of the proceedings.

§ 18
LANGUAGE

These Terms and Conditions are written in the German language and provided with an English language translation. The German version shall be the only legally binding version. The English translation is for convenience only.

DESCRIPTION OF RULES REGARDING RESOLUTIONS OF HOLDERS

The SchVG provides that holders of debt securities may, with the consent of the respective issuer (where required), amend the terms and conditions or resolve on other matters concerning debt securities by way of majority resolutions. If provided for in the terms and conditions, this shall apply *mutatis mutandis* to obligations securing such debt securities. A majority resolution in accordance with the SchVG is binding for all holders of one series of debt securities. The SchVG applies to debt securities that form an issue of identical debt securities (*Gesamtemission*) which are governed by German law. Consequently, the SchVG applies to the Notes.

The following sections provide an overview of the statutory provisions of the SchVG with respect to the Notes.

Overview of the SchVG

Under the SchVG and in accordance with the Terms and Conditions, it is possible to extensively change and therefore restructure the Terms and Conditions and to adopt further measures concerning the Notes with the Issuer's consent (where required). Any such amendments or measures are only binding in respect of the Notes and do not apply to any other issue of debt securities of the Issuer.

The Terms and Conditions also provide for the appointment of the Holder's Representative.

Individual Subjects of Resolutions

As provided for by the SchVG, the Notes do not specify an exclusive list of admissible amendments to the Terms and Conditions or other measures on which Holders may resolve. In accordance with Section 5 para. 3 sentence 1 no. 1-10 SchVG, the individual subjects for resolutions may include:

- amendments to the principal claim (due date, amount, currency, rank, debtors, object of performance) of the Notes;
- amendments to or removal of ancillary conditions of the Notes;
- modification or waiver of a right of termination and removal of the effect of the collective right of termination;
- substitution and release of security;
- amendments to legal transactions with joint obligors; and
- amendments to ancillary claims (due date, amount, exclusion, currency, rank, debtors, object of performance).

In addition, resolutions not affecting the contents of the Terms and Conditions may be passed, including:

- exchange of the Notes for other debt securities or shares; and

- appointment, duties and removal of a Holders' Representative.

Relevant Majorities for Holder Resolutions

The Terms and Conditions use the applicable majorities provided for by the SchVG. Hence, any resolutions which materially alter the Terms and Conditions or adopt other measures, in particular in the cases listed in Section 5 para. 3 sentence 1 no. 1-9 SchVG, require a majority of at least 75% of the participating votes (a “**Qualified Majority**”). All other resolutions may generally be passed with a simple majority of 50% of the participating votes.

Procedures for Holder Resolutions

General

Resolutions of the Holders with respect to the Notes can be passed in a meeting (*Gläubigerversammlung*) in accordance with Sections 5 *et seq.* SchVG or by way of a vote without a meeting pursuant to Section 18 and Sections 9 *et seq.* SchVG (*Abstimmung ohne Versammlung*).

The Issuer or a Holders' Representative may, and Holders who together hold 5% of the outstanding nominal amount of the Notes for specified reasons permitted by the SchVG may demand in writing to, (i) convene a creditors' meeting (*Gläubigerversammlung*) or (ii) hold a vote without a meeting, as the case may be.

The Issuer bears the costs of the vote and/or the meeting and, if a court has convened a meeting, also the costs of such court proceedings.

All resolutions adopted must be properly published. Resolutions which amend or supplement the Terms and Conditions have to be implemented by supplementing or amending the Global Note.

If a resolution constitutes a breach of the SchVG or the Terms and Conditions, Holders who have filed a complaint within two weeks after publication of the resolution may bring an action to set aside such resolution. Such action must be filed with the competent court within one month following the publication of the resolution.

Resolution by Physical Meeting

The meeting will be convened by way of a notice given to the Holders no later than 14 calendar days prior to the meeting. Attendance and exercise of voting rights at the meeting may be made subject to prior registration of Holders. The convening notice will provide what proof will be required for attendance and voting at the meeting. Each Holder may be represented in the meeting by proxy.

A resolution in a meeting can only be passed if a quorum of at least 50% of the outstanding aggregate principal amount of the Notes is represented in the meeting. The chairman shall ascertain each Holder's entitlement to cast votes based on evidence provided by such Holder and shall prepare a list of the Holders present or represented by proxy in the meeting.

Resolution without a Physical Meeting

The voting will be conducted by a scrutineer (*Abstimmungsleiter*). Such scrutineer shall be (i) a notary public appointed by the Issuer, (ii) the Holders' Representative, if the vote was solicited by it, or (iii) a person appointed by the competent court.

A vote without a meeting will be convened by way of a notice given to the Holders to solicit their votes (*Aufforderung zur Stimmabgabe*) no later than 14 calendar days prior to the commencement of the vote. The solicitation notice shall set out the period within which votes may be cast (at least 72 hours), the agenda and the subject matter of the vote and the details of the conditions to be met for the votes to be valid. During the applicable voting period, Holders may cast their votes to the scrutineer. Each Holder may be represented by proxy.

A resolution by way of a vote without a meeting can only be passed if a quorum of at least 50% of the outstanding Notes by value participates in the vote during the voting period. The scrutineer shall ascertain each Holder's entitlement to vote based on evidence provided by such Holder and shall prepare a list of the Holders entitled to vote.

Resolution by (second) Physical Meeting

If the quorum of 50% of the outstanding aggregate principal amount of the Notes is not met, the scrutineer or the chairman, as the case may be, may convene a (second) physical meeting of the Holders at which no quorum will be required, provided that where a resolution may only be adopted by a Qualified Majority, a quorum requires the presence of at least 25%, of the outstanding Notes. For such (second) physical meeting the provisions set out with respect to a (first) physical meeting apply *mutatis mutandis*.

Holders' Representative

The Holders' Representative may generally be appointed by way of a majority resolution passed by the Holders. If at the same time rights are assigned to the Holders' Representative, thereby enabling it to consent to material amendments to the Terms and Conditions on behalf of the Holders, the appointment requires a Qualified Majority.

The Holders may at any time and without reason terminate the appointment of the Holders' Representative by majority resolution passed by a simple majority. The Holders' Representative is bound by the Holders' instructions, which are based on the relevant majority resolutions.

Any individual or competent legal entity may be appointed as Holders' Representative, provided that, for the avoidance of conflicts of interest, certain disclosure requirements are to be met.

The duties and rights of the Holders' Representative are determined by the SchVG and any resolutions of the Holders. To the extent that the exercise of the Holders' rights has been transferred to the Holders' Representative, the Holders themselves may not assert these rights, unless a majority resolution of the Holders provides otherwise. The Holders' Representative liability may be limited in accordance with the SchVG.

DESCRIPTION OF THE ISSUER

General Information on the Company and the Group

Formation, Incorporation, Commercial Name, Fiscal Year and Registered Office

The Company was formed as a limited liability company (*Gesellschaft mit beschränkter Haftung*) under German law by memorandum of association dated June 18, 1991. Its legal name was “DUHO Verwaltungs-Gesellschaft mbH” with its registered office in Berlin, Germany, and registered in the commercial register of the local court (*Amtsgericht*) of Charlottenburg under the docket number HRB 38419 (“DUHO”).

By merger agreement dated August 14, 1996, TLG Treuhand Liegenschaftsgesellschaft mbH and a number of other entities were merged onto DUHO and the Company changed its legal name into TLG Treuhand Liegenschaftsgesellschaft mbH. The merger and the change in legal name were registered in the commercial register on August 30, 1996. By decision of the Company’s general meeting dated July 26, 2002, the Company changed its legal name to TLG Immobilien GmbH. The change in legal name was registered in the commercial register on August 21, 2002. On September 5, 2014, the Company’s shareholders’ meeting approved a resolution to change the Company’s legal form to a German stock corporation (*Aktiengesellschaft*) and its legal name to TLG IMMOBILIEN AG. The change in legal form and name was registered in the commercial register on September 10, 2014.

The Company is the parent company of TLG and operates under the commercial name “TLG IMMOBILIEN”.

The Company’s fiscal year is the calendar year.

The Company’s registered office is at Hausvogteiplatz 12, 10117 Berlin, Germany (telephone: +49 (0) 30-2470-50).

History and Development

The Company traces its roots back to two former subsidiaries of Treuhandanstalt (“THA”), a state agency tasked with administrating businesses owned by the former German Democratic Republic (*Deutsche Demokratische Republik*).

DUHO Verwaltungs-Gesellschaft mbH

DUHO was formed by memorandum of association dated June 18, 1991. Its formation was registered in the commercial register of the local court (*Amtsgericht*) of Charlottenburg on June 24, 1991. DUHO’s capital was created through spin-off mergers (*verschmelzende Aufspaltungen*) of 139 other legal entities owned by THA. 129 of these split-ups were actually registered in the commercial register. DUHO’s articles of association were subsequently amended to reflect the decreased number of split-ups. This company set-up through multiple spin-off mergers (*verschmelzende Aufspaltungen*) was a very innovative, but not uncontested corporate measure; this process facilitated the bringing together of various assets in one single transaction.

DUHO was tasked with the privatization of certain commercial real estate owned by trade organizations of the former German Democratic Republic (*Deutsche Demokratische Republik*). On September 29, 1994, the shareholders' meeting decided to dissolve DUHO. The decision was registered in the commercial register on November 11, 1994. On June 31, 1996, the share capital of DUHO was transferred to the Federal Republic of Germany. On July 18, 1996, the shareholders' meeting decided to continue DUHO's business. The decision was registered in the commercial register on July 26, 1996.

Liegenschaftsdienst für die Treuhandanstalt GmbH

Liegenschaftsdienst für die Treuhandanstalt GmbH was founded by memorandum of association dated November 12, 1990 and registered in the commercial register of the local court (*Amtsgericht*) of Charlottenburg under the docket number HRB 36064 on December 10, 1990. It was rebranded Liegenschaftsgesellschaft der Treuhandanstalt mbH on March 18, 1991 and tasked with the privatization of the real estate holdings of the former German Democratic Republic (*Deutsche Demokratische Republik*). Until the end of 1994, Liegenschaftsgesellschaft der Treuhandanstalt mbH sold approximately 37,000 properties from the holdings of THA for a total consideration of approximately €8.9 billion. Approximately 11,000 other properties were restituted or municipalized.

In 1994, Liegenschaftsgesellschaft der Treuhandanstalt mbH was rebranded TLG Treuhand Liegenschaftsgesellschaft mbH and the Federal Republic of Germany became the owner of its entire share capital. Subsequently, TLG Treuhand Liegenschaftsgesellschaft mbH acquired over 100,000 properties from THA.

Merger and Privatization

TLG Treuhand Liegenschaftsgesellschaft mbH was then merged into DUHO by merger agreement dated August 14, 1996, and DUHO was rebranded TLG Treuhand Liegenschaftsgesellschaft mbH. Thus, the actual legal predecessor of the Company is DUHO. Between 1995 and 2000, more than 75,000 properties were sold, restituted or municipalized by TLG Treuhand Liegenschaftsgesellschaft mbH, DUHO and the Company.

In 2000, the Company began to pursue a new strategy of active portfolio management. On July 26, 2002, the shareholders' meeting decided to change the Company's legal name to TLG Immobilien GmbH. The change was registered in the commercial register on August 21, 2002. Between 2000 and the end of 2011, the portfolio and property management processes were professionalized and the organization was streamlined (*e.g.*, subsidiaries were merged or otherwise integrated), the number of employees was reduced from approximately 1,100 employees to 297 permanent and 15 temporary employees and the portfolio was further reduced from approximately 27,000 to approximately 1,100 properties (both as of December 31, 2011).

In 2011, the Federal Republic of Germany launched a privatization process. In preparation and effective as from January 1, 2012, substantially all of the Company's residential real estate was transferred to TLG WOHNEN GmbH, a separate state entity, whose sole shareholder was the Federal Republic of Germany and which was subsequently privatized. The Company was then sold by Germany to private investors on December 12, 2012.

Initial Public Offering and Growth Period

Following its privatization in 2012, TLG further streamlined its portfolio, focusing on attractive commercial real estate properties in Berlin and the growth regions in eastern Germany. As a consequence, the Company was able to successfully complete its initial public offering in October 2014. The former investors subsequently divested their holdings in the Company. Since the completion of its initial public offering, TLG has continued its growth strategy, recently also expanding its operations into western Germany. These efforts culminated in the successful completion of the Takeover Offer for WCM in October 2017 (see “—*Takeover Offer for WCM Beteiligungs- und Grundbesitz-Aktiengesellschaft*”).

Duration of the Company and Corporate Purpose

The Company was established for an unlimited period of time.

Pursuant to Section 2 para. 1 of the Company’s articles of association (the “**Articles of Association**”), the Company’s corporate purpose is the conduct of real estate business and any related business of any kind, in particular the management, leasing, construction and modification, acquisition and sale of commercial real estate in a broader sense, particularly office space, retail store properties and hotels, the development of real estate projects as well as the provision of services in connection with the aforementioned objectives, either by itself or by companies in which the Company holds an interest.

The Company is authorized to undertake all business activities appearing directly or indirectly suitable to serve the purpose of the Company. Within the scope of the Company’s purpose, it may establish and maintain branch offices, domestic and abroad, under the same or different legal name, acquire or divest interests in other companies, and establish or acquire such companies.

The Company may dispose of any of its participations and may, in whole or in part, split or transfer to affiliates its business or assets. Further, the Company is entitled to combine under its direction companies in which it holds an interest and/or restrict its activities to the management of the interest(s) and to conclude inter-company agreements (*Unternehmensverträge*) of any kind as well as to spin off or transfer its business, in whole or in part, to companies in which it has a majority interest.

The Company may restrict its activities to the partial performance of the corporate purpose.

Group Structure

The Company is the parent company of TLG. TLG’s consolidated financial statements include all material subsidiaries whose financial and business policy can be controlled by the Company, either directly or indirectly, and the equity interests of TLG whose financial and business policy can be influenced by TLG to a significant extent. As of the date of this Prospectus, the group of consolidated companies includes 50 direct and indirect subsidiaries of the Company.

The Company's Key Subsidiaries

The following table lists the Company's key subsidiaries as of the date of this Prospectus:

Name and country of incorporation	Company share of capital⁽¹⁾ (in %)
Triangel Frankfurt Immobilien GmbH & Co. KG, Germany	94.9 ⁽²⁾
WCM Beteiligungs- und Grundbesitz-Aktiengesellschaft, Germany	85.9

(1) In % directly or indirectly held.

(2) Directly held by WCM AG.

Statutory Auditor

Ernst & Young Wirtschaftsprüfungsgesellschaft GmbH, Stuttgart, office Berlin, Friedrichstraße 140, 10117 Berlin, Germany ("EY"), was appointed as the statutory auditor of the Company for the fiscal years ended December 31, 2015 and 2016. EY audited the Company's consolidated financial statements prepared in accordance with IFRS and the additional requirements of German commercial law pursuant to Section 315a para. 1 HGB as of and for the fiscal years ended December 31, 2015 and 2016 in accordance with Section 317 HGB and generally accepted standards for the audit of financial statements promulgated by the Institute of Public Auditors in Germany (*Institut der Wirtschaftsprüfer in Deutschland e.V.*) and issued in each case an unqualified audit opinion (*uneingeschränkter Bestätigungsvermerk*). EY is a member of the Chamber of Public Auditors (*Wirtschaftsprüferkammer*), Rauchstraße 26, 10787 Berlin, Germany.

Notifications

In accordance with Section 3 para. 1 of the Articles of Association, the Company's notifications are published in the German Federal Gazette (*Bundesanzeiger*), unless mandatory statutes provide otherwise.

Selected Consolidated Financial Information of TLG

The following financial information of TLG is taken or derived from the audited consolidated financial statements of the Company as of and for the fiscal years ended December 31, 2015 and 2016, the unaudited condensed interim consolidated financial statements of the Company as of and for the nine months ended September 30, 2017 and the Company's internal reporting system. The audited consolidated financial statements of the Company as of and for the fiscal years ended December 31, 2015 and 2016 have been prepared in accordance with IFRS and the additional requirements of German commercial law pursuant to Section 315a para. 1 HGB. The unaudited condensed interim consolidated financial statements of the Company as of and for the nine months ended September 30, 2017 have been prepared in accordance with IFRS on interim financial reporting (IAS 34).

The following selected financial information relates to reporting periods or reporting dates prior to the Completion and consequently does not contain any financial information with respect to WCM. For financial information of WCM, investors should refer to WCM AG's consolidated and unconsolidated financial statements published on WCM AG's website. WCM will for the first time be consolidated in the consolidated financial statements of the Company as of and for the fiscal year ending December 31, 2017. As a result of such first consolidation, these consolidated financial statements will differ materially from the consolidated financial statements of the Company as of and for the fiscal years ended December 31, 2015 and 2016.

EY has audited the Company's consolidated financial statements as of and for the fiscal years ended December 31, 2015 and 2016, and issued in each case an unqualified audit opinion thereon.

In the audited consolidated financial statements of the Company as of and for the fiscal year ended December 31, 2016, the Company changed the accounting classification of certain income and expense items in the consolidated statement of comprehensive income relating to net operating income from letting activities, income from letting activities, expenses from letting activities, other operating income and other operating expenses, leading to corresponding retroactive changes in the comparative financial information for the fiscal year ended December 31, 2015. The following financial information for the fiscal year ended December 31, 2015 is taken or derived from the adjusted comparative financial information as shown in the audited consolidated financial statements of the Company as of and for the fiscal year ended December 31, 2016.

Where financial information in the following tables are labelled "audited", this means that they have been taken from the audited consolidated financial statements of the Company mentioned above. The label "unaudited" is used in the following tables to indicate financial information that have not been taken from the audited consolidated financial statements of the Company mentioned above but were taken either from the Company's unaudited condensed interim consolidated financial statements mentioned above, or the Company's internal reporting system, or have been calculated based on figures from the aforementioned sources.

All of the financial information presented in the text and tables below is shown in millions of Euro (in € million), except as otherwise stated. Certain financial information (including percentages) in the following tables has been rounded according to established commercial standards. As a result, the aggregate amounts (sum totals or sub-totals or differences or if numbers are put in relation) in the following tables may not correspond in all cases to the aggregated amounts of the underlying (unrounded) figures appearing elsewhere in this Prospectus. Furthermore, in those tables, these rounded figures may not add up exactly to the totals contained in those tables. Financial information presented in parentheses denotes the negative of such number presented. In respect of financial information set out in this Prospectus, a dash ("–") signifies that the relevant figure is not available, while a zero ("0.0") signifies that the relevant figure is available but has been rounded to zero.

The following selected financial information should be read together with the consolidated financial statements, including the related notes, incorporated by reference into this Prospectus, and additional financial information contained elsewhere in this Prospectus.

Selected Consolidated Financial Information

Consolidated Statement of Comprehensive Income Data

	For the year ended December 31,		For the nine months ended September 30,	
	2015 ⁽¹⁾	2016	2016	2017
	(audited) (in € million)		(unaudited) (in € million)	
Net operating income from letting activities	114.1	125.6	92.6	105.8
Income from letting activities	152.3	168.1	122.1	142.3
Expenses related to letting activities.....	(38.2)	(42.5)	(29.5)	(36.6)
Result from the remeasurement of investment property.....	87.9	39.9	8.8	128.1
Result from the disposal of investment property	8.0	6.4	0.6	0.2
Result from the disposal of real estate inventory.....	0.8	0.0	0.0	0.2
Other operating income	4.2	0.8	0.8	1.0
Personnel expenses	(12.8)	(11.3)	(8.3)	(8.3)
Depreciation and amortization.....	(0.8)	(0.6)	(0.4)	(0.4)
Other operating expenses.....	(7.9)	(7.1)	(4.2)	(13.6)
Earnings before interest and taxes (EBIT)	193.4	153.7	89.9	213.0
Financial income.....	0.4	0.3	0.2	0.2
Financial expenses.....	(23.8)	(25.7)	(18.9)	(31.8)
Gain/loss from the remeasurement of derivative financial instruments.....	(0.8)	0.3	(1.7)	4.9
Earnings before taxes (EBT).....	169.2	128.6	69.5	186.2
Income taxes	(38.3)	(34.5)	(16.5)	(57.7)
Net income	130.9	94.1	53.0	128.5
Other comprehensive income (OCI)				
thereof not to be reclassified to profit or loss in subsequent years				
Actuarial gains/losses, net of taxes	0.0	(0.3)	-	-
thereof to be reclassified to profit or loss in subsequent years				
Gain/loss from remeasurement of derivative financial instruments in hedging relationship, net of taxes.....	1.7	(1.8)	(2.9)	8.0
Total comprehensive income for the year/period.....	132.6	92.1	50.1	136.5

- (1) In the audited consolidated financial statements of the Company as of and for the fiscal year ended December 31, 2016, the Company changed the accounting classification of certain income and expense items in the consolidated statement of comprehensive income relating to net operating income from letting activities, income from letting activities, expenses from letting activities, other operating income and other operating expenses, leading to corresponding retrospective changes in the comparative financial information for the fiscal year ended December 31, 2015. In the audited consolidated financial statements of the Company as of and for the fiscal year ended December 31, 2015, in the consolidated statement of comprehensive income, the net operating income from letting activities, income from letting activities, expenses from letting activities, other operating income and other operating expenses reported for the fiscal year ended December 31, 2015 are shown in the amount of €112.4 million, €150.6 million, €38.2 million, €5.8 million and €7.8 million, respectively.

Consolidated Statement of Financial Position Data

	As of December 31,		As of September 30,
	2015	2016	2017
	(audited) (in € million)		(unaudited) (in € million)
Non-current assets	1,776.8	2,240.8	2,410.7
Investment property	1,739.5	2,215.2	2,385.4
Advance payments on investment property	14.3	0.1	1.0
Property, plant and equipment	9.8	6.7	6.7
Intangible assets	1.6	1.4	1.8
Other non-current financial assets	2.5	4.8	5.8
Other assets	9.2	10.0	9.9
Deferred tax assets	–	2.7	–
Current assets	222.6	103.9	97.7
Inventories	1.1	1.1	1.1
Trade receivables	11.9	6.0	6.2
Receivables from income taxes	2.2	1.2	0.0
Other current financial assets	0.9	0.9	1.9
Other receivables and assets	6.9	7.1	7.7
Cash and cash equivalents	183.7	68.4	50.3
Non-current assets classified as held for sale	15.9	19.2	30.6
Total assets	1,999.5	2,344.8	2,508.4
Equity	967.9	1,009.5	1,200.5
Subscribed capital	67.4	67.4	74.2
Capital reserves	439.5	440.3	547.4
Retained earnings	469.4	515.1	584.2
Other reserves	(11.2)	(13.3)	(5.3)
Equity attributable to the shareholders of the parent company	965.1	1,009.5	1,200.5
Non-controlling interests	2.8	–	–
Liabilities	1,031.6	1,335.3	1,307.9
Non-current liabilities	957.8	1,227.1	1,203.9
Non-current liabilities due to financial institutions ...	746.7	975.2	911.3
Pension provisions	8.1	8.3	8.2
Non-current derivative financial instruments	15.9	20.4	5.7
Other non-current liabilities	1.2	5.5	5.7
Deferred tax liabilities	185.9	217.7	272.9
Current liabilities	73.8	108.1	104.0
Current liabilities due to financial institutions	36.0	65.2	59.0
Trade payables	14.9	21.2	24.7
Other current provisions	2.4	1.8	1.4
Tax liabilities	6.4	4.5	3.0
Other current liabilities	14.0	15.4	15.9
Total equity and liabilities	1,999.5	2,344.8	2,508.4

Consolidated Cash Flow Statement Data

	For the year ended December 31,		For the nine months ended September 30,	
	2015	2016	2016	2017
	(audited) (in € million)		(unaudited) (in € million)	
Cash flow from operating activities.....	104.9	121.5	85.3	81.7
Interest received.....	0.4	0.3	0.1	0.2
Interest paid.....	(23.0)	(28.4)	(21.6)	(32.4)
Income tax paid/received.....	1.6	(5.3)	(7.4)	(3.0)
Net cash flow from operating activities.....	83.9	88.0	56.4	46.5
Cash flow from investing activities.....	(150.3)	(414.1)	(227.6)	(47.4)
Cash flow from financing activities.....	97.5	210.7	30.5	(17.2)
Change in cash and cash equivalents.....	31.1	(115.3)	(140.7)	(18.1)

Additional Key Performance Indicators

TLG uses the key performance indicators FFO after taxes, the Net LTV and EPRA NAV as the most important indicators for measuring the operating and financial performance of TLG's business and its internal controlling.

In addition, TLG expects the rental income, net operating income from letting activities, EBITDA, the Equity Ratio, and the EPRA Vacancy Rate to be of use for potential investors as key performance indicators in evaluating TLG's operating and financial performance.

However, the key performance indicators described in this section are not recognized as measures under IFRS and should not be considered as substitutes for figures on net assets, earnings before taxes, net income, net cash flow from operating activities or other data from the consolidated statement of comprehensive income, the consolidated cash flow statement or the consolidated statement of financial position, as determined in accordance with IFRS, or as measures of profitability or liquidity. Such key performance indicators do not necessarily indicate that cash flows will be sufficient or available for TLG's cash requirements, nor is any such measure indicative of TLG's historical operating results. The key performance indicators described in this section are not meant to be indicative of future results. Because not all companies calculate these key performance indicators in the same way, TLG's presentation of such key performance indicators is not necessarily comparable with similarly-titled measures used by other companies, including companies in the real estate sector.

Performance and Profitability

The following table provides information on TLG's key performance and profitability measures for the periods presented:

	For the year ended December 31,		For the nine months ended September 30,	
	2015	2016	2016	2017
	(audited and in € million, unless otherwise specified)		(unaudited) (in € million, unless otherwise specified)	
Rental income ⁽¹⁾	127.4	140.5	103.4	117.3
Net operating income from letting activities ⁽²⁾	114.1 ⁽³⁾	125.6	92.6	105.8
EBITDA (unaudited)	106.3	114.4	81.5	85.3
FFO after taxes (unaudited)	64.0	76.9	58.6	70.1
FFO after taxes per share (in €) (unaudited)	1.03	1.14	0.87	0.95

- (1) Rental income refers to income from letting activities without income from recharged operating costs and income from other goods and services as shown in the consolidated statement of comprehensive income for the respective period.
- (2) Net operating income from letting activities refers to income from letting activities less expenses related to letting activities, all as shown in the consolidated statement of comprehensive income for the respective period.
- (3) Due to changes in the accounting classification of certain income and expense items in the consolidated statement of comprehensive income in the audited consolidated financial statements of the Company as of and for the fiscal year ended December 31, 2016, net operating income from letting activities for the fiscal year ended December 31, 2015 is derived from the adjusted comparative financial information for the fiscal year ended December 31, 2015, as reported in the consolidated statement of comprehensive income in the consolidated financial statements of the Company as of and for the fiscal year ended December 31, 2016. In the audited consolidated financial statements of the Company as of and for the fiscal year ended December 31, 2015, in the consolidated statement of comprehensive income, the net operating income from letting activities reported for the fiscal year ended December 31, 2015 is shown in an amount of €112.4 million.

EBITDA

Earnings before interest, taxes, depreciation and amortization (“**EBITDA**”) is defined as net income/loss before income taxes, financial income, financial expenses, gain/loss from the remeasurement of derivative financial instruments, depreciation and amortization as well as the result from the remeasurement of investment property, all as shown in the Company's respective consolidated financial statements.

The following table shows the calculation of EBITDA starting from net income for the periods presented:

	For the year ended December 31,		For the nine months ended September 30,	
	2015	2016	2016	2017
	(audited, unless otherwise specified) (in € million)		(unaudited) (in € million)	
Net income	130.9	94.1	53.0	128.5
Income taxes	38.3	34.5	16.5	57.7
Earnings before taxes (EBT)	169.2	128.6	69.5	186.2
Financial income	(0.4)	(0.3)	(0.2)	(0.2)
Financial expenses	23.8	25.7	18.9	31.8
Gain/loss from the remeasurement of derivative financial instruments	0.8	(0.3)	1.7	(4.9)
Earnings before interest and taxes (EBIT)	193.4	153.7	89.9	213.0

	For the year ended December 31,		For the nine months ended September 30,	
	2015	2016	2016	2017
	(audited, unless otherwise specified) (in € million)		(unaudited) (in € million)	
Depreciation and amortization.....	0.8	0.6	0.4	0.4
Result from the remeasurement of investment property.....	(87.9)	(39.9)	(8.8)	(128.1)
EBITDA (unaudited)	106.3	114.4	81.5	85.3

FFO After Taxes

Funds from operations (“**FFO**”) after taxes is a measure of cash generation for real estate companies. The Company defines FFO after taxes as net income/loss adjusted for the result from the remeasurement of investment property, the result from the disposal of real estate inventory, the result from the disposal of investment property, the gain/loss from the remeasurement of derivative financial instruments and other effects, as well as deferred taxes and tax effects from the result from the disposal of investment property and real estate inventory, from the settlement of interest rate hedge transactions, as well as from the costs of capital market transactions and from aperiodic effects.

The following table shows the calculation of FFO after taxes as well as FFO after taxes per share for the periods presented:

	For the year ended December 31,		For the nine months ended September 30,	
	2015	2016	2016	2017
	(audited and in € million, unless otherwise specified)		(unaudited) (in € million, unless otherwise specified)	
Net income	130.9	94.1	53.0	128.5
Income taxes.....	38.3	34.5	16.5	57.7
Earnings before taxes (EBT)	169.2	128.6	69.5	186.2
Result from the disposal of investment property	(8.1) ⁽¹⁾	(6.1) ⁽¹⁾	(0.3) ⁽¹⁾	(0.2)
Result from the disposal of real estate inventory....	(0.8)	(0.0)	(0.0)	(0.2)
Result from the remeasurement of investment property.....	(87.9)	(39.9)	(8.8)	(128.1)
Gain/loss from the remeasurement of derivative financial instruments.....	0.8	(0.3)	1.7	(4.9)
Other effects (unaudited) ⁽²⁾	(1.2)	0.9	0.7	21.0
FFO before taxes (unaudited)	72.1	83.2	62.8	74.0
Income taxes.....	(38.3)	(34.5)	(16.5)	(57.7)
Deferred taxes.....	34.6	30.1	13.9	54.3
Adjustment for tax effects from the result from the disposal of investment property and real estate inventory, from the settlement of interest rate hedge transactions, from the costs of capital market transactions and from aperiodic effects (unaudited) ⁽³⁾	(4.4)	(2.0)	(1.6)	(0.5)
FFO after taxes (unaudited)	64.0	76.9	58.6	70.1
Average weighted number of shares issued (in million) ⁽⁴⁾	62.0	67.4	67.4	73.4
FFO after taxes per share (in €) (unaudited)	1.03	1.14	0.87	0.95

- (1) Unaudited. Including the result from the disposal of Grimma business park in an amount of €0.1 million in 2015 and expenses from the purchase price adjustment for Grimma business park in an amount of €0.3 million in 2016 and €0.3 million in the nine months ended September 30, 2016, held as an investment in a subsidiary; disclosed in other operating income and other operating expenses (transaction costs) of the consolidated statement of comprehensive income.
- (2) Other effects comprise:
- (a) the depreciation of owner-occupied property (IAS 16) of €0.2 million in 2015, €0.1 million in 2016, €0.1 million in the nine months ended September 30, 2016 and €0.1 million in the nine months ended September 30, 2017;
 - (b) income from the service contract with TAG Wohnen GmbH, which expired in 2014, of €0.0 million in 2015;
 - (c) personnel restructuring expenses of €0.7 million in 2015, €0.5 million in 2016, €0.4 million in the nine months ended September 30, 2016 and €0.2 million in the nine months ended September 30, 2017;
 - (d) expenses from share-based payments to the Management Board of €1.0 million in 2015;
 - (e) income from the reversal of provisions for subsidies reclaimed of €1.3 million in 2015, €0.4 million in 2016 and €0.4 million in the nine months ended September 30, 2016;
 - (f) income from insurance compensation and the payment of damages paid by a notary of €1.0 million in 2015;
 - (g) income from the reversal of the provision for construction costs of €0.7 million in 2015;
 - (h) capital markets and share deal transaction costs of €1.0 million in 2016, €1.0 million in the nine months ended September 30, 2016 and €7.8 million in the nine months ended September 30, 2017;
 - (i) income from the reversal of provisions for property purchase agreements of €0.3 million in 2016 and €0.3 million in the nine months ended September 30, 2016;
 - (j) expenses for the refinancing/prepayment of loans of €13.0 million in the nine months ended September 30, 2017; and
 - (k) income from the liquidation of the Wirkbau property of €0.1 million in the nine months ended September 30, 2017.
- (3) Adjustment for tax effects from the result from the disposal of investment property and real estate inventory, from the settlement of interest rate hedge transactions, from the costs of capital market transactions and from aperiodic effects comprise:
- (a) adjustments of tax effects from costs of capital market transactions relate to the reverse effect from the income tax effective IPO expenses and expenses related to the capital increase in January 2017 (originally decreasing income tax expense), which amounted to €0.4 million in 2016;
 - (b) adjustments of the reverse effect from the aperiodic income tax effects (originally decreasing income tax expense), which amounted to €4.4 million in 2015, €1.5 million in 2016 and €1.5 million in the nine months ended September 30, 2016; and
 - (c) adjustments of tax effects from the sale of properties, which amounted €0.5 million in the nine months ended September 30, 2017.
- (4) The total number of shares issued amounted to 67.4 million as of December 31, 2015, September 30, 2016 and December 31, 2016 and 74.2 million as of September 30, 2017.

Financing and Leverage

The following table provides information on TLG's key financing and leverage measures as of the dates presented:

	As of December 31,		As of September 30,
	2015	2016	2017
	(audited, unless otherwise specified)		(unaudited)
	(in %)		(in %)
Equity Ratio (unaudited)	48.4	43.1	47.9
Net LTV.....	33.6	43.4	37.9

Equity Ratio

The equity ratio is the ratio of equity to total equity and liabilities (the “**Equity Ratio**”).

The following table shows the calculation of the Equity Ratio as of the dates presented:

	As of December 31,		As of September 30,
	2015	2016	2017
	(audited and in € million, unless otherwise specified)		(unaudited) (in € million, unless otherwise specified)
Equity	967.9	1,009.5	1,200.5
Total equity and liabilities	1,999.5	2,344.8	2,508.4
Equity Ratio (in %) (unaudited)	48.4	43.1	47.9

Net LTV

The Net LTV is defined as the ratio of net debt (sum of non-current and current liabilities due to financial institutions less cash and cash equivalents), to real estate (sum of investment property, advance payments on investment property, owner-occupied property, non-current assets classified as held for sale and inventories).

The following table shows the calculation of the Net LTV as of the dates presented:

	As of December 31,		As of September 30,
	2015	2016	2017
	(audited) (in € million, unless otherwise specified)		(unaudited) (in € million, unless otherwise specified)
Investment property (IAS 40)	1,739.5	2,215.2	2,385.4
Advance payments on investment property (IAS 40)	14.3	0.1	1.0
Owner-occupied property (IAS 16)	9.3	6.1	6.4
Non-current assets classified as held for sale (IFRS 5)	15.9	19.2	30.6
Inventories (IAS 2)	1.1	1.1	1.1
Real estate	1,780.1	2,241.7	2,424.4
Liabilities due to financial institutions	782.7	1,040.4	970.3
Cash and cash equivalents	(183.7)	(68.4)	(50.3)
Net debt	599.0	972.0	920.0
Net LTV (in %)	33.6	43.4	37.9

EPRA Key Performance Indicators

EPRA NAV is calculated in accordance with the definition recommended by the European Public Real Estate Association (the “**EPRA**”) and used as an indicator of TLG’s long-term equity. The EPRA NAV is calculated based on equity attributable to the shareholders of the parent company (i) plus fair value adjustment of owner-occupied property (IAS 16) and fair value adjustment of properties in inventories (IAS 2) and (ii) excluding the fair value of derivative financial instruments, deferred tax assets, deferred tax liabilities and goodwill (the “**EPRA NAV**”).

The EPRA vacancy rate is defined as the market rental value of vacant space divided by the market rental value of the whole portfolio (“**EPRA Vacancy Rate**”).

The following table shows the calculation of EPRA NAV and the EPRA Vacancy Rate as of the dates presented:

	As of December 31,		As of
	2015	2016	September 30, 2017
	(audited and in € million, unless otherwise specified)		(unaudited) (in € million, unless otherwise specified)
Equity attributable to the shareholders of the parent company	965.1	1,009.5	1,200.5
Fair value adjustment of owner-occupied properties (IAS 16) (unaudited) ⁽¹⁾	5.6	5.3	7.1
Fair value adjustment of inventories (IAS 2) (unaudited) ⁽²⁾	0.3	1.4	1.4
Fair value of derivative financial instruments (unaudited)	15.9	18.1	2.4
Deferred tax assets	–	(2.7)	–
Deferred tax liabilities	185.9	217.7	272.9
Goodwill	(1.2)	(1.2)	(1.2)
EPRA NAV (unaudited)	1,171.6	1,248.3	1,483.2
Number of shares outstanding (in thousand)	67,432	67,432	74.2
EPRA NAV per share (in €) (unaudited)	17.37	18.51	20.00
EPRA Vacancy Rate (in %) (unaudited)	3.7	3.8	3.7

(1) Fair value adjustment of owner-occupied properties (IAS 16) means the surplus arising from the remeasurement at fair value of owner-occupied properties, which are included under IFRS in the consolidated statement of financial position at the lower of cost less any accumulated depreciation and impairments and fair value.

(2) Fair value adjustment of inventories (IAS 2) means the surplus arising from the remeasurement at fair value of trading properties, which are recognized under IFRS at the lower of cost and net realizable value and recognized under inventories in the consolidated statement of financial position.

Business

TLG considers itself a leading German commercial real estate company and an active portfolio manager, managing office and retail properties as well as seven hotels. As of September 30, 2017, the portfolio of the Combined Group included a total of 420 properties with an aggregate portfolio value (*i.e.*, sum of the carrying amounts of investment properties, owner-occupied properties, non-current assets classified as held for sale and inventories) of €3,228.9 million. With a WALT of 6.4 years and an EPRA Vacancy Rate of just 3.8% (both as of September 30, 2017), the Company believes that the portfolio of the Combined Group is well positioned to generate stable cash flows for the foreseeable future. TLG is headquartered in Berlin and operates five additional offices in Dresden, Erfurt, Frankfurt am Main, Leipzig and Rostock.

TLG's portfolio is focused on the asset classes office, retail and hotel. Based on aggregate portfolio value as of September 30, 2017, the office asset class of the Combined Group, of which most properties are situated in good or very good locations in Berlin, Frankfurt am Main and other German A and B cities (*i.e.*, Germany's largest cities and larger regional cities), accounted for 48.2% of the overall portfolio of the Combined Group. Tenants for these office properties include "blue chip" companies and their subsidiaries such as Daimler Real Estate GmbH and AIR Liquide Global E&C Solutions Germany GmbH, government-related entities and agencies such as OstseeSparkasse Rostock, the Federal Agency for Real Estate (*Bundesanstalt für Immobilienaufgaben*) and the State Agency for Building and Real Estate of Hesse (*Landesbetrieb Bau und Immobilien Hessen*) as well as medium-sized enterprises. TLG plans to grow its office portfolio through additional acquisitions in line with TLG's investment criteria. The Company believes that this will further improve its market position in what it considers to be a very dynamic German office market.

Based on aggregate portfolio value as of September 30, 2017, the retail asset class of the Combined Group, of which the majority of properties are located in attractive micro-locations in Berlin and other German growth regions, accounted for 41.5% of the overall portfolio of the Combined Group. TLG's retail properties are situated in micro-locations that are particularly attractive to food retailers and other sellers of essential consumer goods given that the tenant is a significant, and in some cases the sole, retailer of the relevant consumer goods in the catchment area. As of September 30, 2017, 50.9% of the Annualized In-place Rent from the retail asset class of the Combined Group related to lease agreements with major food retail chains, including "EDEKA", "Netto", "Kaufland", "REWE", "Penny", "Lidl" and "Aldi". With a WALT of 6.3 years and an EPRA Vacancy Rate of 2.3% (both as of September 30, 2017), the retail asset class of the Combined Group was virtually fully-let and offers stable and secure rental income. TLG also intends to grow its retail portfolio through selected accretive acquisitions.

The hotel asset class comprises seven hotel properties located in the city centers of Berlin, Dresden, Leipzig and Rostock and accounted for 8.8% of the overall portfolio of the Combined Group (based on aggregate portfolio value as of September 30, 2017). The tenant base for these properties includes well-known hotel chains "Steigenberger", "Marriott", "InterCityHotel", "Motel One" and "H₄/H₂". The hotel asset class of the Combined Group had an EPRA Vacancy Rate of 1.7% and a WALT of 12.5 years (both as of September 30, 2017). Lease agreements for the seven hotel properties generally provide for fixed lease payments, limiting TLG's dependence on the performance of hotel operators. Stable cash flows and a focus on dynamic markets make TLG's hotel asset class a fitting complement for the office and retail asset class.

TLG has assigned 50 properties of the Combined Group with an aggregate property value of €50.8 million (*i.e.*, 1.6% of the total portfolio value) as of September 30, 2017 to the “Other” asset class.

In the nine months ended September 30, 2017, TLG generated rental income of €117.3 million and net operating income from letting activities of €105.8 million. During the same time, WCM generated rental income of €34.6 million and net operating income from letting activities of €31.8 million. In the fiscal year ended December 31, 2016, TLG generated rental income of €140.5 million and EBITDA of €114.4 million, while WCM generated rental income of €32.6 million and EBITDA of €14.6 million during that same period.

TLG’s Strengths

The Company believes that the following competitive strengths have been the primary drivers of TLG’s success in the past and will continue to set it apart from its competitors in the future:

Market Leading Integrated Management Platform

TLG possesses a strong local network through its five local offices operated by employees with longstanding experience in asset and property management. The Company believes that its tenants particularly value TLG’s approachability and high responsiveness to their individual needs, making TLG a trusted and reliable partner for its key tenants. Deep understanding of the German commercial real estate market as well as strong local connectivity and presence provide TLG with excellent access to information on potential acquisition opportunities to further strengthen its portfolio and allow TLG to manage its portfolio effectively. The ability to properly evaluate acquisition targets in light of respective local market dynamics and letting trends allows TLG to act swiftly and decisively on identified market opportunities.

In particular, the members of the Management Board, Niclas Karoff and Peter Finkbeiner, possess a track record of successful transactions and business integrations. TLG’s internal structures and functions cover major parts of the real estate value chain, focusing on those aspects that the Company considers most value-enhancing, in particular acquisitions and disposals as well as tenant relationship management. The Company believes that its current platform bears the capacity to integrate recent acquisitions as well as future acquisitions at low incremental overhead costs.

Strong Position in Berlin and Other German Growth Regions

The German economy has shown consistently strong performance, which has positively affected demand for commercial real estate in the country as a whole. The Company believes that TLG’s portfolio covers particularly attractive locations of the office, food retail and hotel real estate market. TLG considers itself a long-time market leader for office properties in excellent locations in Berlin and economically strong eastern German cities such as Dresden, Leipzig and Rostock. Particularly in Berlin, locations of such quality are becoming increasingly rare, which will limit the potential for new developments of competing office and hotel properties.

With the acquisition of WCM, TLG has further strengthened its platform and expanded into new western German growth markets, building a pan-German portfolio with the aggregate portfolio value of the Combined Group amounting to approximately €3.2 billion as of September 30, 2017. In particular, TLG holds an attractive portfolio of office properties in and around Frankfurt am Main, one of the most dynamic office markets in all of Germany. The Company believes that the current momentum in the commercial real estate letting markets will help to further increase demand for TLG's office and hotel properties.

TLG's regionally diversified retail portfolio profits from excellent micro-locations, which offer competitive advantages for many of its tenants and stable rental income for TLG. The Company believes that the positioning of TLG's retail properties in dynamic regions combined with the attractive micro-locations of these properties as well as TLG's strong tenant base will allow TLG to further grow its portfolio value.

High-Quality Portfolio across Asset Classes

TLG's focus on the main segments of the commercial real estate market allows for efficient leverage of its long-established local expertise as well as what the Company considers appropriate risk diversification. The portfolio of the Combined Group had an aggregate portfolio value of €3,228.9 million as of September 30, 2017. As of the same date, 58.0% of the total properties in the office, retail and hotel asset classes of the Combined Group had been newly built or fully-refurbished since 2000. The Company believes that there is currently no material maintenance backlog regarding TLG's portfolio. These characteristics make the relevant properties particularly attractive to long-term oriented tenants, resulting in what the Company believes is an industry-leading EPRA Vacancy Rate of just 3.8% and a WALT of 6.4 years for the overall portfolio of the Combined Group as of September 30, 2017. As of that same date, the mix across asset classes for the portfolio of the Combined Group (48.2% office, 41.5% retail and 8.8% hotel, based on aggregate portfolio value as of September 30, 2017) provides for risk diversification across major asset classes and reduces the dependency on any one type of properties. The Company believes that TLG's portfolio provides for a resilient cash flow profile against adverse economic developments.

Strong Tenant Base with Long-Term Leases Ensuring Earnings Stability

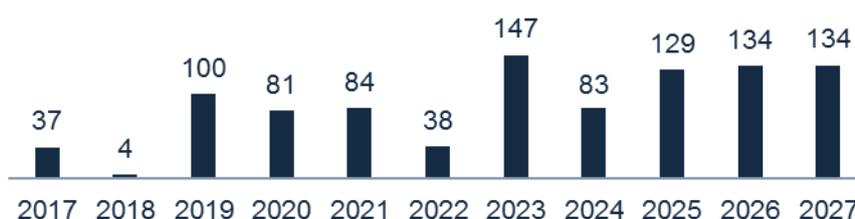
TLG maintains close relationships with its tenants, which is reflected, *inter alia*, in long-term rental agreements. TLG is a significant landlord for most leading food retail operators in Germany. Therefore, the retail asset class, which accounts for 48.2% of the overall portfolio value of the Combined Group as of September 30, 2017, has a WALT of 6.3 years and has 50.6% of lease agreements expiring after 2022 (all as of September 30, 2017), historically contributed steady rental income.

Furthermore, as of September 30, 2017, 19.0% of the Annualized In-place Rent of the office properties in the office asset class of the Combined Group was attributable to German government-related tenants. The Company believes that default risks associated with those tenants are particularly low. Lease agreements for TLG's seven hotel properties generally provide for fixed lease payments, limiting TLG's dependence on the performance of hotel operators. With a strong WALT of 12.5 years as of September 30, 2017, the hotel asset class of the Combined Group allows for particularly good additional cash flow visibility. Steady rental income from all three asset classes will help ensure that the Issuer will be able to meet its obligations under the Notes.

Solid Financing Structure with Multiple Sources of Funding

The Company considers TLG's financing structure conservative. TLG's Net LTV of 37.9% as of September 30, 2017 is lower than its target Net LTV of 45%. While WCM's Net LTV exceeds this target Net LTV, the Company believes that there is still sufficient headroom to fund external growth. TLG's conservative capital structure is evidenced by what it considers a long weighted average debt maturity of 5.8 years and a low average cash interest rate of 2.1% (both based on aggregate gross debt of the Combined Group as of September 30, 2017).

The following table shows the maturity profile for TLG's liabilities due to financial institutions, which amounted to €970.3 million (including accrued interest) as of September 30, 2017:



In addition, the vast majority of interest rates for TLG's loans are either fixed or hedged, limiting TLG's risk from increasing interest rates in the future. Furthermore, the Company's access to equity capital markets and its proven ability to quickly draw on such financing sources provide it with multiple funding options.

TLG's Strategy

Profitable Growth and Preservation of High Portfolio Quality

TLG constantly screens the market for assets and selective acquisition opportunities that best fit its geographic and property type focus and which it expects to provide attractive long-term returns and potential for value creation. TLG's acquisitions mainly focus on office properties located in A and B cities in Germany (*i.e.*, Germany's largest cities and larger regional cities) with favorable economic characteristics. In addition, TLG targets larger retail properties and portfolios in attractive micro-locations (*i.e.*, lack of competition within the relevant catchment area), preferably properties suitable for major food retail chains.

TLG intends to continue to use its extensive network and close business relationships with multiple market participants to identify promising acquisition targets with an attractive yield profile, promoting stable cash flows while maintaining a balanced risk profile. TLG applies a consistent selection process in order to identify the most attractive properties among numerous acquisition proposals it receives during the course of any given year. TLG in particular looks for acquisition opportunities which are in line with or accretive to its overall FFO.

TLG plans to continue to grow in line with its strategic positioning. In particular, it aims to acquire multi-tenant office properties, preferably with a fair value exceeding €20 million. It particularly targets office properties with a vacancy rate of up to 30%, which offers TLG an opportunity to unlock value through active letting management of such properties in the short- to medium-term. Also, TLG seeks to acquire retail properties and portfolios in attractive micro-locations, where in the most cases the anchor tenant is active in the food retail industry, preferably with a minimum transaction value of €15 million. TLG may also acquire other retail properties such as specialist markets (*Fachmärkte*) suitable for do-it-yourself chains or similar tenants.

The Company believes that, especially with respect to office properties, managing a smaller number of larger properties requires fewer asset and property management resources. TLG's long-term plan is to further grow the overall portfolio and at the same time increase the average value of individual properties included in its portfolio.

Successful Integration of WCM leading to Operating Cost Synergies

On October 6, 2017, the Completion was effected and WCM became part of TLG. Going forward, TLG will focus on the Integration and in particular the realization of cost synergies in this context. To this end, the Company and WCM AG entered into the Domination Agreement on October 6, 2017. The Company believes that the Domination Agreement will greatly benefit the Integration and the economic benefits TLG can derive therefrom. In light of these benefits, the Domination Agreement was approved by the shareholders' meetings of WCM AG and the Company on November 17, 2017 and November 22, 2017, respectively. The Company expects that the Domination Agreement will become effective during the first quarter of 2018.

The Company expects that the Integration will facilitate the expansion of TLG's established business model throughout western Germany. Leveraging WCM's existing platform, the Company believes that market penetration in western Germany can be accelerated and will serve as a catalyst for the envisaged portfolio growth in western German growth hubs. Furthermore, the Company expects that once the Integration has been fully completed, cost synergies of approximately €5.0 million *per annum*, in particular from reduced administrative and overhead costs as well as improvements and higher efficiencies in combined IT systems, can be achieved. In addition, the Company expects that its financing flexibility and efficiency will benefit in the medium-term.

The Company believes that the attractiveness of TLG following the Integration is evidenced by the fact that approximately 85.89% of WCM AG's shareholders accepted the Takeover Offer and thereby chose to become shareholders of the Company.

Additional Value Creation from Investments in Existing Properties

TLG constantly aims to identify properties that can be upgraded through value-enhancing modernizations and/or expansions. TLG maintains close contacts with its tenants to ensure that it can meet their expectations and requirements for additional space, in particular with respect to TLG's retail properties. With ongoing investments in these properties, TLG has followed and assisted the expansions of some of its major food retail tenants over the last two decades and plans to continue to maintain such close links by being a reliable partner. This allows TLG in various cases to extend existing lease agreements significantly ahead of the scheduled expiry dates. TLG plans to further upgrade its portfolio through value-enhancing modernizations and/or expansions for all of TLG's asset classes.

Safeguard and further optimize Portfolio Quality through Active Portfolio Management

As an active portfolio manager, TLG aims to protect and further optimize the high overall quality and profitability of its portfolio. By disposing of smaller, less attractive properties, TLG has in recent years constantly reduced the overall number of properties in its portfolio, while at the same time increasing the overall portfolio value through focused acquisitions. While the Company expects that going forward disposals of smaller properties from TLG's "Other" asset class will be of decreasing importance, it will continue to engage in selective disposals of retail properties and certain office properties that no longer fit TLG's overall portfolio strategy in order to use the resulting funds in the context of its defined growth strategy.

TLG's Portfolio

TLG's portfolio comprises the office, retail, hotel and "Other" asset classes. Individual properties are allocated to these asset classes depending on the respective share of Annualized In-place Rent.

As of September 30, 2017, the aggregate portfolio of the Combined Group was split between the different asset classes as follows:

	<u>Total</u>	<u>Office</u>	<u>Retail</u>	<u>Hotel</u>	<u>Other</u>
			(unaudited)		
Portfolio value (in € million) ⁽¹⁾	3,228.9	1,555.2	1,339.8	283.1	50.8
Annualized In-place Rent (in € million) ⁽²⁾	208.5	91.1	96.3	16.4	4.8
EPRA Vacancy Rate (in %) ⁽²⁾	3.8	5.5	2.3	1.7	7.9
WALT (in years) ⁽²⁾	6.4	5.4	6.3	12.5	7.4
Number of properties	420	72	291	7	50
Total lettable area (in thousand sqm) ⁽³⁾	1,835.3	752.6	873.6	109.5	99.6

(1) Based on individual portfolio values as shown in the unaudited interim consolidated financial statements as of and for the nine months ended September 30, 2017 of the Company and WCM AG, respectively.

(2) In this Prospectus, data for WCM as of September 30, 2017 used for the calculation of Annualized In-place Rent, EPRA Vacancy Rate and WALT of the Combined Group has been calculated on a basis consistent with the corresponding data provided for TLG.

(3) Excluding parking space.

Based on aggregate portfolio value as of September 30, 2017, 32.0% of the portfolio of the Combined Group was located in Berlin, 44.0% was located in eastern Germany and 16.8% in Hesse, in particular in Frankfurt am Main.

Office Asset Class

As of September 30, 2017, the office asset class of the Combined Group comprised 72 properties in total. Based on an aggregate portfolio value of €1,555.2 million as of that date, the office asset class represented the largest portion of the real estate holdings of the Combined Group (48.2% of the overall portfolio of the Combined Group).

The following table provides an overview of the office asset class of the Combined Group as of September 30, 2017:

	<u>Berlin</u>	<u>Frankfurt am Main⁽¹⁾</u>	<u>Other A and B Cities⁽²⁾</u>	<u>Other</u>
		(unaudited)		
Portfolio value (in € million)	581.3	531.7	272.2	170.1
Annualized In-place Rent (in € million) ...	30.6	29.0	16.8	14.7
EPRA Vacancy Rate (in %).....	5.0	8.9	2.3	3.9
WALT (in years)	3.7	7.0	4.7	6.8
Number of properties	16	8	17	31
Total lettable area (in thousand sqm) ⁽³⁾	229.2	178.6	180.0	164.8

(1) Including two properties located in Neu Isenburg and one property located in Eschborn.

(2) Comprising properties located in Leipzig, Dresden, Bonn, Stuttgart, Dusseldorf, Essen, Wiesbaden, Mainz and Mainz-Kastel.

(3) Excluding parking space.

For its office asset class, TLG focusses on office properties located in A and B cities in Germany (*i.e.*, Germany's largest cities and larger regional cities) with favorable economic characteristics. Based on aggregate portfolio value as of September 30, 2017, 37.4% of the office asset class of the Combined Group was located in Berlin, 34.2% was located in Frankfurt am Main and 17.5% was located in other German A and B cities with favorable economic developments.

TLG's office properties are generally of a high quality. Based on aggregate portfolio value as of September 30, 2017, 47.2% of the properties in the office asset class of the Combined Group had been newly built or fully refurbished since 2000. Accordingly, TLG boasts a high quality tenant structure, including "blue chip" companies and their subsidiaries such as Daimler Real Estate GmbH and AIR Liquide Global E&C Solutions Germany GmbH, government-related entities and agencies such as OstseeSparkasse Rostock, the Federal Agency for Real Estate (*Bundesanstalt für Immobilienaufgaben*) and the State Agency for Building and Real Estate of Hesse (*Landesbetrieb Bau und Immobilien Hessen*) as well as medium-sized enterprises.

The following table shows the top ten tenants in terms of Annualized In-place Rent for properties in the office asset class of the Combined Group as of September 30, 2017:

	<u>Annualized In-place Rent⁽¹⁾</u>	<u>Share of Annualized In-place Rent⁽²⁾ (unaudited)</u>	<u>WALT⁽³⁾</u>
Daimler Real Estate GmbH	4.5	4.9	2.0
AIR Liquide Global E&C Solutions Germany GmbH	4.3	4.7	8.3
OstseeSparkasse Rostock	3.9	4.3	13.3
State Agency for Building and Real Estate of Hesse.....	3.6	3.9	22.0
Federal Agency for Real Estate	3.4	3.7	2.7
City of Leipzig.....	3.3	3.6	7.8
Hochtief Solutions AG	2.2	2.4	6.3
PSI Aktiengesellschaft.....	1.6	1.8	4.5
BS Payone GmbH.....	1.6	1.7	2.6
General Electric Deutschland Holding GmbH	1.6	1.7	4.0
Total.....	29.9	32.9	8.1

(1) In € million.

(2) In %. The calculation of the share of Annualized In-place Rent only takes into account Annualized In-place Rent for the office asset class of the Combined Group and excludes Annualized In-place Rent of office space used by the Combined Group.

(3) In years.

While many of these tenants have signed comparatively long lease agreements, the WALT for the office asset class of the Combined Group amounted to 5.4 years as of September 30, 2017.

The fifteen most valuable office properties account for 66.7% of the office asset class of the Combined Group, with the top five representing 31.0% (based on aggregate portfolio value as of September 30, 2017).

The following table provides additional information on the top fifteen most valuable properties in the office asset class of the Combined Group as of September 30, 2017:

	<u>Location</u>	<u>Property value⁽¹⁾</u>	<u>Annualized In-place Rent⁽¹⁾ (unaudited)</u>	<u>WALT⁽²⁾</u>	<u>Total lettable area⁽³⁾</u>	<u>Anchor tenant(s)</u>
Zum Laurenburger Hof 76	Frankfurt am Main	118.0	5.3	16.6	28,405	State Agency for Building and Real Estate of Hesse
Alexanderstraße 1, 3, 5.....	Berlin	106.9	6.6	3.0	42,476	Visual Meta GmbH
Lyoner Straße 9	Frankfurt am Main	95.6	5.0	4.6	38,878	BS Payone GmbH
Lyoner Straße 25, Herriotstraße 6, 8, 10, Rhonestraße 7.....	Frankfurt am Main	85.5	5.4	5.3	31,544	Hochtief Solutions AG AIR Liquide Global E&C Solutions Germany GmbH
Olof-Palme-Straße 35.....	Frankfurt am Main	76.2	4.4	8.3	26,575	Greater Union Filmpalast GmbH
Schönhauser Allee 36/Ecke Sredzki- und Knaackstr. 97.....	Berlin	72.5	4.1	5.7	30,577	Federal Agency for Real Estate
Karl-Liebknecht-Straße 31, 33/Kleine Alexanderstr.....	Berlin	63.3	3.3	2.9	24,454	City of Leipzig
Prager Straße 118,120,122,126,128,130, 132,134,136.....	Leipzig	58.0	3.4	7.7	45,016	Deutsche Bahn AG
Richard-Wagner-Straße 1, 2-3/Brühl 65, 67	Leipzig	57.4	3.4	3.2	26,374	

	Location	Property value ⁽¹⁾	Annualized In-place Rent ⁽¹⁾ (unaudited)	WALT ⁽²⁾	Total lettable area ⁽³⁾	Anchor tenant(s)
Aroser Allee 60, 64, 66, 68, 70, 72, 72a, 74, 76, 78	Berlin	56.6	3.2	4.1	36,717	Vivantes Netzwerk für Gesundheit GmbH Randstadt Deutschland GmbH
Helfmann-Park 8-10	Eschborn	53.0	3.3	3.2	18,281	GmbH
Englische Straße 27, 28, 30 ...	Berlin	51.7	4.5	2.0	17,815	Daimler Real Estate GmbH General Electric Deutschland Holding GmbH
Bleichstraße 64-66	Frankfurt am Main	51.3	2.5	3.9	11,020	GmbH
Am Vögenteich 23.....	Rostock	47.8	3.1	15.2	19,470	OstseeSparkasse Rostock
Dircksenstraße 42-44	Berlin	44.0	1.7	4.5	9,643	PSI Aktiengesellschaft
Total		1,037.8	59.2	6.2	407,246	

(1) In € million.

(2) In years.

(3) In sqm and excluding parking space.

Retail Asset Class

As of September 30, 2017, the retail asset class of the Combined Group comprised 291 properties with an aggregate portfolio value of €1,339.8 million, making up the second largest portion of the overall portfolio of the Combined Group (41.5% of the overall portfolio of the Combined Group).

The following table provides an overview of the retail asset class of the Combined Group as of September 30, 2017:

	Berlin	North-East ⁽¹⁾	South-East ⁽²⁾	Western Germany ⁽³⁾
		(unaudited)		
Portfolio value (in € million).....	320.9	312.2	528.5	178.2
Annualized In-place Rent (in € million)...	19.8	23.7	41.2	11.6
EPRA Vacancy Rate (in %).....	1.3	2.7	2.9	0.8
WALT (in years)	6.3	5.3	6.3	7.8
Number of properties.....	37	54	186	14
Total lettable area (in thousand sqm) ⁽⁴⁾	176.3	186.3	397.8	113.3

(1) Comprises Brandenburg and Mecklenburg-Western Pomerania.

(2) Comprises Saxony, Saxony-Anhalt and Thuringia.

(3) Comprises, Bavaria, Baden-Wuerttemberg, Lower Saxony and North Rhine-Westphalia.

(4) Excluding parking space.

Based on aggregate portfolio value as of September 30, 2017, no more than 24.0% of the retail asset class of the Combined Group is located in any one state of Germany, making this asset class less dependent on developments in any one state, region or city while at the same time providing upside due to the positive macro-economic developments in many growth areas throughout Germany.

For retail properties, TLG focusses on market-leading food retail chains as tenants such as those operating under the “EDEKA”, “Netto”, “Kaufland”, “REWE”, “Penny”, “Lidl” and “Aldi” brands. Furthermore, the “Hellweg” and “OBI” do-it-yourself chains are significant tenants of TLG’s retail properties. TLG considers itself one of the most important regional landlords for some of its retail tenants. The micro-locations in which TLG’s retail properties are located are particularly attractive for food retailers and other sellers of essential consumer goods because they enable the tenant to be a significant, in many cases even the dominant, retailer of the relevant consumer goods in the relevant catchment area. These properties are also attractive due to their modern standards. Based on aggregate portfolio value as of September 30, 2017, 63.8% of properties in the retail asset class of the Combined Group had been newly built or fully refurbished since 2000. The Company believes that the strong positioning and tenant structure of its retail portfolio offers certain negotiation power when dealing with key tenants.

The following chart illustrates the focus of the retail asset class of the Combined Group on food retail chains as of September 30, 2017:

	Annualized In-place Rent ⁽¹⁾	Share of Annualized In-place Rent ⁽²⁾
	(unaudited)	
Food retail chains.....	49.0	50.9
Other	47.3	49.1
Total	96.3	100.0

(1) In € million.

(2) In %. The calculation of the share of Annualized In-place Rent only takes into account Annualized In-place Rent from the retail asset class of the Combined Group.

Long-standing relationships with key tenants help TLG lease new retail space quickly and have made it a go-to landlord for such tenants. The Company believes that its tenants particularly value TLG’s approachability, local roots and expertise and the long-standing trust developed between TLG as the lessor and major food retail chains as the tenants. As of September 30, 2017, the top seven tenants for properties in the retail asset class of the Combined Group accounted for 58.7% of the Annualized In-place Rent from that asset class.

The following chart provides an overview of the top seven tenants for properties in the retail asset class of the Combined Group as of September 30, 2017:

	Annualized In-place Rent ⁽¹⁾	Share of Annualized In-place Rent ⁽²⁾	WALT ⁽³⁾
	(unaudited)		
EDEKA-Group (EDEKA, Netto Marken-Discount) ⁽⁴⁾	26.9	28.0	8.2
REWE-Group (REWE, Penny) ⁽⁵⁾	10.8	11.2	6.0
Kaufland ⁽⁶⁾	6.7	7.0	6.2
OBI GmbH.....	4.1	4.3	8.5
Hellweg Die Profibaumärkte GmbH & Co. KG.....	4.1	4.2	7.2
LIDL Vertriebs-GmbH & Co. KG.....	2.1	2.1	7.3
Dirk Rossmann GmbH.....	1.8	1.9	4.8
Total	56.5	58.7	7.3

(1) In € million.

(2) In %. The calculation of the share of Annualized In-place Rent only takes into account Annualized In-place Rent from retail properties in the retail asset class of the Combined Group.

(3) In years.

- (4) Includes EDEKA Grundstücksgesellschaft Nordbayern-Sachsen-Thüringen mbH, EDEKA Handelsgesellschaft Nord mbH, EDEKA-MIHA Immobilien-Service GmbH, EDEKA-Markt Minden-Hannover GmbH, Netto Marken-Discount AG & Co. KG, Netto Marken-Discount AG & Co. KG c/o and CEV Handelsimmobilien GmbH.
- (5) Includes Penny-Markt GmbH, REWE Markt GmbH Zweigniederlassung Ost.
- (6) Includes Kaufland Vertrieb Sigma GmbH & Co. KG, Kaufland Gaststätten Betriebe, Kaufland Vertrieb 35 GmbH & Co. KG, KAUFLAND VERTRIEB KDSN GMBH, Kaufland Warenhandel Berlin/Brandenburg GmbH & Co. KG, Kaufland Warenhandel Brandenburg GmbH & Co. KG, Kaufland Warenhandel Mittel-Sachsen GmbH & Co. KG, Kaufland-Center-Berlin/Brandenburg GmbH & Co. KG.

TLG communicates with its retail tenants on a regular basis. When further expanding their operations, these tenants actively seek out and ask TLG to acquire and lease for them desired locations. They may even assume control of efforts associated with acquiring and developing such properties (e.g., obtaining building permits, architectural planning), thereby lowering TLG's operational costs and making it easier to entirely meet its tenants' requirements. For existing food retail properties, tenants oftentimes proactively try to extend existing lease agreements far ahead of the scheduled expiry dates prior to making considerable investments in modernizing and/or expanding leased space.

Hotel Asset Class

As of September 30, 2017, the hotel asset class included a total of seven properties with an aggregate portfolio value of €283.1 million, representing the third largest portion of the real estate holdings of the Combined Group (8.8% of the overall portfolio of the Combined Group).

The following table provides additional information on these seven hotel properties as of September 30, 2017:

	<u>Location</u>	<u>Property value⁽¹⁾</u>	<u>Rooms/ Apartments</u>	<u>Total lettable area⁽²⁾</u> (unaudited)	<u>Of which hotel area⁽²⁾</u>	<u>Lease Maturity⁽³⁾</u>	<u>Construction Year</u>
THR Hotel (H ₄ /H ₂ -Hotel)							
Berlin Alexanderplatz....	Berlin	109.6	625	33,942	26,907	13.4	2011
Steigenberger Hotel de Saxe	Dresden	48.6	185	13,487	12,284	19.2	2006
Motel One Dresden am Zwinger.....	Dresden	39.1	288	14,646	8,620	20.6	2013
Leipzig Marriott Hotel.....	Leipzig	27.0	239	21,382	15,019	10.0	1997
InterCity Hotel Dresden.....	Dresden	25.9	162	12,270	6,510	10.4	2008
Novum Select Hotel							
Berlin The Wall	Berlin	17.2	145/25	7,158	7,158	15.4	2012
Motel One Rostock.....	Rostock	15.7	180	6,603	5,230	21.0	2013
Total	–	283.1	1,824/25	109,488	81,729	15.2	–

(1) In € million.

(2) In sqm and excluding parking space.

(3) In years and only for the anchor tenant of the respective hotel property.

Except for the Novum Select Hotel Berlin The Wall, all hotel properties are of mixed use (*i.e.*, parts of the hotel property are also leased as offices, retail space or for other uses), allowing for risk diversification within the individual property. As of September 30, 2017, the EPRA Vacancy Rate for the hotel asset class of the Combined Group amounted to 1.7%. Lease agreements for the seven hotel properties generally provide for fixed lease payments, limiting TLG's dependence on the performance of hotel operators. Two contracts provide for TLG to receive additional rent payments if the hotel operations prove to be particularly profitable (*i.e.*, TLG only shares in the upside of this property). At the same time, only little effort is required by TLG to manage its hotel portfolio given that smaller refurbishments and repairs will generally be handled by the hotel operators themselves. With a WALT of 12.5 years as of September 30, 2017, the hotel asset class of the Combined Group allows for particular long-term stability and planning. Situated in good or very good locations in Berlin, Dresden, Leipzig and Rostock, it also shares in the upside potential of positive developments of property values in these dynamic cities.

Other Asset Class

As of September 30, 2017, a total of 50 properties with a portfolio value of €50.8 million comprised the "Other" asset class of the Combined Group, which accounted for only 1.6% of the overall portfolio of the Combined Group (based on aggregate portfolio value as of September 30, 2017). While properties in the "Other" asset class do not qualify for inclusion in the office, retail or hotel asset classes, the majority of these properties either generate a net cash inflow (*i.e.*, rents exceed the costs associated with letting and maintaining these properties) or can be operated at little to no operating cost.

TLG will nevertheless seize attractive opportunities to divest properties from the "Other" asset class, if it is able to achieve proceeds at or above fair value, in order to invest such proceeds to further enhance the size and quality of the office, retail and hotel asset classes.

TLG's Business Operations

Acquisitions and Disposals

TLG considers itself to be an active asset manager. It constantly aims to identify attractive opportunities to acquire additional properties and dispose of properties at attractive prices. While TLG's transaction management is centrally operated from its Berlin-based headquarters, its local offices each have teams of employees, which are responsible for providing local market expertise and executing individual acquisitions and disposals. The acquisition and disposal process is centrally supervised by the portfolio management department as well as the member of the Management Board responsible for TLG's portfolio management.

Acquisitions

TLG has a track record of successful strategic acquisitions. The following table provides an overview of successful acquisitions by the Combined Group for the periods indicated:

	For the year ended December 31,		For the nine months ended September 30,
	2015	2016	2017
	(unaudited) (in € million, unless otherwise specified)		(unaudited) (in € million, unless otherwise specified)
Acquisition volume office asset class	253.8	418.4	97.0
Acquisition volume retail asset class	291.5	176.6	249.8
Acquisition volume hotel asset class	–	55.0	–
Total acquisition volume	545.3	650.0	346.8
Number of properties	47	31	34
Total lettable area (in thousand sqm) ⁽¹⁾	309.8	402.2	227.7

(1) Excluding parking space.

Acquisitions of new attractive office and retail properties meeting its investment criteria are a key part of TLG's strategy. Depending on the type of asset, TLG focusses on the following types of properties:

- For its office asset class, TLG focusses its acquisition efforts on office properties in A and B cities in Germany (*i.e.*, Germany's largest cities and larger regional cities) with favorable economic characteristics. TLG typically targets multi-use properties, preferably with a fair value exceeding €20 million. Furthermore, TLG specifically targets properties with EPRA Vacancy Rates of up to 30%, as the Company believes that it can acquire such properties at a discount and unlock additional value potentials through modernizations, refurbishments and active letting management.
- For its retail asset class, TLG targets larger retail properties and portfolios in attractive micro-locations (*i.e.*, lack of competition within the relevant catchment area), suitable for major food retail chains which are fully-let or almost fully-let, preferably with a minimum transaction value of €15 million. TLG may also acquire other retail properties such as specialist markets (*Fachmärkte*) suitable for do-it-yourself chains or similar tenants.
- For its hotel asset class, TLG targets hotel properties in inner city locations of attractive A and B cities in Germany with long term lease agreements and large hotel operators. While hotels are less of a focus of TLG's acquisition strategy compared to the office and retail asset classes TLG is particularly interested in mixed use properties (*i.e.*, parts of the hotel property are also leased as offices, retail space or for other uses) or hotel properties included in portfolio transactions.

TLG's acquisition process generally follows a multi-stage approach: TLG will typically first review any proposals received by the seller, conduct a first screening, a site-visit and pre-calculate how a particular acquisition could complement its overall portfolio, hand in an indicative bid, obtain a valuation report from TLG's external property appraiser, prepare the financing of a potential acquisition, to the extent required, and finally proceed to negotiate the purchase agreement and conduct a thorough due diligence. TLG generally only acquires properties that it considers sufficiently attractive after completion of its disciplined acquisition process, which TLG applies to screening of acquisition opportunities in both western and eastern Germany.

TLG does not currently plan any project developments, but may engage in such developments on an opportunistic basis.

Disposals

Profitable disposals of non-strategic properties have for a long time been part of TLG's portfolio streamlining and growth process. In the future, TLG intends to continue its active portfolio management approach, including a regular turnover of properties:

- which have been classified as non-strategic; or
- for which a sale is in the interest of the overall portfolio quality; or
- for which the offered price is particularly attractive and allows for a realization of proceeds that significantly exceed the fair value of the respective property.

TLG's management decides on the disposal of properties on a property-by-property basis, taking into account a property's fair value as well as overall and local market trends and developments. TLG may intensify its disposal efforts in the future, in particular during the course of the Integration.

Tenant Management

TLG's tenant management includes relationship management with its existing tenants, searches for prospective tenants, maintenance, repair and value-enhancing investments in TLG's portfolio and the contracting of third-party facility management service providers. Such activities are organized locally. TLG's headquarters nevertheless provide guidelines for local operations and constantly monitor performance and compliance with these guidelines.

TLG's tenant management is run from the offices in Berlin, Frankfurt am Main, Dresden, Rostock, Leipzig and Erfurt as well as with limited support from external property managers. As of the date of this Prospectus, more than 25 employees are responsible for TLG's local tenant management.

Relationships with Existing Tenants

All property-specific aspects relating to existing tenants are handled by TLG's local offices and representatives. This process includes regular meetings with representatives of TLG's main tenants. The Company believes that maintaining close business relationships with its tenants allows TLG to act proactively and responsively with regard to the demands of its key tenants. Property performance is reviewed on a regular basis and property-by-property business plans are reviewed in order to analyze the following items:

- Potential value enhancements identified since the last business plan review;
- Potential cost reductions identified since the last business plan review;
- Property performance compared to the underwriting process; and
- Potential risks associated with the property and measures taken to control those risks.

Furthermore, TLG conducts regular credit rating checks on its existing tenants to ensure that it has the relevant information on the creditworthiness of its tenant base.

Letting Activities

TLG's letting activities are also organized locally. All discussions relating to lease agreements are handled by the responsible asset managers and/or the letting managers. TLG uses a wide array of sources to find suitable tenants including contacts with existing tenants, market knowledge of its local offices and real estate agents. However, it will at all times retain control of the letting process and decide for itself whether a tenant is suitable for the respective property. Prior to agreeing on any lease agreements, TLG will conduct a credit rating check on the prospective tenant.

Property Investments

By monitoring individual properties and maintaining close business relationships with its tenants, TLG identifies the potential and need for modernizations and expansions. Such opportunities are discussed between the local asset management and TLG's Berlin headquarters. Actual modernizations and repair works are outsourced to experienced third-party providers.

Facility Management

TLG does not perform any actual facility management tasks itself. However, it does hire and supervise a number of experienced and well-known service providers such as Gegenbauer Holding SE & Co. KG, SPIE GmbH and WISAG Facility Management Berlin-Brandenburg GmbH & Co. KG to render such services and to ensure that TLG's properties comply with all applicable building and security regulations.

Employees

As experience and in-depth local market knowledge are fundamental for consistent performance in the commercial real estate industry, TLG's success depends on its ability to attract, train, retain and motivate qualified personnel. TLG particularly aims to recruit young, qualified trainees and therefore offers a bachelor program, which allows such trainees to gain both valuable practical experience as well as obtain a bachelor of arts. As of the date of this Prospectus, TLG's workforce comprises 138 permanent and three temporary employees.

Material Agreements

Financing Agreements of TLG

As of September 30, 2017, TLG's liabilities due to financial institutions amounted to €970.3 million (including accrued interest). Those included land-charge secured loans from 18 banks with individual carrying amounts of up to €87.7 million. The weighted average debt maturity was 6.1 years.

The table below provides a summary of TLG's loan agreements with carrying amounts of more than €50.0 million as of September 30, 2017:

Bank	Carrying amount ⁽¹⁾	Maturity
	(unaudited)	
Bayerische Landesbank.....	87.7	2023
Landesbank Hessen-Thüringen Girozentrale	80.5	2027
Berlin Hyp AG	79.6	2026
Berliner Sparkasse	68.7	2025
DG Hyp AG	59.9	2025
Commerzbank AG	53.8	2027
Berlin Hyp AG.....	51.1	2020

(1) In € million.

TLG's loans bear interest at fixed rates or at variable rates of three-month EURIBOR plus margin. Approximately 99.8% of the outstanding floating-rate loan amount is currently hedged by fixed-for-floating swaps. As of September 30, 2017, TLG's average cash interest rate amounted to 2.11%. The rates for the relevant loans depend, *inter alia*, on the quality of the properties securing the loan, the market conditions at the time the loan was raised, the term and the financial leverage in respect of the financed properties. The interest rate for some of the loans can increase if extraordinary events occur.

The terms provide for regular repayments of the loans during their respective terms, up to 5% per annum of the initial loan amount through different repayment provisions (*e.g.*, fixed amortization rates or annuities), or repayment at maturity of the respective loan.

Land charges have been granted over the properties used as security for the relevant loans. The loans are typically also secured by pledges or assignments of the claims under interest hedging instruments and assignments of rent payments, purchase price claims and insurance claims. Some loan agreements also provide for pledges of special purpose accounts.

The loan agreements typically contain financial covenants customary for real estate borrowings, in particular with respect to the loan-to-value ratio. Most loan agreements require certain maximum loan-to-value ratios, calculated as the quotient of the outstanding loan amount (including senior-ranking loans) and the value of the borrowers' properties. The value of the individual portfolios was determined before the first utilization and will be determined again during the term of the loan. The maximum loan-to-value ratios allowed depend on the quality and size of the financed properties, the market conditions at the time the loan was provided and the lender, and range from 55% to 78%. Many loan agreements also contain liquidity-related financial covenants such as minimum interest or debt-service cover ratios or maximum debt-to-rent ratios. In addition, many loan agreements also contain an equity ratio covenant of at least 30%. The breach of financial covenants usually allows the bank to terminate the respective loan and claim early repayment of the entire loan unless the breach is cured by a (partial) repayment, or, as the case may be, the granting of additional security interest. As of the date of this Prospectus, TLG is not in breach of any financial covenants.

The loan agreements contain representations, information, corporate and property-related undertakings and termination rights customary for real estate borrowings. There is no indication that any representations or material undertakings have been breached. Termination rights exist if (interest, amortization or other) payments are not made when due, financial covenants are not complied with, the borrower becomes insolvent or defaults on other financial liabilities, representations or warranties turn out to have been incorrect, information obligations are violated by TLG or other material contractual obligations are not complied with (unless the respective violation can be and is cured within a contractually specified period). In addition, some of the loan agreements contain termination rights of the respective bank if the control over the Company changes. In most cases, loan agreements also incorporate the respective bank's general terms and conditions or similar standard terms that contain very broad termination rights, in particular the right to terminate the loan if there is, or threatens to be, a substantial deterioration in the financial circumstances of the respective borrower or in the value of a security granted as a result of which the repayment of the loan is jeopardized even if this security is realized.

Financing Agreements of WCM

As of September 30, 2017, WCM's liabilities due to financial institutions amounted to €476.3 million. These liabilities included land-charge secured loans from five banks with individual carrying amounts of up to €74.2 million. The weighted average debt maturity was 4.9 years (assuming exercise of extension options, if any).

The table below provides a summary of WCM's loan agreements with carrying amounts of more than €40.0 million as of September 30, 2017:

Bank	Carrying amount⁽¹⁾	Maturity
	(unaudited)	
Landesbank Hessen-Thüringen Girozentrale	74.2	2019 ⁽²⁾
Deutsche Pfandbriefbank AG	61.9	2025
Landesbank Hessen Thüringen Girozentrale	60.9	2018 – 2022 ⁽³⁾
Landesbank Hessen Thüringen Girozentrale	59.6	2018 – 2019 ⁽⁴⁾
Deutsche Pfandbriefbank AG	42.0	2019

(1) In € million.

(2) Includes an option for WCM to extend the loan until 2024 under certain circumstances.

(3) The loan comprises three tranches of €48.2 million due in 2022, €5.1 million due in 2019 and €7.5 million due in 2018, respectively.

- (4) The loan comprises two tranches of €54.2 million due in 2019 (including an option of WCM to extend the tranche until 2022) and €5.4 million due in 2018, respectively.

WCM's loans bear interest at fixed rates or at variable rates of three month EURIBOR plus margin. The outstanding floating rate loan amount is currently not hedged. As of September 30, 2017, WCM's average cash interest rate amounted to 1.9% (excluding interest rate step-ups for failure to comply with tenant easements (*Mieterdienstbarkeiten*)). The rates for the relevant loans depend, *inter alia*, on the quality of the properties securing the loan, the market conditions at the time the loan was raised, the term and the financial leverage in respect of the financed properties. The interest rate for some of the loans can increase if extraordinary events occur.

The terms provide for regular repayments of the loans during their respective terms, up to 19.62% per annum of a tranche through different repayment provisions (*e.g.*, fixed amortization rates or annuities), or repayment at maturity of the respective loan.

Land charges have been granted over the properties used as security for the relevant loans. The loans are typically also secured by various assignments, including rent payments, purchase price claims, insurance claims, various accounts and shares in property holding subsidiaries.

The loan agreements typically contain financial covenants customary for real estate borrowings, in particular with respect to the loan to value ratio. Most loan agreements require certain maximum loan to value ratios, calculated as the quotient of the outstanding loan amount (including senior ranking loans) and the value of the borrower's properties. The value of the individual portfolios was determined before the first utilization and will be reassessed during the term of the loan. The maximum loan-to-value ratios allowed depend on the quality and size of the financed properties, the market conditions at the time the loan was provided and the lender, and range from 60% to 80%. Many loan agreements also contain liquidity related financial covenants such as minimum debt-service-cover ratios or maximum debt-to-rent ratios. In addition, some loan agreements also contain a minimum WALT covenant or a maximum vacancy rate covenant. The breach of financial covenants usually allows the bank to terminate the respective loan and claim early repayment of the entire loan amount, unless the breach is cured by a (partial) repayment, or, as the case may be, the granting of additional security interest. As of the date of this Prospectus, WCM is not in breach of any financial covenants.

The loan agreements contain representations, information, corporate and property related undertakings and termination rights customary for real estate borrowings. There is no indication that any representations or material undertakings have been breached. Termination rights exist if (interest, amortization or other) payments are not made when due, financial covenants are not complied with, the borrower becomes insolvent or defaults on other financial liabilities, representations or warranties turn out to have been incorrect, information obligations are violated or other material contractual obligations are not complied with (unless the respective violation can be and is cured within a contractually specified period). In addition, some of the loan agreements contain termination rights of the respective bank if the control over the borrower changes. The relevant termination rights were waived in connection with the Takeover Offer. In most cases, loan agreements also incorporate the respective bank's general terms and conditions or similar standard terms that contain very broad termination rights, in particular the right to terminate the loan if there is or threatens to be a substantial deterioration in the financial circumstances of the respective borrower or in the value of a security granted as a result of which the repayment of the loan is jeopardized even if this security is realized.

Inter-Company Agreements

Domination Agreement between the Company and WCM AG

For a description of the Domination Agreement between the Company and WCM AG, see “—*Takeover Offer for WCM Beteiligungs- und Grundbesitz-Aktiengesellschaft—Domination Agreement between the Company and WCM AG*”.

Domination and Profit Transfer Agreements

The Company has entered into domination and profit transfer agreements with the following subsidiaries:

- Hotel de Saxe an der Frauenkirche GmbH;
- TLG CCF GmbH;
- TLG Fixtures GmbH;
- TLG MVF GmbH; and
- TLG Sachsen Forum GmbH.

Essentially, the domination and profit transfer agreements comprise the placement of the respective subsidiary under the management of the Company, establish a duty to transfer the full profits of the respective subsidiary to the Company and oblige the Company to assume the losses of the respective subsidiary. In particular, the domination and profit transfer agreements serve to establish a consolidated tax group for corporate income and trade tax purposes. 100% of the shares in each of the aforementioned companies are held directly by the Company. Due to the lack of external shareholders, the Company is neither obliged to pay recurring compensation within the meaning of Section 304 of the German Stock Corporation Act (*Aktiengesetz* (“**AktG**”)) nor exit compensation within the meaning of Section 305 AktG.

The domination and profit transfer agreements provide for a minimum term of five years. If not terminated at least six months prior to their expiration, they are renewed for another year. The right to early termination for cause remains unaffected.

Purchase Agreements

Astropark

On June 29, 2017, the Company entered into a purchase agreement with MK Astro Lux Property S.à r.l. for the purchase of an office property in Frankfurt am Main with a total lettable area of approximately 38,878 sqm. The total investment in an amount of approximately €97.0 million was primarily financed through a loan in an amount of €54.0 million, and the acquisition closed on September 1, 2017.

Klenow-Tor

On November 2, 2017, the Company entered into a purchase agreement for the Klenow-Tor retail property in Rostock with a total lettable area of approximately 16,500 sqm for a total investment volume of €18.6 million. The property is almost fully let and closing is expected to occur in January 2018.

Onyx Portfolio

On November 8, 2017, the Company entered into a purchase agreement for the acquisition of 94.9% of the shares in PEREF Priscus S.à r.l. and PEREF Verus S.à r.l., which together hold the Onyx Portfolio of 27 retail properties with an aggregate lettable area of approximately 60,631 sqm. Based on portfolio value as of the signing date, 93.6% of these properties are located in the “Western Germany” region of TLG’s retail asset class and the Rhineland Palatinate, while 6.4% are located in the “South East” region. The total investment volume amounts to €95.2 million and the Company expects that closing will occur in December 2017.

Other Material Agreements

Restitution Agreement

TLG has been and may in the future be subject to third-party claims in connection with restitution and compensation claims. Under the German Asset Act (*Vermögensgesetz*) former owners of assets that were dispossessed either by the national socialist government between January 30, 1933 and May 8, 1945 or by the former German Democratic Republic (*Deutsche Demokratische Republik*) can demand the restitution of such assets. If returning the assets is impossible due to a valid sale to a third party the former owners have compensation claims under the German Investment Priority Act (*Investitionsvorranggesetz*). The German Asset Allocation Law (*Vermögenszuordnungsgesetz*) provides for similar regulations.

In order to ensure that such third-party claims would not prevent a privatization of TLG, the Federal Institute for Special Tasks Arising from Unification (*Bundesanstalt für vereinigungsbedingte Sonderaufgaben*) (“**BVS**”), a federal office of Germany and the successor of THA), and TLG on December 20, 2007 entered into an agreement for the cumulative assumption of liabilities regarding restitution claims brought against TLG. Under this agreement, the BVS will indemnify and hold harmless TLG against claims arising out of or in connection with the aforementioned restitution laws. Thus, any claims brought against TLG in connection with the aforementioned restitution laws will be fulfilled by the Federal Republic of Germany. As of the date of this Prospectus, a total of three of TLG’s properties are subject to claims under the aforementioned restitution laws.

Social Charter

In connection with its privatization, TLG assumed an obligation to adhere to the social charter (*Sozialcharta*) agreed between the private investors who acquired the Company and the Federal Republic of Germany on December 12/13, 2012, and relating to 131 residential tenants in the “Other” asset class as of the date of this Prospectus.

The social charter provides special protection for elderly and disabled tenants as well as their legal successors by limiting TLG’s ability to terminate lease agreements with these tenants and prohibiting TLG from increasing rents for so-called luxury modernizations (*Luxusrenovierungen*) (*i.e.*, modernization measures after which the respective property appeals to a target group of tenants differing from the pre-modernization tenant structure). In this context, when disposing of residential properties protected by the social charter TLG must ensure that the buyer of the respective property assumes TLG’s obligations under the social charter. Failure to comply with the obligations under the social charter would force TLG to pay a contractual penalty of at least €100,000.00 per residential unit concerned.

Material Litigation

In the course of TLG’s business activities, the Company and its subsidiaries are regularly parties to legal disputes, including rental and warranty disputes. As of September 30, 2017, the aggregate amount of claims brought against the Combined Group amounted to approximately €1.7 million and the aggregate amount of claims brought by the Combined Group amounted to approximately €2.0 million (both excluding costs and interest). As of that same date, TLG and WCM had made provisions in the aggregate amount of €0.5 million for legal disputes and litigation-related costs.

WCM AG is currently challenging a tax assessment by the competent tax authorities and has filed a lawsuit against the assessment of RETT in an amount of €4.95 million with the Fiscal Court of Hesse (*Hessisches Finanzgericht*). Given that WCM AG has already fulfilled the relevant tax claim to reduce the risk of default interest, it is now claiming repayments in this amount. In addition, River Frankfurt Immobilien GmbH challenging a tax assessment by the competent tax authorities and has filed a lawsuit against the assessment of RETT in an amount of €2.15 million with the Fiscal Court of Hesse (*Hessisches Finanzgericht*).

Apart from the proceedings described above, TLG is not a party to any governmental, legal or arbitration proceedings (including any pending or threatened proceedings) during the last twelve months, with a value exceeding €1.0 million or which may have, or have had, significant effects on its financial position or profitability.

Description of the Company's Governing Bodies

The Company's corporate bodies are the Management Board, the Supervisory Board and the shareholders' meeting. The powers and responsibilities of these corporate bodies are governed by the AktG, the Articles of Association and the rules of procedure of the Management Board and the Supervisory Board.

The Management Board conducts the Company's business in accordance with the law, the Articles of Association and the rules of procedure of the Management Board, taking into account the resolutions of the shareholders' meeting. The Management Board represents the Company in its dealings with third parties. The Management Board is required to introduce and maintain appropriate risk management and risk controlling measures, in particular setting up a monitoring system in order to ensure that any developments potentially endangering the continued existence of the Company may be identified early. Furthermore, the Management Board must report regularly to the Supervisory Board of the performance and the operations of the Company. In addition, the Management Board is required to present to the Supervisory Board, no later than at the last Supervisory Board meeting of each fiscal year, certain matters of business planning (including financial investment and personnel planning) for the following fiscal year for approval by the Supervisory Board. Furthermore, as regards all matters of particular significance to the Company, each member of the Management Board who becomes aware of such matters must immediately report these matters, verbally or in writing, to the chairman and the vice chairman of the Supervisory Board or to all members of the Supervisory Board. Significant matters also include any development or event at an affiliated company of which the Management Board has become aware and that could have a material influence on the Company's position.

The Supervisory Board appoints the members of the Management Board and has the right to remove them for good cause. Simultaneous membership on the Management Board and the Supervisory Board is prohibited. The Supervisory Board advises the Management Board in the management of the Company and monitors its management activities. The Management Board may not transfer management tasks to the Supervisory Board. However, pursuant to the rules of procedure of the Management Board, the Management Board must obtain the consent of the Supervisory Board for certain transactions or measures, in particular transactions or measures that entail fundamental changes to the Company's net assets, financial position or results from operations.

The members of the Management Board and of the Supervisory Board owe duties of loyalty and due care to the Company. In discharging these duties, the members of the governing bodies have to take into account a broad range of interests, in particular those of the Company, its shareholders, employees and creditors. The Management Board must also take into account the rights of shareholders to equal treatment and equal information. If the members of the Management Board or Supervisory Board fail to discharge their duties, they are jointly and severally liable for damages to the Company. A directors' and officers' insurance policy, which provides for a deductible, protects the Management Board and Supervisory Board members against claims for damages.

Under the AktG, neither individual shareholders nor any other person may use its influence on the Company to cause a member of the Management Board or Supervisory Board to act in a manner that would be detrimental to the Company. People using their influence to cause a member of the Management Board or Supervisory Board, a holder of a general commercial power of attorney or an authorized agent to act in a manner causing damage to the Company or its shareholders, are liable to compensate the Company for any resulting losses if they have acted in violation of their obligation to use due care. Moreover, in this case, the members of the Management Board and Supervisory Board are jointly and severally liable in addition to the person using its influence if they have acted in breach of their obligations towards the Company.

Generally, an individual shareholder may not take court action against members of the Management Board or Supervisory Board if he believes that they have acted in breach of their duties to the Company and, as a result, the Company has suffered losses. Claims of the Company for damages against the members of the Management Board or Supervisory Board may generally only be pursued by the Company itself; in the case of claims against members of the Supervisory Board, the Company is represented by the Management Board, and, in case of claims against members of the Management Board, it is represented by the Supervisory Board. Pursuant to a ruling by the German Federal Court of Justice (*Bundesgerichtshof*), the Supervisory Board must bring claims that are likely to succeed against members of the Management Board unless significant considerations of the Company's well-being, which outweigh or are at least equivalent to those in favor of such claim, render such a claim inadvisable. Claims against the Management Board or Supervisory Board must be asserted if the shareholders' meeting adopts a resolution to this effect by a simple majority.

Shareholders whose joint holdings equal or exceed 10% of the share capital or the pro-rata amount of €1.0 million may petition the court to appoint a representative to pursue their claims for damages. Furthermore, shareholders whose joint holdings equal or exceed 1% of the share capital or a proportionate interest of €100,000.00 of the share capital at the time the petition is submitted may petition in their own name for a claim for damages to be heard by the regional court (*Landgericht*) where the Company has its registered office. For such a claim to be heard, the Company must have failed to make a claim when called on to do so by the shareholders' meeting within an appropriate deadline set by them, and facts must have come to light justifying the suspicion that the Company has sustained damages as a consequence of dishonesty or of a flagrant breach of the law or of the Articles of Association and there are no significant grounds relating to the welfare of the Company outweighing such claim. The Company is entitled to bring a claim for damages itself at any time, and any pending application or claim on the part of the shareholders is barred once the Company does so.

The Company may only waive or settle a claim for damages against board members if at least three years have elapsed since the vesting of the claim, so long as the shareholders' meeting approves the waiver or settlement by a simple majority, unless shareholders, whose aggregate shareholdings amount to at least 10% of the share capital, record an objection to such resolution in the minutes of the shareholders' meeting.

Management Board

Current Composition of the Management Board

Pursuant to Section 8 para. 1 and 2 of the Articles of Association, the Management Board must consist of at least two persons and the Supervisory Board determines the exact number of the members of the Management Board. The Supervisory Board may appoint a Management Board member as chairman of the Management Board and another member as deputy chairman. Currently, the Management Board consists of two members.

Reappointment or extension, each for a maximum period of up to five years, is permissible. The Supervisory Board may revoke the appointment of a Management Board member prior to the expiration of his or her term for good cause, such as a gross breach of fiduciary duty, or if the shareholders' meeting passes a vote of no confidence with respect to such member, unless the no-confidence vote was clearly unreasonable. The Supervisory Board is also responsible for entering into, amending and terminating employment agreements with members of the Management Board and, in general, for representing the Company in and out of court against the Management Board.

Pursuant to Section 10 of the Articles of Association, the Company is represented *vis-à-vis* third parties and in court proceedings by two members of the Management Board or a member of the Management Board jointly with an authorized signatory (*Prokurist*). The Supervisory Board may determine that all or specific members of the Management Board are authorized to represent the Company individually.

The table below lists the current members of the Management Board:

<u>Name</u>	<u>Age</u>	<u>Member since</u>	<u>Appointed until</u>	<u>Responsibilities</u>
Peter Finkbeiner	49	2013	2018	Finance, Investor Relations, Controlling, Accounting, Legal, IT/Organization, Human Resources, Auditing Division
Niclas Karoff	46	2010	2018	Portfolio Management, Operational Activities (Acquisitions and Sales, Asset and Property Management, Project Development), Marketing/Public Relations, Auditing Division

The following description provides summaries of the *curricula vitae* of the current members of the Management Board and indicates their principal activities outside TLG to the extent that those activities are significant with respect to TLG.

Peter Finkbeiner was born October 25, 1968 in Stuttgart.

Mr. Finkbeiner previously headed European asset management at Hudson Advisors. Prior to 2005, he worked several years in banking, corporate finance and private equity with Deutsche Bank, KPMG and DZ Equity Partner. Mr. Finkbeiner obtained a masters degree in economics (*Diplom-Ökonom*).

Niclas Karoff was born February 7, 1971 in Berlin.

Mr. Karoff was previously a board member of HSH Real Estate AG. Prior to 2008, he worked several years in M&A and corporate finance, including with accounting and consulting firm BDO. Mr. Karoff obtained a masters degree in business administration (*Diplom-Kaufmann (FH)*). Alongside his office as a member of the Management Board, Mr. Karoff is also the Speaker for the Regional Board of German Property Federation ZIA for East Germany (including Berlin).

The members of the Management Board may be reached at the Company's office at Hausvogteiplatz 12, 10117 Berlin, Germany (telephone: +49 (0) 30-2470-50).

Supervisory Board

Pursuant to Section 11 para. 1 of the Articles of Association, the Supervisory Board consists of six members. Pursuant to Section 100 para. 5 AktG, the members of the Supervisory Board as a whole have to be familiar with the sector in which the Company conducts its business.

The Supervisory Board is not subject to employee codetermination as provided by the German One-Third Employee Representation Act (*Drittelbeteiligungsgesetz*) or the German Codetermination Act (*Mitbestimmungsgesetz*). Therefore, the members of the Supervisory Board are all elected by the shareholders' meeting as representatives of the shareholders. The members of the Supervisory Board are generally elected for a fixed term of approximately five years. Reelection, including repeated reelection, is permissible.

For each member of the Supervisory Board, the shareholders may, at the same time the respective member is elected, appoint substitute members. These substitute members will replace the elected Supervisory Board member in the event of his premature departure in an order that was defined at the time of the appointment. The term of office of the substitute member replacing the departing member terminates if a successor is elected at the next shareholders' meeting or the following one, at the close of the shareholders' meeting, otherwise on the expiry of the term of office of the departed member of the Supervisory Board. Members of the Supervisory Board who were elected by the shareholders' meeting may be dismissed at any time during their term of office by a resolution of the shareholders' meeting adopted by 75% of the votes cast. In accordance with the Articles of Association, any member or substitute member of the Supervisory Board may resign at any time, even without providing a reason, by giving two weeks' notice of his resignation in writing. This does not affect the right to resign with immediate effect for good cause.

Pursuant to Section 107 para. 1 AktG, the Supervisory Board elects its chairman and vice chairman from among its members. Currently, Michael Zahn has been elected chairman of the Supervisory Board and Dr. Michael Bütter as vice chairman of the Supervisory Board.

The AktG stipulates that a quorum of the Supervisory Board is present if at least three members, and at least one-half of the members of the Supervisory Board as mandated by law or the Articles of Association, participate in the voting. The resolutions of the Supervisory Board are passed with a simple majority, unless otherwise mandated by law. In the event of a parity of votes, the chairman or, if he or she is unable to vote, the vice chairman, has the deciding vote.

Current Composition of the Supervisory Board

The table below lists the current members of the Supervisory Board:

<u>Name</u>	<u>Age</u>	<u>Member since</u>	<u>Appointed until⁽¹⁾</u>	<u>Principal occupation outside of TLG</u>
Michael Zahn (chairman)	53	2014	2019	Chief Executive Officer and member of the management board at Deutsche Wohnen AG
Dr. Michael Bütter (vice chairman) .	47	2014	2019	Member of the Executive Committee and Group General Counsel of Scout 24 AG, Berlin
Frank D. Masuhr	54	2017 ⁽²⁾	2021	Managing Partner of Vermont Partners AG
Dr. Claus Nolting	66	2014	2019	Lawyer and Consultant
Elisabeth Talma Stheeman	53	2014	2019	Former Global Chief Operating Officer at LaSalle Investment Management
Helmut Ullrich	68	2015 ⁽³⁾	2021	Consultant

(1) In each case until the end of the relevant general shareholders' meeting

(2) Mr. Masuhr was appointed as a member of the Supervisory Board by the competent court on February 17, 2017. He was then elected to continue to serve on the Supervisory Board by the Company's shareholders' meeting held on May 23, 2017.

(3) Mr. Ullrich was appointed as a member of the Supervisory Board by the competent court on July 23, 2015. He was then elected to continue to serve on the Supervisory Board by the Company's shareholders' meeting held on May 31, 2016.

The following description provides summaries of the *curricula vitae* of the current members of the Supervisory Board and indicates their principal activities outside TLG to the extent those activities are significant with respect to TLG.

Michael Zahn was born June 28, 1963 in Stuttgart, Germany.

Mr. Zahn received his masters degree in economics from the Albert-Ludwigs University in Freiburg im Breisgau, Germany, in 1992. He later completed postgraduate courses in 2000 at the European Business School in Oestrich-Winkel, Germany in conjunction with his professional career to become a corporate real estate manager and chartered surveyor. In 1993, Mr. Zahn started working at the association of Berlin-Brandenburg housing enterprises (*Verband Berlin-Brandenburgischer Wohnungsunternehmen*), Domus AG, in Berlin, Germany. After a brief period as deputy managing director at GEWOBA GmbH in 1996, he joined GEHAG AG (now GEHAG GmbH), where he worked in various management roles between 1997 and 2007. From 2007 to June 2009, he was also chief financial officer of KATHARINENHOF, a subsidiary of GEHAG. Mr. Zahn was first appointed to the management board of Deutsche Wohnen AG in 2007 (as chief operating officer). Since 2008, Mr. Zahn has been the chairman of the management board of Deutsche Wohnen AG. He was appointed after the successful integration of GEHAG in 2008. After the acquisition of 91.05% of the shares (based on the share capital at the time) of GSW Immobilien AG in 2013, Mr. Zahn was also appointed chairman of the management board of GSW Immobilien AG in January 2014, an office he held until the end of December 2014. In June 2015, he became chairman of the supervisory board of GSW Immobilien AG. Since June 2017, Mr. Zahn is also member of the supervisory board of Scout24 AG.

Alongside his office as chairman of the Supervisory Board, Mr. Zahn is a member of the administrative, management or supervisory bodies of and/or a partner in the following companies and partnerships outside TLG:

- Deutsche Wohnen AG (chairman of the management board; CEO);
- DZ Bank AG (member of the advisory board);
- Funk Schadensmanagement GmbH (chairman of the advisory board);
- Füchse Berlin Handball GmbH (member of the advisory board);
- GETEC Wärme & Effizienz AG (member of real estate consulting);
- G+D Gesellschaft für Energiemanagement mbH (chairman of the advisory board);
- GSW Immobilien AG (chairman of the supervisory board); and
- Scout24 AG (member of the supervisory board).

Dr. Michael Bütter, was born March 19, 1970 in Hamburg, Germany.

He studied law and economics at the University of Hamburg from 1991 and 1996 and passed both, his first legal state exam (1996) and his second legal state exam (2000), in Hamburg. He received further post graduate degrees from Oxford University (M.St.) and the University of Hamburg (Dipl./Dr. Jur.) and is admitted as Chartered Surveyor (MRICS).

From 2001 until 2008 Dr. Bütter worked as lawyer in several international law firms. Since 2005, he headed the private equity and real estate practice group of Lovells LLP and advised on large-volume real estate transactions and portfolio refinancings until in 2008 he joined Deutsche Annington Immobilien SE (now Vonovia SE) as member of the Executive Committee, Group General Counsel and Chief Compliance Officer. During this time he was responsible for the multi-billion refinancing and the subsequent initial public offering of the company which is now included in the DAX. Between 2008 and 2013 he was also a member of the board of the Association of Housing and Real Estate Business in Rhineland-Westphalia (VdW). In 2013, Dr. Michael Bütter joined the Ferrostaal Group (holding) in Essen, Germany as member of the Executive Board (Chief Investment Officer, Chief Legal Officer, Chief Compliance Officer) and led the successful exit of the private equity owned business. In 2015 he joined Scout24 AG (SDAX) as an executive board member following the initial public offering. Since 2015 he is also a member of the board of directors of ADO Properties S.A. (SDAX) and head of the audit committee. In 2016, he also became a member of the supervisory board of ASSMANN BAUEN+PLANEN AG and serves since 2017 as the deputy chairman of the supervisory board.

Alongside his office as a vice-chairman of the Supervisory Board, Dr. Bütter is a member of the administrative, management or supervisory bodies of and/or a partner in the following companies and partnerships outside TLG:

- ADO Properties S.A. (member of the board of directors);
- ASSMANN BERATEN+PLANEN AG (deputy chairman of the supervisory board);
- Immobilien Scout GmbH (member of the executive board); and
- Scout24 AG (member of the executive board).

Frank D. Masuhr was born on February 9, 1963 in Magdeburg, Germany.

Mr. Masuhr studied mechanical engineering with a focus on supply engineering, air-conditioning and drying technology at the Chemnitz University of Technology from 1983 to 1988. He completed his studies in 1988, earning the academic title and professional engineering qualification of Diplom-Ingenieur (TU). From 1990 to 2002, Mr. Masuhr served in various leading positions within the Krantz TKT Group in the fields of project management, construction, expansion and facility services. From 2002 to 2005, he occupied managerial positions as an interim manager in the fields of project management, construction, expansion and facility services for a range of companies, including Stangl Aktiengesellschaft, MCE AG, MUNTERS AB and MUNTERS Beteiligungsgesellschaft mbH. From 2004 to 2006, Mr. Masuhr was a member of the joint board of what is now Dussmann Stiftung & Co. AG KGaA. From 2006 to 2012, he served in various managerial positions within ALBA Group, including as a divisional manager of facility and services and chief restructuring officer (CRO) as well as CEO of different affiliates. He was also a chief representative of ALBA Group plc & Co. KG from 2008 to 2012. Furthermore, Mr. Masuhr was a member of the supervisory board (October 2013 to July 2014), chairperson of the management board as well as CEO and CRO (August 2014 to August 2015), and later the vice-chairperson of the supervisory board (September 2015 to August 2016) of BEKON Holding AG (now BEKON GmbH).

Alongside his office as a member of the Supervisory Board, Mr. Masuhr is also a managing partner of Vermont Partners AG.

Dr. Claus Nolting was born June 9, 1951 in Wolfsburg, Germany.

Following the completion of his legal studies and subsequent doctorate (Dr. iur.) at the universities of Marburg and Bonn, Dr. Claus Nolting worked as a lawyer in Bonn and Cologne (1983-1985). In 1989, Dr. Nolting moved from the Association of German Pfandbrief Banks (today Verband deutscher Pfandbriefbanken (VDP)) to the then Bayerische Vereinsbank in Munich (now Unicredit Bank AG), where as a member of the management board he was jointly responsible for the real estate financing business until his retirement in 2002. Between 2003 and 2006, Dr. Nolting held the position of senior advisor for the private equity investor Cerberus. He then assumed the position of chairman of the management board at COREALCREDIT BANK AG, an affiliate of the private equity investor Lone Star. After the sale of the bank Dr. Nolting resigned from his position at the bank effective as of March 31, 2014, and has since worked as a lawyer and consultant, including senior advisor to Lone Star Germany GmbH.

Alongside his office as a member of the Supervisory Board, Dr. Nolting is a member of the administrative, management or supervisory bodies of and/or a partner in the following companies and partnerships outside TLG:

- Hamburg Trust REIM GmbH (member of the supervisory board);
- IKB Deutsche Industriebank AG (member of the supervisory board);
- LEG Immobilien AG (member of the supervisory board); and
- MHB-Bank (member of the supervisory board).

Elisabeth Talma Stheeman was born January 24, 1964 in Hamburg, Germany.

Ms. Stheeman received her bachelor's degree in business administration from the Hamburg School of Business in 1985 and her diploma in business studies from the London School of Economics and Political Science in 1988. She began her professional career at Vereins- und Westbank AG, moving from her initial position as trainee in 1982 to project manager and assistant to department head/board member, before joining Morgan Stanley in 1988. There, Ms. Stheeman worked in corporate finance, capital markets and private equity and became the chief operating officer of investment banking/real estate investing in 2003. Subsequently, she was then promoted in 2011 to chief operating officer of investment banking/natural resources and real estate banking. In 2013, she became global chief operating officer of LaSalle Investment Management.

Alongside her office as a member of the Supervisory Board, Ms. Stheeman is a member of the administrative, management or supervisory bodies of and/or a partner in the following companies and partnerships outside TLG:

- Aareal Bank AG (member of the supervisory board; deputy chair of the risk committee and member of technology and innovation committee);
- Bank of England/Prudential Regulation Authority (senior advisor);
- German British Chamber of Commerce (member of council); and
- London School of Economics and Political Science (member of the court of governors, council and vice chair of the finance committee).

Helmut Ullrich was born October 4, 1949 in Heidenheim an der Brenz, Germany.

Helmut Ullrich completed his university education in 1977 with a law degree from the Rheinische-Friedrich-Wilhelms University in Bonn, Germany, and finished his term as a junior lawyer at the Cologne Higher Regional Court and completed his bar exam in 1980. In 1996 he became a fellow of the Royal Institution of Chartered Surveyors (FRICS). Since 1990, Mr. Ullrich held various executive positions in the real estate segment of the Deutsche Bank Group. Since 1997, these included the roles of CFO and COO of both DB Real Estate Management GmbH and DB Real Estate Investment GmbH (now RREEF Management GmbH and RREEF Investment GmbH), Eschborn, Germany. From 2002 to 2007, he was chairman of the supervisory board and from 2007 to

2012 member of the management board (CFO) of Deutsche Wohnen AG, Frankfurt am Main, Germany.

Alongside his office as a member of the Supervisory Board, Mr. Ullrich is also a member of the supervisory board and chairman of the audit committee of GSW Immobilien AG.

The members of the Supervisory Board can be reached at the Company's office at Hausvogteiplatz 12, 10117 Berlin, Germany (tel. +49 (0) 30-2470-50).

Supervisory Board Committees

Pursuant to Section 12 para. 2 of the Articles of Association, the Supervisory Board may form committees from among its members. The Supervisory Board's decision-making authority may be delegated to these committees to the extent permitted by law. The following committees have been established by the Supervisory Board:

The **Audit Committee** (*Prüfungsausschuss*) is concerned, in particular, with the oversight of the Company's accounting process and the effectiveness of its internal control system, internal auditing system, as well as the audit of the annual financial statements including required independence of the auditor and additional services provided by the auditor, the conclusion of audit agreements with the auditor, setting focus points for the audit and agreeing audit fees and – unless another committee is entrusted therewith – compliance. It shall prepare the Supervisory Board's resolutions on the annual financial statements (including consolidated financial statements) and the Supervisory Board's proposal to the general shareholders' meeting upon the election of the auditor, and the instruction of the auditor. The chairman of the audit committee shall have specialist knowledge and experience in the application of accounting standards and internal control processes. Furthermore, the chairman of the audit committee shall be independent and may not be a former member of the Management Board whose appointment ended less than two years prior to his appointment as chairman of the audit committee. Additionally, the chairman of the Supervisory Board shall not also be the chairman of the audit committee at the same time.

The current members of the audit committee are:

Name	Responsibilities
Helmut Ullrich	Chairman
Dr. Claus Nolting	Member
Elisabeth Talma Stheeman.....	Member

Section 107 para. 4 AktG requires the Company to have at least one independent member of the audit committee with expertise in the fields of accounting or auditing in the meaning of Section 100 para. 5 AktG. According to the rules of procedure of the Supervisory Board, this member also has to be independent. Mr. Ullrich as member of the Supervisory Board and audit committee of the Company is considered to possess the respective expertise and independence.

The **Executive and Nomination Committee** (*Präsidential- und Nominierungsausschuss*) shall debate key issues and make proposals to the Supervisory Board with respect to the appointment and revocation of members of the Management Board and with respect to their respective compensation and adjustment in compensation. They make recommendations to the Supervisory Board for Supervisory Board proposals to the shareholders' meeting with respect to the election of Supervisory Board members. Furthermore, the executive and nomination committee is responsible for devising a financial and investment policy for TLG as well as to aid in making decisions of strategic importance regarding acquisitions and divestures. The executive and nomination committee shall consist of the chairman of the Supervisory Board, the deputy chairman of the Supervisory Board and one additional member to be elected by the Supervisory Board. The chairman of the Supervisory Board shall be the chairman of the executive committee and nomination committee.

The current members of the executive and nomination committee are:

Name	Responsibilities
Michael Zahn.....	Chairman
Dr. Michael Bütter.....	Member
Dr. Claus Nolting.....	Member

The **Committee for Capital Markets and Acquisitions** (*Ausschuss für Kapitalmarkt und Akquisitionen*) advises the Supervisory Board on capital market transactions, in particular with respect to preparing and executing capital measures (Sections 182 *et seq.* AktG) of the Company and its publicly listed subsidiaries, including the issuance of notes, profit participation rights and participating bonds, purchases of treasury stock, preparations for public takeovers and communications with capital markets. It also advises the Supervisory Board on the preparation of key acquisitions, in particular acquisitions financed through the issuance of shares or other capital instruments as well as key matters of financial planning and important refinancings and borrowings.

The current members of the committee for capital markets and acquisitions are:

Name	Responsibilities
Michael Zahn.....	Chairman
Dr. Michael Bütter.....	Member
Helmut Ullrich.....	Member

No Potential Conflicts of Interest

There are no potential conflicts of interest between any duties to the Company of the members of the Management Board and Supervisory Board and their private interests and/or other duties.

Shareholder Structure

As of the date of this Prospectus, the Company's share capital amounts to €102,028,821.00 divided into 102,028,821 bearer shares with no par-value (*Stückaktien*).

On the basis of the notifications received by the Company as of the date of this Prospectus in accordance with the German Securities Trading Act (*Wertpapierhandelsgesetz*) and pursuant to information provided by the respective shareholders, the following shareholders directly or indirectly hold more than 3.0% of the Company's shares and voting rights as of the date of this Prospectus. It should be noted that the number of voting rights last notified could have changed since such notifications were submitted to the Company without requiring the relevant shareholder to submit a corresponding voting rights notification if no notifiable threshold has been reached or crossed:

Shareholder	Share of voting rights (in %)
Prof. Dr. Gerhard Schmidt.....	14.15 ⁽¹⁾
ADAR Capital Partners Ltd.....	13.72 ⁽²⁾
Republic of Singapore	9.25 ⁽³⁾
Julius Baer Group Ltd.	5.20 ⁽⁴⁾
RAG Stiftung.....	4.25 ⁽⁵⁾
Principal Financial Group Inc.....	3.38 ⁽⁶⁾
Blackrock, Inc.....	3.28 ⁽⁷⁾
Total.....	53.23

- (1) Indirect shareholdings of Prof. Dr. Gerhard Schmidt, as notified for November 13, 2017 based on a total number of 102,028,821 voting rights. Prof. Dr. Gerhard Schmidt controls the following entities listed in the group notification: GCS Verwaltungs GmbH, DICP Capital SE, DIC Capital Partners (Europe) GmbH, DIC Grund- und Beteiligungs GmbH, Deutsche Immobilien Chancen Beteiligungs AG, Deutsche Immobilien Chancen AG & Co. Kommanditgesellschaft auf Aktien, DIC Asset AG, DIC Real Estate Investments Beteiligungs GmbH, DIC Real Estate Investments GmbH & Co. Kommanditgesellschaft auf Aktien and DIC OF RE 2 GmbH. The shares of the Company are directly held by DIC Real Estate Investments GmbH & Co. Kommanditgesellschaft auf Aktien (8.70% of the Company's shares) and DIC OF RE 2 GmbH (5.88% of the Company's shares). In addition, Prof. Dr. Gerhard Schmidt notified that instruments (preemptive rights from shareholders' agreements) relating to 5.46% of the Company's shares are attributable to him.
- (2) Indirect shareholdings of ADAR Capital Partners Ltd. as notified for October 6, 2017 based on a total number of voting rights of 94,611,266. All shares with voting rights are directly held by ADAR Macro Fund Ltd and are attributed to ADAR Capital Partners Ltd. as manager of ADAR Macro Fund Ltd.
- (3) Indirect shareholdings as notified for October 6, 2017 based on a total number of voting rights of 94,611,266. All shares with voting rights are directly held by GIC Private Limited. The Government of Singapore, acting by and through the Ministry of Finance, is the controlling shareholder of GIC Private Limited that directly held all of the notified voting rights in the Company at that date.
- (4) Indirect shareholdings of Julius Baer Group Ltd. as notified for November 13, 2017 based on a total number of 102,028,821 voting rights. Julius Baer Group Ltd. is the ultimate controlling entity of the following other companies listed in its group notification: Kairos Investment Management S.p.A and Kairos Partners SGR S.p.A. 4.54% of the voting rights notified by Julius Baer Group Ltd. are attached to shares directly held by Kairos INTERNATIONAL SICAV, which are directly attributed to Kairos Partners SGR S.p.A. and indirectly attributed to Julius Baer Group Ltd.
- (5) Direct shareholdings of RAG Stiftung as notified for June 30, 2017 based on a total number of 74,175,558 voting rights.
- (6) Indirect shareholdings of Principal Financial Group Inc. as notified for February 3, 2016 based on a total number of voting rights of 67,432,326 at that date. Principal Financial Group Inc. is the ultimate controlling entity of the following other companies listed in its group notification: Principal Financial Services Inc.; Principal Life Insurance Company; Principal Global Investors, LLC; and Principal Real Estate Investors, LLC. None of these companies directly held 3.0% or more of the voting rights in the Company at that date.

- (7) Indirect shareholdings of Blackrock, Inc. as notified for February 7, 2017 based on a total number of 74,175,558 voting rights. Blackrock, Inc. is the ultimate controlling entity of the following other companies listed in its group notification: Trident Merger, LLC; BlackRock Investment Management, LLC; BlackRock Holdco 2, Inc.; BlackRock Financial Management, Inc.; BlackRock Reality Advisors, Inc.; BlackRock International Holdings, Inc.; BR Jersey International Holdings L.P.; BlackRock Holdco 3, LLC; BlackRock Canada Holdings LP; BlackRock Canada Holdings ULC; BlackRock Asset Management Canada Limited; BlackRock Group Limited; BlackRock Luxembourg HoldCo S.à r.l.; BlackRock Investment Management Ireland Holdings Limited; BlackRock Asset Management Ireland Limited; BlackRock (Singapore) Holdco Pte. Ltd.; BlackRock (Singapore) Limited; BlackRock Asia-Pac Holdco, LLC; BlackRock HK Holdco Limited; BlackRock Asset Management North Asia Limited; BlackRock (Luxembourg) S.A.; BlackRock Investment Management (UK) Limited; BlackRock Fund Managers Limited; BlackRock Advisors (UK) Limited; BlackRock Holdco 4, LLC; BlackRock Holdco 6, LLC; BlackRock Fund Advisors; BlackRock Delaware Holdings, Inc.; BlackRock Institutional Trust Company, National Association; BlackRock International Limited; BlackRock Australia Holdco Pty. Ltd.; BlackRock Investment Management (Australia) Limited; BlackRock (Netherlands) B.V.; BlackRock Capital Holdings, Inc.; and BlackRock Advisors, LLC. None of these companies directly held 3.0% or more of the voting rights in the Company at that date.

The Company is not controlled by any shareholder.

Takeover Offer for WCM Beteiligungs- und Grundbesitz-Aktiengesellschaft

On May 10, 2017, the Issuer announced its intention to submit the Takeover Offer. Also on May 10, 2017, the Management Board, with the approval of the Supervisory Board, resolved to increase the Company's share capital against contributions in kind from €74,175,558.00 by up to €24,521,163.00 to up to €98,696,721.00 by issuing up to 24,521,163 no par-value bearer shares of the Company (the "**Capital Increase**"), thereby utilizing part of the authorized capital 2014/II, in order to create the offer consideration for the Takeover Offer.

The offer document for the Takeover Offer was published on June 27, 2017. In exchange for 23 shares of WCM AG, the Company offered 4 new bearer shares of the Company, each such share with a notional value of €1.00 in the Company's share capital and carrying dividend rights for the fiscal year ending December 31, 2017.

Upon expiry of the additional acceptance period for the Takeover Offer on September 26, 2017, the Takeover Offer had been accepted for a total of 117,505,327 shares of WCM AG, corresponding to approximately 85.89% of WCM AG's share capital and voting rights. On October 6, 2017, the implementation of the Capital Increase was registered in the commercial register of the local court of Berlin Charlottenburg. During the course of the Completion, all 117,505,327 shares of WCM AG for which the Takeover Offer had been accepted were transferred to the Company and 20,435,708 new shares of the Company were issued to former shareholders of WCM AG. With the Completion, WCM became part of TLG. As of the date of this Prospectus, the Company holds approximately 85.89% of WCM AG's share capital and voting rights.

Domination Agreement between the Company and WCM AG

On October 6, 2017, the Company, as the controlling company, and WCM AG, as the controlled company, entered into the Domination Agreement. The Company believes that the Domination Agreement will greatly benefit the Integration and the economic benefits TLG can derive therefrom. In light of these benefits, the Domination Agreement was approved by the shareholders' meetings of WCM AG and the Company on November 17, 2017 and November 22, 2017, respectively. The Company expects that the Domination Agreement will become effective during the first quarter of 2018. However, the Domination Agreement will only become effective once it is registered in the commercial register of WCM AG.

Pursuant to Section 4 of the Domination Agreement, the Company will grant outside shareholders of WCM AG an annual guaranteed dividend in a gross amount of €0.13 per share of WCM AG as compensation payment within the meaning of Section 304 para. 1 sentence 2 AktG.

Pursuant to Section 5 of the Domination Agreement, the Company will offer outside shareholders of WCM AG to tender their shares for new shares of the Company at an exchange ratio of 4 new shares of the Company for every 23 shares in WCM AG (the “**Exchange Ratio**”) as exit compensation within the meaning of Section 305 para. 1 AktG. Outside shareholders of WCM AG are, however, only entitled to tender their shares at the Exchange Ratio for two months after the day on which the entry of the Domination Agreement in the commercial register of WCM AG has been announced in accordance with Section 10 HGB.

Outside shareholders of WCM AG have the right to initiate appraisal proceedings (*Spruchverfahren*) in accordance with Section 1 no. 1 of the German Act on Appraisal Proceedings (*Spruchverfahrensgesetz*) within three months following the day on which the entry of the Domination Agreement in the commercial register of WCM AG has been announced in accordance with Section 10 HGB. If such efforts are successful, the court may adjust both the annual guaranteed dividend pursuant to Section 4 of the Domination Agreement and the Exchange Ratio.

Description of WCM

General Information

WCM AG is a publicly listed stock corporation with its registered office in Frankfurt am Main, Germany, and is the parent company of WCM. WCM is specialized in the long-term letting of office and retail properties in selected locations in Germany. Its focus lies on the acquisition and management of properties which it considers to have low EPRA Vacancy Rates.

As of September 30, 2017, WCM employed a total of 27 persons in addition to the two members of WCM AG’s management board, and comprised 43 entities. As of that same date, WCM’s portfolio comprised 56 properties with a total lettable area of 422,724 sqm and a portfolio value of €805.4 million (24.9% of the total portfolio value of the portfolio of the Combined Group). As of that same date, the Annualized In-place Rent for WCM’s portfolio amounted to €47.4 million and the EPRA Vacancy Rate amounted to 4.2%.

Governing Bodies

As of the date of this Prospectus, WCM AG’s management board consists of the same persons as the Management Board. The members of the Management Board do not receive any additional remuneration for their service on WCM AG’s management board.

As of the date of this Prospectus, WCM AG’s supervisory board consists of the following members:

- Karl Ehlerding, chairman of the supervisory board;
- Michael Zahn, vice-chairman of the supervisory board; and
- Helmut Ullrich, member of the supervisory board.

Mr. Zahn and Mr. Ullrich are also members of the Supervisory Board. Mr. Zahn has waived any additional remuneration for his service on WCM AG's supervisory board prior to assuming his seat.

Recent Developments and Outlook; Trend Information and No Adverse Change

The Completion was effected on October 6, 2017. For further information on the Completion and the Takeover Offer, see “—*Takeover Offer for WCM Beteiligungs- und Grundbesitz-Aktiengesellschaft*”.

On November 1/2, 2017, the Company closed the acquisition of a neighborhood shopping center in Unterwellenborn with a total investment volume of €13.3 million.

On November 2, 2017, the Company entered into a purchase agreement for the Klenow-Tor retail property in Rostock with a total lettable area of approximately 16,500 sqm for a total investment volume of €18.6 million. The property is almost fully let and closing is expected to occur in January 2018.

On November 8, 2017, the Company entered into a purchase agreement for the acquisition of 94.9% of the shares in PEREF Priscus S.à r.l. and PEREF Verus S.à r.l., which together hold the Onyx Portfolio of 27 retail properties with an aggregate lettable area of approximately 60,631 sqm. Based on portfolio value as of the signing date, 93.6% of these properties are located in the “Western Germany” region of TLG's retail asset class and the Rhineland Palatinate, while 6.4% are located in the “South East” region. The total investment volume amounts to €95.2 million and the Company expects that closing will occur in December 2017.

By resolution of the Management Board dated November 9, 2017, approved by the Supervisory Board on the same day, the Management Board resolved to increase the registered share capital of the Company by up to €7,417,555.00 to up to €102,028,821.00 against contribution in cash by issuing up to 7,417,555 new ordinary bearer shares with no par-value (*Stückaktien*), each with a notional value of €1.00 (the “**New Shares**”), while excluding subscription rights of existing shareholders.

In anticipation of the expected admission to trading of the New Shares on the regulated market segment (*regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) with additional post-admission obligations (Prime Standard) (the “**Equity Listing**”), the Joint Bookrunners initiated a private placement of the New Shares in the form of an accelerated bookbuilding offering on November 9, 2017 (the “**Private Placement**”). The private placement will not involve a public offer in the EEA or anywhere else. In the United States, the New Shares will only be offered to qualified institutional buyers (as defined in Rule 144A under the Securities Act), and outside the United States in offshore transactions in accordance with Rule 903 of Regulation S. In the EEA, the New Shares will solely be offered under circumstances that would not require the publication of a prospectus in accordance with the exemptions set forth in Article 3 para. 2 of the Prospectus Directive.

On that same day, the Company and the Joint Bookrunners jointly set the price for the Private Placement at €19.70 per New Share (the “**Placement Price**”). The implementation of the capital increase for the issuance of the New Shares was registered in the commercial register of the local court (*Amtsgericht*) of Charlottenburg, Germany, on November 13, 2017. The Equity Listing was effected on November 14, 2017 and the Private Placement closed on November 15, 2017.

Following the placement of all New Shares at the Placement Price and assuming payment of the maximum discretionary fee, the Company expects gross proceeds of approximately €146.1 million and net proceeds of approximately €144.2 million from the Private Placement.

The Company intends to use the net proceeds from the Private Placement for the financing of recent and future acquisitions as well as for general corporate purposes.

Other than listed above, there have been no recent events particular to the Company which are relevant to the evaluation of the Company’s solvency. Between September 30, 2017 and the date of this Prospectus, no significant changes occurred in the financial position or trading position of TLG.

Since December 31, 2016, there has been no material adverse change in the prospects of the Company.

TAXATION

The following is a general discussion of certain German and Luxembourg tax consequences of the acquisition, ownership and disposal of the Notes offered by the Issuer. This discussion does not purport to be a comprehensive description of all tax considerations that may be relevant to a decision to purchase these Notes. In particular, this discussion does not consider any specific facts or circumstances that may apply to a particular purchaser. This summary is based on the laws of Germany and the Grand Duchy of Luxembourg (“**Luxembourg**”) currently in force and as applied on the date of this Prospectus, which are subject to change, possibly with retroactive or retrospective effect.

Prospective purchasers of the Notes are advised to consult their own tax advisors as to the tax consequences of the purchase, ownership and disposition of the securities, including the effect of any state or local taxes, under the tax laws applicable in Germany, Luxembourg and each country of which they are residents.

Taxation in Germany

Income Tax

Notes Held by German Tax Residents as Private Assets

Taxation of Interest

Payments of interest on the Notes to its Holders who are tax residents of Germany (*i.e.*, persons whose residence or habitual abode is located in Germany) are subject to German income tax (*Einkommensteuer*). In each case where German income tax arises, a solidarity surcharge (*Solidaritätszuschlag*) is levied in addition to such tax. Furthermore, church tax may be levied, where applicable. If coupons or interest claims are disposed of separately (*i.e.*, without the securities), the proceeds from the disposition are subject to income tax. The same applies to proceeds from the redemption of coupons or interest claims if the securities are disposed of separately.

On payments of interest on the Notes to individual tax residents of Germany, income tax is generally levied as a flat income tax at a rate of 25% (plus the solidarity surcharge in an amount of 5.5% of such tax resulting in a total tax charge of 26.375%, and, if applicable, church tax). The total investment income of an individual will be decreased by a lump sum deduction (*Sparer-Pauschbetrag*) of €801.00 (€1,602.00 for married couples and registered partners filing jointly). A deduction of expenses actually incurred is excluded.

If the Notes are kept or administrated in a custodial account which the Holder of the Notes maintains with a German branch of a German or non-German credit institute (*Kreditinstitut*) or financial services institution (*Finanzdienstleistungsinstitut*) or with a securities trading business (*Wertpapierhandelsunternehmen*) or with a securities trading bank (*Wertpapierhandelsbank*) (each within the meaning of the German Banking Act (*Kreditwesengesetz*) in Germany (each a “**Disbursing Agent**”), the flat income tax will generally be levied by way of withholding at the aforementioned rate (including the solidarity surcharge and, if applicable, church tax) from the gross interest payment to be made by the Disbursing Agent. For Holders who are subject to church tax, an electronic information system for church withholding tax purposes applies in relation to investment income, with the effect that church tax will be collected by the Disbursing Agent by way of withholding unless the investor has filed a blocking notice (*Sperrvermerk*) with the German Federal Central Tax Office (*Bundeszentralamt für Steuern*) in which case the investor will be assessed to church tax.

In general, no withholding tax will be levied if the Holder of the Notes filed a withholding exemption certificate (*Freistellungsauftrag*) with the Disbursing Agent, but only to the extent the interest income derived from the Notes, together with other investment income, does not exceed the maximum exemption amount shown on the withholding exemption certificate. Similarly, no withholding tax will be deducted if the Holder of the Notes has submitted to the Disbursing Agent a certificate of non-assessment (*Nichtveranlagungsbescheinigung*) issued by the relevant local tax office.

In computing the withholding tax, the Disbursing Agent generally deducts from the basis of the withholding tax negative investment income realized by a Holder via the Disbursing Agent. The Disbursing Agent also deducts accrued interest on the Notes or other securities paid separately upon the acquisition of the respective security by a private Holder via the Disbursing Agent. In addition, subject to certain requirements and restrictions the Disbursing Agent credits foreign withholding taxes levied on investment income in a given year regarding securities held by a private Holder in the custodial account with the Disbursing Agent.

If the Notes are kept or administrated in a custodial account abroad or if no Disbursing Agent is involved in the payment process, the Holder of the Notes will have to include its income on the Notes in its tax return and the flat income tax of 25% (plus the solidarity surcharge and, if applicable, church tax) will be collected by way of assessment.

Payment of the flat income tax by way of withholding will generally satisfy any income tax liability (including the solidarity surcharge and, if applicable, church tax) of the Holder of the Notes with respect to such investment income. Holders of the Notes may apply for a tax assessment on the basis of general rules applicable to them if the resulting income tax burden is lower than 25% (*Günstigerprüfung*).

Taxation of Capital Gains

Capital gains realized by individual tax residents of Germany from the disposition or redemption of Notes are subject to the flat income tax on investment income at a rate of 25% (plus the solidarity surcharge in an amount of 5.5% of such tax, resulting in a total tax charge of 26.375%, and, if applicable, church tax), irrespective of any holding period.

If the Issuer exercises the right to substitute the debtor of the Notes, the substitution might, for German tax purposes, be treated as an exchange of the Notes for new notes issued by the Substitute Debtor and subject to similar taxation rules as the Notes. In particular, such a substitution could result in the recognition of a taxable gain or loss for any Holder of a Note. The Substitute Debtor is obligated to indemnify each Holder for any tax incurred by such Holder as a result of a substitution of the Issuer pursuant to the rules set forth in “*Terms and Conditions of the Notes—§12 Substitution, Transfer of Domicile*”. The indemnities to be paid may constitute taxable income.

If the Notes are kept or administrated in a custodial account which the Holder of the Notes maintains with a Disbursing Agent, the flat income tax will generally be levied by way of withholding from the difference between the redemption amount (or the proceeds from the disposition) after deduction of expenses directly related to the redemption (or disposition) and the issue price (or the purchase price) of the Notes. If Notes kept or administrated in the same custodial account were acquired at different points in time, the Notes first acquired will be deemed to have been sold first for the purposes of determining the capital gains (FIFO method). The FIFO method is applied on the level of the individual custodial account. Where Notes are acquired and/or sold in a currency other than Euro, the sales price and the acquisition costs have to be converted into Euro on the basis of the foreign exchange rates prevailing on the sale date and the acquisition date respectively with the result that any currency gains or losses are part of the capital gains. If interest claims are disposed of separately (*i.e.* without the Notes), the proceeds from the disposition are subject to taxation. The same applies to proceeds from the payment of interest claims if the Notes have been disposed of separately.

If the Notes have been transferred to the custodial account of the Disbursing Agent only after their acquisition, and no evidence on the acquisition data has been provided to the new Disbursing Agent by the Disbursing Agent which previously held the Notes in its custodial account, withholding tax will be levied on 30% of the proceeds from the disposition or redemption of the Notes. The transfer of the Notes to the custodial account of another person is considered as a disposition of the Notes and withholding tax will be levied from the difference between the stock market price and the issue price of the Notes, minus the costs of transfer. If a stock market price is not available, withholding tax will be levied on 30% of the issue price. The Holder of the Notes can avoid the levy of withholding tax by informing the Disbursing Agent that the Notes were transferred free of charge.

If no Disbursing Agent is involved in the payment process, the Holder of the Notes will be required to include capital gains from the disposition or redemption of the Notes in its tax return and the flat income tax of 25% (plus the solidarity surcharge and, if applicable, church tax) will be collected by way of assessment. The same applies if the withholding tax on a disposition or redemption has been calculated from 30% of the disposal proceeds and the capital gain calculated on the basis of the actual acquisition costs of the Notes is higher than the basis for the withholding tax.

Payment of the flat income tax by way of withholding will generally satisfy any income tax liability (including the solidarity surcharge and, if applicable, church tax) of the Holder of the Notes with respect to such investment income. Holders of the Notes may apply for a tax assessment on the basis of general rules applicable to them if the resulting income tax burden is lower than 25%.

Notes Held by German Tax Residents as Business Assets

Payments of interest on the Notes and capital gains from the disposition or redemption of Notes held as business assets by German tax resident individuals or corporations (including via a partnership, as the case may be), are generally subject to German income tax or corporate income tax (*Körperschaftsteuer*) (in each case, plus the solidarity surcharge and, if applicable, church tax in case of individuals). The interest and capital gain will also be subject to trade tax (*Gewerbesteuer*) if the Notes form part of the property of a German trade or business. The trade tax rate depends on the municipal multiplier of the respective municipality.

If the Notes are kept or administrated in a custodial account which the Holder of the Notes maintains with a Disbursing Agent, tax at a rate of 25% (plus the solidarity surcharge and, if applicable, church tax in case of individuals) will also be withheld from interest payments on Notes held as business assets. In these cases, the withholding tax does not satisfy the income tax liability of the Holder of the Notes, as in the case of the Notes held by tax residents as private assets, but will be credited as advance payment against the income or corporate income tax liability (plus the solidarity surcharge and, if applicable, church tax in case of individuals) of the Holder of the Notes.

Generally and subject to further requirements, no withholding will be required with regard to capital gains derived from Notes held by corporations resident in Germany, provided that, regarding certain legal entities, the legal form of the corporation has been evidenced by a certificate of the competent tax office. Upon application, the same applies to Notes, held as business assets by individuals or partnerships.

Notes Held by Non-German Tax Residents

In general, interest and capital gains are not subject to German taxation for non-residents (*i.e.*, persons having neither their residence nor their habitual abode nor legal domicile nor place of effective management in Germany), unless the Notes form part of the business property of a permanent establishment (*Betriebsstätte*) or business for which a permanent representative (*ständiger Vertreter*) in Germany has been appointed. Interest or capital gains may, however, be subject to German income tax if the capital investments are secured by real estate situated in Germany or paid against handing over coupons, or if they otherwise constitute taxable income in Germany.

Non-German tax residents are, in general, exempt from German withholding tax on interest and capital gains and from any solidarity surcharge thereon. However, if the interest or capital gain is subject to German taxation, as set forth in the preceding paragraph, and the Notes are kept or administrated in a custodial account with a Disbursing Agent, withholding tax will be levied as explained above under “—*Notes Held by German Tax Residents as Private Assets*” or under “—*Notes Held by German Tax Residents as Business Assets*”, respectively.

Inheritance and Gift Tax

No inheritance or gift taxes with respect to any securities will generally arise under the laws of Germany, if, in the case of inheritance tax, neither the decedent nor the beneficiary, or in the case of gift tax, neither the donor nor the donee, is a resident of Germany and such securities are not attributable to a German trade or business for which a permanent establishment is maintained, or a permanent representative has been appointed, in Germany. Exceptions to this rule apply to certain German citizens who previously maintained a residence in Germany.

Other Taxes

No stamp, issue, registration or similar taxes or duties will be payable in Germany in connection with the issuance, delivery or execution of the Notes. Currently, neither a net assets tax (*Vermögensteuer*) nor a financial transfer tax is levied in Germany.

Taxation in Luxembourg

The following information is of a general nature only and is based on the laws presently in force in Luxembourg, though it is not intended to be, nor should it be construed to be, legal or tax advice. The information contained within this section is limited to Luxembourg withholding tax issues, and prospective investors in the Notes should therefore consult their own professional advisers as to the effects of state, local or foreign laws, including Luxembourg tax law, to which they may be subject.

Please be aware that the residence concept used under the respective headings below applies for Luxembourg income tax assessment purposes only. Any reference in the present section to a withholding tax or a tax of a similar nature, or to any other concepts, refers to Luxembourg tax law and/or concepts only.

(i) Non-resident holders of Notes

Under Luxembourg general tax laws currently in force, there is no withholding tax on payments of principal, premium or interest made to non-resident holders of Notes, nor on accrued but unpaid interest in respect of the Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of the Notes held by non-resident holders of Notes.

(ii) Resident holders of Notes

Under Luxembourg general tax laws currently in force and subject to the law of December 23, 2005, as amended (the “**Relibi Law**”), there is no withholding tax on payments of principal, premium or interest made to Luxembourg resident holders of Notes, nor on accrued but unpaid interest in respect of Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of Notes held by Luxembourg resident holders of Notes.

Under the Relibi Law, payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to or for the immediate benefit an individual beneficial owner who is a resident of Luxembourg will be subject to a withholding tax of 20%. Such withholding tax will be in full discharge of income tax if the beneficial owner is an individual acting in the course of the management of his/her private wealth. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent. Payments of interest under the Notes coming within the scope of the Relibi Law will be subject to a withholding tax at a rate of 20%.

Under the Relibi Law, Luxembourg resident individuals, acting in the course of their private wealth who are the beneficial owners of interest payments, can opt to self-declare and pay a 20% levy on interest payments made after January 1, 2017 by paying agents located in a member state of the European Union other than Luxembourg or in a EEA member state who is not a member state of the European Union. In such case, the 20% levy is calculated on the same amounts as for the payments made by Luxembourg paying agents. The Luxembourg resident individual who is the beneficial owner of interest is responsible for the declaration and the payment of the 20% final levy. The option for the 20% levy must cover all interest payments made by paying agents to the beneficial owner during the entire civil year.

The Proposed Financial Transactions Tax

The European Commission and certain member states of the European Union (including Germany) currently intend to introduce an FTT. On February 14, 2013, the Commission published a proposal for a Council Directive that focusses on levying an FTT of 0.1% (0.01% for derivatives) on secondary market transactions in securities involving at least one financial intermediary.

The FTT proposal is still subject to negotiation between the participating member states and full details are not available. Therefore, it is currently uncertain whether and when the proposed FTT will be enacted by the participating member states and when it will take effect with regard to dealings in the Notes. The proposal may be altered prior to any implementation and other member states may decide to participate. Prospective Holders of the Notes are advised to seek their own professional advice in relation to the FTT.

Responsibility of the Issuer for the Withholding of Taxes at Source

The Issuer does not assume any responsibility for the withholding of taxes at source.

SUBSCRIPTION AND SALE

Subscription

On November 23, 2017, the Issuer and the Joint Bookrunners will enter into a subscription agreement (the “**Subscription Agreement**”). Under the Subscription Agreement, the Issuer will agree to issue and sell to the Joint Bookrunners, and the Joint Bookrunners will agree, subject to certain customary closing conditions, to subscribe to and pay for the Notes on November 27, 2017. The Issuer will agree to pay certain fees to the Joint Bookrunners and to reimburse the Joint Bookrunners for certain expenses incurred in connection with the issuance of the Notes.

Under certain circumstances, the Joint Bookrunners may terminate the Subscription Agreement. In such event, no Notes will be delivered to investors. Furthermore, the Issuer will agree to indemnify the Joint Bookrunners against certain liabilities it may incur in connection with the offer and sale of the Notes.

From time to time, the Joint Bookrunners or their respective affiliates have provided, and expect to provide in the future, investment services to the Issuer and/or its affiliates, for which the Joint Bookrunners or their respective affiliates have received or will receive customary fees and commissions.

Selling Restrictions

General

The Joint Bookrunners have acknowledged that no representation is made by the Issuer or any of the Joint Bookrunners that any action has been or will be taken in any jurisdiction that would permit a public offering of the Notes, or possession or distribution of this Prospectus or any other materials relating to the Notes, in any country or jurisdiction where further action for that purpose would be required. Each Joint Bookrunner has undertaken to comply, to the best of its knowledge and belief, in all material respects with all applicable laws and regulations in each jurisdiction in which it acquires, offers, sells or delivers Notes, or has in its possession or distributes this Prospectus (in preliminary, proof or final form) or any such other materials, in all cases at its own expense.

United States of America

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons, except in accordance with Regulation S or pursuant to an exemption from, or in transactions not subject to, the registration requirements of the Securities Act.

The Joint Bookrunners have represented, warranted and undertaken that they have not offered or sold, and will not offer or sell, the Notes constituting part of their respective allotment within the United States, except in accordance with Rule 903 of Regulation S. Accordingly, the Joint Bookrunners have further represented, warranted and undertaken that neither they, nor their respective affiliates, nor any persons acting on their behalf, have engaged or will engage in any directed selling efforts with respect to the Notes. Terms used in this paragraph shall have the meaning ascribed to them by Regulation S.

In addition, until 40 days after the commencement of the offering of the Notes, an offer or sale of Notes within the United States by a dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a U.S. person, except in transactions permitted by U.S. tax regulations. Terms used in this paragraph shall have the meaning ascribed to them by the United States Internal Revenue Code of 1986, as amended, and applicable regulations thereunder.

European Economic Area

In relation to each member state of the EEA, each Joint Bookrunner has represented, warranted and agreed that it has not made, and will not make, an offer of Notes which are the subject of the offering contemplated by this Prospectus to the public in a member state of the EEA, except that it may make an offer of Notes:

- (i) to any legal entity which is a qualified investor as defined in the Prospectus Directive;
or
- (ii) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) per member state of the EEA, as permitted under the Prospectus Directive, subject to obtaining the prior consent of the Joint Bookrunners;
or
- (iii) in any other circumstances falling within Article 3 para. 2 of the Prospectus Directive;

provided that no such offer of Notes shall require the Issuer or any Joint Bookrunner to publish a prospectus pursuant to Article 3 para. 1 of the Prospectus Directive or a supplement to a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an “offer of Notes to the public” in relation to any Notes in any member state of the EEA means the communication to persons in any form and by any means, presenting sufficient information on the terms of the offer and the Notes, so as to enable an investor to decide to purchase or subscribe for Notes.

United Kingdom

Each of the Joint Bookrunners has represented and agreed that:

- (i) it has only communicated or caused to be communicated, and will only communicate or cause to be communicated, an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of the Notes in circumstances in which Section 21 para. 1 of the FSMA does not apply to the Issuer; and
- (ii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to such Notes in, from or otherwise involving the United Kingdom.

GENERAL INFORMATION

Application has been made to the CSSF, which is the Luxembourg competent authority, for the purposes of obtaining the approval of this Prospectus, which will be published in electronic form on the website of the Luxembourg Stock Exchange (*Bourse de Luxembourg*) (www.bourse.lu). By approving this Prospectus, the CSSF assumes no responsibility for the economic and financial soundness of the transactions contemplated by this Prospectus or the quality or solvency of the Issuer.

Notice to Prospective Investors in the European Economic Area

This Prospectus has been prepared on the basis that all offers of Notes will be made pursuant to an exemption under the Prospectus Directive from the requirement to produce a prospectus in connection with offers of Notes and is therefore, for the purposes of the offering of the Notes, not a prospectus within the meaning of the Prospectus Directive. Accordingly, any person making or intending to make any offer of Notes within the EEA should only do so in circumstances in which no obligation arises for the Issuer or the Joint Bookrunners to produce a prospectus for such offers. Neither the Issuer nor the Joint Bookrunners have authorized, nor do they authorize, any offer of Notes through any financial intermediary, other than offers made by the Joint Bookrunners, which constitute the final placement of the Notes contemplated in this Prospectus.

Notice to Prospective Investors in the United Kingdom

In the United Kingdom, this Prospectus is for distribution to Relevant Persons only. This Prospectus is directed only at Relevant Persons and may not be acted or relied on by persons who are not Relevant Persons. In the United Kingdom, any investment or investment activity to which this Prospectus relates is only available to Relevant Persons and will only be engaged in with Relevant Persons.

Interests of Natural and Legal Persons Involved in the Issue

The Joint Bookrunners have entered into a contractual relationship with the Company in connection with the issuance of the Notes.

In addition, in the ordinary course of their business activities, the Joint Bookrunners and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or its affiliates. The Joint Bookrunners and their respective affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer, as applicable, consistent with their customary risk management policies. Typically, the Joint Bookrunners and their respective affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, potentially including the Notes. Any such short positions could adversely affect future trading prices of the Notes.

The Joint Bookrunners and their respective affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities or instruments.

Authorization and Issue Date

The issuance of the Notes was authorized by the Management Board on November 20, 2017. The Issue Date of the Notes is November 27, 2017.

Use of Proceeds; Total Expenses of the Listing

The net proceeds from the issuance of the Notes, estimated by the Issuer to be approximately €395.9 million, are expected to be used (i) to repay and refinance selected land-charge secured loans of TLG in an aggregate amount of approximately €300 million in order to lower TLG's interest expenses, (ii) for future acquisitions while maintaining a maximum Net LTV of 45.0% as well as (iii) for general corporate purposes.

The Issuer estimates that the total expenses of the Listing will amount to approximately €3.0 million.

Delivery of Notes

Delivery and payment of the Notes will be made on the Issue Date (*i.e.*, November 27, 2017). The Notes so purchased will be delivered via book-entry delivery through the Clearing System and their depository banks against payment of the issue price.

Costs and Expenses Relating to the Purchase of Notes

The Issuer will not directly charge any costs, expenses or taxes to any investor in connection with the Notes. However, Investors should inform themselves about any costs, expenses or taxes in connection with the Notes which are generally applicable in their respective country of residence, including any charges their own depository banks may charge them for purchasing or holding Notes.

Listing and Admission to Trading of the Notes

Application has been made to the Luxembourg Stock Exchange (*Bourse de Luxembourg*) for the Notes to be listed on the official list of the Luxembourg Stock Exchange (*Bourse de Luxembourg*) and to be admitted to trading on the regulated market of the Luxembourg Stock Exchange (*Bourse de Luxembourg*). The regulated market of the Luxembourg Stock Exchange (*Bourse de Luxembourg*) is a regulated market for purposes of Directive 2004/39/EC of the European Parliament and of the Council of April 21, 2004 on markets in financial instruments, as amended.

The admission to trading is expected to be granted on or around November 27, 2017. The expenses in connection with the admission to trading are expected to amount to approximately €15,000.00.

Clearing System and Security Codes

The Notes will be accepted for clearance through:

Clearstream Banking S.A.
42 Avenue JF Kennedy
L-1855 Luxembourg
Grand Duchy of Luxembourg

and

Euroclear Bank SA/NV

1 Boulevard du Roi Albert II
1210 Brussels
Kingdom of Belgium

The Notes have the following securities codes:

International Securities Identification Number (ISIN)XS1713475215

Common Code 171347521

German Securities Identification Number (*WKN*) A2G9JP

Ratings of the Issuer and the Notes

Moody's³ has assigned the long-term issuer rating "Baa2"⁴ (stable outlook) to the Issuer.

The Notes are expected to be rated "Baa2"⁴ (stable outlook) by Moody's.

Indication of Yield

The yield in respect of the Notes from November 27, 2017 up to (but excluding) the Maturity Date is 1.415% *per annum*, calculated on the basis of the issue price of the Notes. Such yield is calculated in accordance with the ICMA (*International Capital Markets Association*) Method.

Documents Available

So long as Notes are outstanding, copies of the following documents will be available for inspection at the registered office of the Issuer and at the specified offices of the Paying Agent:

- (i) the Articles of Association;
- (ii) a copy of this Prospectus and any supplement thereto; and
- (iii) the documents incorporated by reference.

³ Moody's is established in the European Community and is registered under the CRA Regulation. The European Securities and Markets Authority publishes on its website (www.esma.europa.eu/page/list-registered-and-certified-CRAs) a list of credit rating agencies registered in accordance with the CRA Regulation. That list is updated within five working days following the adoption of a decision under Articles 16, 17 or 20 of the CRA Regulation. The European Commission shall publish that updated list in the Official Journal of the European Union within 30 days following such update.

⁴ Moody's defines "Baa2" as follows: "Obligations rated Baa2 are judged to be medium-grade and subject to moderate default risk and as such may possess certain speculative characteristics. [...] Moody's appends numerical modifiers 1, 2, and 3 to each generic rating classification from Aa-PD through Caa-PD (*e.g.*, Aa1-PD). The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category."

DOCUMENTS INCORPORATED BY REFERENCE

The pages set out below, which are extracted from the Issuer's German-language Quarterly Financial Report as of September 30, 2017 and from the Issuer's German-language Annual Report 2016 and German-language Annual Report 2015, shall be deemed to be incorporated by reference in, and to form part of, this Prospectus.

The Issuer's unaudited condensed interim consolidated financial statements as of and for the nine months ended September 30, 2017 incorporated by reference were prepared in accordance with IFRS on interim financial reporting (IAS 34), and the Issuer's audited consolidated financial statements as of and for the fiscal years ended December 31, 2016 and 2015, respectively, incorporated by reference were prepared in accordance with IFRS and the additional requirements of German commercial law pursuant to Section 315a para. 1 HGB. The audit opinions (*Bestätigungsvermerke*) with respect to the Issuer's consolidated financial statements as of and for the fiscal years ended December 31, 2016 and 2015, respectively, incorporated by reference refer to the consolidated financial statements and the respective report on the position of the Issuer and TLG, in each case as a whole, and not solely to the consolidated financial statements incorporated by reference.

Any information not incorporated by reference in this Prospectus but contained in one of the documents mentioned as source documents in the cross reference list below is either not relevant for the investor or covered in another part of this Prospectus.

Upon written or oral request, the Issuer will provide a copy of any or all of the documents incorporated by reference free of charge. Requests for such documents should be directed to the Issuer at its registered office as set out at the end of this Prospectus.

The documents incorporated by reference into this Prospectus have been published on the Issuer's website (www.tlg.de) and will be published on the website of the Luxembourg Stock Exchange (www.bourse.lu). The Issuer's English-language Quarterly Financial Report as of September 30, 2017 and the Issuer's English-language Annual Report 2016 and English-language Annual Report 2015, which are also published on the Issuer's website, are translations of the respective German-language versions and are not incorporated by reference in, and do not form part of, this Prospectus.

(1) *Unaudited German-language Condensed Interim Consolidated Financial Statements of the Issuer as of and for the Nine Months ended September 30, 2017, extracted from the German-language Quarterly Financial Report as of September 30, 2017*

Consolidated Statement of Comprehensive Income	page 21
Consolidated Statement of Financial Position	page 22
Consolidated Cash Flow Statement	page 23
Consolidated Statement of Changes in Equity.....	page 24
Condensed Notes to the Interim Consolidated Financial Statements	pages 25 to 31

(2) ***Audited German-language Consolidated Financial Statements of the Issuer as of and for the Fiscal Year ended December 31, 2016, extracted from the German-language Annual Report 2016***

Consolidated Statement of Comprehensive Income	page 96
Consolidated Statement of Financial Position	page 97
Consolidated Cash Flow Statement	page 98
Consolidated Statement of Changes in Equity.....	page 99
Notes to the Consolidated Financial Statements.....	pages 100 to 136
Audit Opinion	page 137

(3) ***Audited German-language Consolidated Financial Statements of the Issuer as of and for the Fiscal Year ended December 31, 2015, extracted from the German-language Annual Report 2015***

Consolidated Statement of Comprehensive Income	page 112
Consolidated Statement of Financial Position	page 113
Consolidated Cash Flow Statement	page 114
Consolidated Statement of Changes in Equity.....	page 115
Notes to the Consolidated Financial Statements.....	pages 116 to 169
Audit Opinion	page 170

GLOSSARY

AktG	The German Stock Corporation Act (<i>Aktiengesetz</i>).
Annualized In-place Rent	Contracted rents as of September 30, 2017, without deduction for any applicable rent-free periods, multiplied by twelve.
Articles of Association	The Company's articles of association.
BP	Basis points.
BVS	The Federal Institute for Special Tasks Arising from Unification (<i>Bundesanstalt für vereinigungsbedingte Sonderaufgaben</i>).
Clearing System	Clearstream together with Euroclear.
Clearstream	Clearstream Banking S.A., Luxembourg.
Combined Group	The combined group of TLG and WCM prior to Completion.
Company	TLG IMMOBILIEN AG, a Germany-based stock corporation (<i>Aktiengesellschaft</i>) incorporated and existing under the laws of Germany.
Completion	The completion of the Takeover Offer on October 6, 2017.
CRA Regulation	Regulation (EC) no. 1060/2009 of the European Parliament and of the Council dated September 16, 2009 on credit rating agencies, as amended.
CSSF	Commission de Surveillance du Secteur Financier.
DCF Method	The discounted cash flow method.
Deutsche Bank	Deutsche Bank Aktiengesellschaft, Frankfurt am Main, Germany.
Domination Agreement	The domination agreement between the Company, as the controlling company, and WCM AG, as the controlled company, entered into on October 6, 2017.
DUHO	DUHO Verwaltungs-Gesellschaft mbH, a limited liability company with its registered office in Berlin, Germany and registered in the commercial register of the local court (<i>Amtsgericht</i>) of Charlottenburg under the docket number HRB 38419.
EBIT	Earnings before interest and taxes.

EBITDA	Earnings before interest, taxes, depreciation and amortization, which is defined as net income/loss before income taxes, financial income, financial expenses, gain/loss from the remeasurement of derivative financial instruments, depreciation and amortization as well as the result from the remeasurement of investment property, all as shown in the Company's respective consolidated financial statements.
EEA	The European Economic Area.
EPRA	The European Public Real Estate Association.
EPRA NAV	EPRA NAV is calculated based on equity attributable to the shareholders of the parent company (i) plus fair value adjustment of owner-occupied property (IAS 16) and fair value adjustment of properties in inventories (IAS 2) and (ii) excluding the fair value of derivative financial instruments, deferred tax assets, deferred tax liabilities and goodwill.
EPRA Vacancy Rate	The market rental value of vacant space divided by the market rental value of the whole portfolio.
Equity Listing	The admission to trading of the New Shares on the regulated market segment (<i>regulierter Markt</i>) of the Frankfurt Stock Exchange (<i>Frankfurter Wertpapierbörse</i>) with additional post-admission obligations (Prime Standard).
Equity Ratio	The Equity Ratio is the ratio of equity to total equity and liabilities.
Euro and €	The single European currency adopted by certain participating member states of the European Union, including Germany.
Euroclear	Euroclear Bank SA/NV.
Eurosystem	The central banking system for the Euro.
EY	Ernst & Young Wirtschaftsprüfungsgesellschaft GmbH, Stuttgart, office Berlin, Friedrichstraße 140, 10117 Berlin, Germany.
FFO	Funds from operations.
FSMA	The United Kingdom Financial Services and Markets Act 2000, as amended.
FTT	A common financial transaction tax.

Germany	The Federal Republic of Germany.
GESA	GESA Gesellschaft zur Entwicklung und Sanierung von Altstandorten mbH.
Global Notes	The Temporary Global Note and the Permanent Global Note.
Holder	Each holder of Notes.
Holders' Representative	A joint representative (<i>gemeinsamer Vertreter</i>) of the Holders.
IFRS	The International Financial Reporting Standards as adopted by the European Union.
Integration	The integration of WCM into TLG.
Investor's Currency	A currency or currency unit other than the Euro.
Issue Date	The issue date of the Notes (<i>i.e.</i> , November 27, 2017).
Issuer	The Company.
Joint Bookrunners	J.P. Morgan and Deutsche Bank.
J.P. Morgan	J.P. Morgan Securities plc., London, United Kingdom.
Listing	The listing of the Notes on the official list of the Luxembourg Stock Exchange (<i>Bourse de Luxembourg</i>) and the admission to trading on the Regulated Market of the Luxembourg Stock Exchange (<i>Bourse de Luxembourg</i>).
Luxembourg	The Grand Duchy of Luxembourg.
Management Board	The Company's management board.
Market Interest Rate	The current interest rate on the capital markets.
Maturity Date	November 27, 2024.
Moody's	Moody's Investors Service Limited.
Net LTV	The net loan to value ratio, which is defined as the ratio of net debt (sum of non-current and current liabilities due to financial institutions less cash and cash equivalents), to real estate (sum of investment property, advance payments on investment property, owner-occupied property, non-current assets classified as held for sale and inventories).

New Shares	Up to 7,417,555 new ordinary bearer shares with no par-value (<i>Stückaktien</i>), each with a notional value of €1.00 of the Company.
Notes	The notes in the aggregate principal amount of €400,000,000 due 2024 issued by the Issuer on November 27, 2017.
Participating Member States	Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia.
Paying Agent	Citibank, N.A., London Branch.
Permanent Global Note	The permanent global bearer note for the Notes.
Placement Price	The price for the Private Placement of €19.70 per New Share jointly set by the Company and the Joint Bookrunners on November 9, 2017.
Private Placement	The private placement of the New Shares in the form of an accelerated bookbuilding offering initiated by the Joint Bookrunners on November 9, 2017.
Prospectus	This prospectus.
Prospectus Directive	Directive 2003/71/EC of the European Parliament and of the Council of November 4, 2003 on the prospectus to be published when securities are offered to the public or admitted to trading, as amended.
Regulation S	Regulation S under the Securities Act.
Relibi Law	The law of December 23, 2005, as amended.
RETT	Real Estate Transfer Tax (<i>Gründerwerbsteuer</i>).
SchVG	The German Act on Issues of Debt Securities (<i>Gesetz über Schuldverschreibungen aus Gesamtemissionen</i>).
Securities Act	The U.S. Securities Act of 1933, as amended.
Sqm	Square meter.
Subscription Agreement	The subscription agreement into which the Issuer and the Joint Bookrunners will enter on November 23, 2017.
Supervisory Board	The Company's supervisory board.
Takeover Offer	The voluntary public takeover offer of the Company for all shares of WCM AG in the form of an exchange offer.

Temporary Global Note	The temporary global bearer note for the Notes.
Terms and Conditions	The terms and conditions of the Notes.
THA	Treuhandanstalt.
TLG	The Company, together with its consolidated subsidiaries from time to time (including, following the Completion, WCM).
United States	The United States of America.
WALT	The weighted average lease term (<i>i.e.</i> , the remaining average contractual lease term for unexpired leases with a contractually fixed maturity, taking into account special termination rights).
WCM	WCM AG, together with its consolidated subsidiaries.
WCM AG	WCM Beteiligungs- und Grundbesitz-Aktiengesellschaft.

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