

**Compliance Statement pursuant to Section 161 Para. 1 AktG  
(German Stock Corporation Act)**

The Management Board and Supervisory Board of LEG Immobilien AG declare that LEG Immobilien AG has complied with the recommendations of the Government Commission on the German Corporate Governance Code (“Code”) as amended on 15 May 2012 since the release of the last declaration of compliance with the exception of section 3.8 para. 3 (No excess in the D&O insurance for members of the Supervisory Board), section 5.4.2 sentence 4 (Executive functions of Supervisory Board members at major competitors of the company) and section 7.1.2 sentence 4 (Shortened publication deadlines of the Code for financial reports). In the period from the release of the last declaration of compliance to the meeting of the Supervisory Board on 23 April 2013, there was also a departure from the recommendations of section 5.4.1 para. 2 (Designation of specific targets for the composition of the Supervisory Board).

The amended version of the Code took effect on the publication on 10 June 2013 of the Code as amended on 13 May 2013 in the official section of the Federal Gazette. The Management Board and Supervisory Board of LEG Immobilien AG declare that LEG Immobilien AG has complied with the recommendations of the amended Code since 10 June 2013 with the exception of section 3.8 para. 3 (No excess in the D&O insurance for members of the Supervisory Board), section 4.2.3 para. 2 sentence 6 (Cap for total Management Board compensation), section 5.4.2 sentence 4 (Executive functions of Supervisory Board members at major competitors of the company) and section 7.1.2 sentence 4 (Shortened publication deadlines of the Code for financial reports).

The Management Board and Supervisory Board of LEG Immobilien AG further intend to continue to comply with the recommendations in the Code - subject to the below described and temporary limited exceptions - to conform completely with. Up to 1 January 2014, the recommendations contained in section 3.8 para. 3 (No excess in the D&O insurance for members of the Supervisory Board) and section 5.4.2 sentence 4 (Executive functions of Supervisory Board members at major competitors

of the company) will not be complied with; due to the change of D&O insurance as of 1 January 2014 and Dr Scharpe's resignation from the Supervisory Board of GSW Immobilien AG as of 31 December 2013, the abovementioned recommendations of the Code will be complied with after these changes come into effect.

***Section 3.8 para. 3 of the Code: D&O insurance excess for members of the Supervisory Board of LEG Immobilien AG***

Section 3.8 para. 3 of the Code recommend agreeing an excess if the company has concluded a D&O insurance policy for the Supervisory Board. This excess is to comprise at least 10% of the loss up to a minimum of 1.5 times the fixed annual compensation of the Supervisory Board member. LEG Immobilien AG's D&O insurance policy has not stipulated an excess for members of the Supervisory Board, because in the view of the Management Board and Supervisory Board an excess is not necessary to improve the responsibility with which the Supervisory Board members perform their duties. With change of the insurance contracts, taking effect on 1<sup>st</sup> January 2014, was introduced a satisfactory deductible – regarding to the Code - in the contracts of D&O insurance for the Supervisory Board members with respect to corresponding expectations of the capital market. After the change of the insurance policies takes effect on 1 January 2014, the D&O insurance of the Supervisory Board members will comply with the recommendation of section 3.8 para. 3 of the Code.

***Section 4.2.3 para. 2 sentence 6 (Cap for total Management Board compensation)***

According to section 4.2.3 para. 2 sentence 6 of the Code, the total amount of Management Board compensation is to be capped. Already at the conclusion of the Management Board employment agreements, the amount of the basic compensation and variable performance-based compensation was limited. However, fringe benefits, such as the provision of a company car were not capped. All Management Board employment agreements have been adjusted in December 2013 so that the fringe

benefits are limited in amount. Since then the recommendation in section 4.2.3, para 2, sentence 6 has been conformed completely.

***Section 5.4.1 para. 2 of the Code: Designation of specific targets for the composition of the Supervisory Board***

According to section 5.4.1 para. 2 of the Code, the Supervisory Board is to define specific targets for its composition that take into account the company's particular situation in terms of diversity, among other factors. Because LEG Immobilien AG has been a stock corporation only since 11 January 2013, the Supervisory Board first defined such objectives, in particular in terms of diversity, at its meeting on 23 April 2013, and since then has complied with the recommendation of section 5.4.1 para. 2 of the Code.

***Section 5.4.2 of the Code: Membership of a Supervisory Board member in the Supervisory Board of a major competitor***

Supervisory Board members should not perform any executive functions or consulting activities for major competitors of the company (section 5.4.2 of the Code). Dr Scharpe was and is a member of the Supervisory Board of LEG Immobilien AG and currently of GSW Immobilien AG, Berlin. LEG Immobilien AG considers GSW Immobilien AG, a large residential real estate company, to be a competitor. Considering firstly the fact that the activities of both companies currently overlap only slightly in geographical terms, and secondly that market and industry knowledge is very valuable for the Supervisory Board, the Supervisory Board and Management Board are of the opinion that Dr Scharpe's membership in the Supervisory Board of GSW Immobilien AG does not generally pose a significant conflict of interest; and rather that the contribution of his knowledge and experience to the Supervisory Board is in the best interests of LEG Immobilien AG. Moreover, Dr Scharpe has resigned his Supervisory Board membership at GSW Immobilien AG, effective 31 December 2013, so that when the resignation takes effect, the recommendations of section 5.4.2 of the Code will be complied with.

***Section 7.1.2 sentence 4 of the Code: Shortened publication deadlines of the Code for financial reports***

According to section 7.1.2 sentence 4 of the Code, the consolidated financial statements of the company should be publicly accessible within 90 days of the end of the financial year, and the interim reports should be available within 45 days of the end of the reporting period. In 2013, LEG Immobilien AG published the consolidated financial statements within the longer statutory deadlines and the interim reports within two months of the end of the reporting period in question. On account of internal optimisations, the processes have been adapted and accelerated, taking into consideration the due diligence required for drawing up financial reports, in such a way that consolidated financial statements and interim reports that are to be drawn up after the release of this declaration of compliance will be published within the deadlines stipulated by section 7.1.2 sentence 4 of the Code.

Düsseldorf, December 2013

Management Board and Supervisory Board of LEG Immobilien AG