

**Articles of Association**

of

**LEG Immobilien AG**

**I. General Provisions**

**§ 1**

1.1 The name of the Company is

**LEG Immobilien AG**

1.2 The registered seat of the Company is in Düsseldorf.

1.3 The financial year is the calendar year.

**§ 2**

2.1 The purpose of the Company 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 apartments as well as the provision of other services in connection with real estate, either itself or by companies in which the Company holds an interest.

2.2 The Company may engage in any business which may directly or indirectly serve the corporate object. It may establish branches in its home country and abroad with the same or a different corporate name, establish companies, hold interests in and sell companies.

2.3 The Company is entitled to centralize under its direction companies in which it has an interest and/or restrict its activities to the management of the interest(s) and to conclude enterprise agreements of any kind as well as to spin off or transfer its business in parts or as a whole to companies in which it has a majority interest.

2.4 The Company can restrict its activities to the partial performance of the corporate purpose pursuant to § 2.1.

## II. Share Capital and Shares, Authorized Share Capital

### § 3

3.1 The share capital of the Company amounts to

**EUR 63,188,185,00.**

3.2 The share capital is divided into 63,188,185 no-par value shares. Each no-par value share represents a calculated share of the share capital in the amount of EUR 1.00.

3.3 The share capital of the Company in the amount of EUR 52,963,444.00 was raised by way of a change of legal form of LEG Immobilien GmbH with its seat in Düsseldorf (Local Court of Düsseldorf, HRB 69127) through a contribution in kind.

As a result of the change of legal form, the two shareholders of LEG Immobilien AG have acquired the following shares: Saturea B.V., Amsterdam, The Netherlands (registered with the Kamer van Koophandel, Amsterdam under 34261629) 47,264,577 registered shares representing an aggregate amount of the share capital of EUR 47,264,577.00 and Perry Luxco RE S.à r.l., Luxembourg (registered in the Registre de Commerce et des Sociétés, Luxembourg under B 134753) 5,698,867 registered shares representing an aggregate amount of the share capital of EUR 5,698,867.00.

3.4 In the course of the change of legal form of Lancaster GmbH & Co. KG into LEG Immobilien GmbH, the following provisions were incorporated into the articles of association of LEG Immobilien GmbH:

The contribution to the share capital in the aggregate nominal amount of EUR 15,000,000 has been made in full to the Company by the change of legal form of Lancaster GmbH & Co. KG with its seat in Düsseldorf (Local Court of Düsseldorf, HRA 20189).

As a result of the change of legal form, the two shareholders of Lancaster GmbH & Co. KG have acquired the following shares: Saturea B.V., Amsterdam, The Netherlands (registered with the Kamer van Koophandel, Amsterdam under 34261629) 14,999,999 shares each with a nominal amount of EUR 1 and Lancaster Holding GmbH, Düsseldorf (Local Court of Düsseldorf, HRB 59563) one share with the nominal amount of EUR 1.

3.5 The shares are issued as registered shares. Shares from a capital increase are issued as registered shares as well, unless otherwise provided for in the resolution on the capital increase.

3.6 The Company shall be entitled to issue share certificates representing individual shares (*Einzelurkunden*) or multiples of shares (*Sammelurkunden*). The shareholders' right to the issuance of share certificates representing their respective shares shall be excluded to the extent legally permitted and unless such issuance is required in accordance with regulations applicable at a stock exchange to which the shares are admitted.

3.7 The form and content of the share certificates as well as of any profit share and renewal

coupons (*Gewinnanteils- und Erneuerungsscheine*) shall be decided by the Management Board with the consent of the Supervisory Board. This shall also apply to bonds and notes (*Schuldverschreibungen und Schuldscheine*).

- 3.8 In the case of an increase of capital, the profit sharing of the new shares can be determined in deviation from sec. 60 para. 2 of the German Stock Corporation Act (*Aktiengesetz*).

#### § 4

- 4.1 The Management Board is authorized to increase, with the approval of the Supervisory Board, the Company's share capital once or several times until 16 May 2022 by up to EUR 31,594,092.00 in total, by issuing up to 31,594,092 new registered shares against cash and/or in-kind capital contribution (Authorized Capital 2017). Shareholders are to be basically granted a statutory right to subscribe to the new shares. The Management Board may, however, with the approval of the Supervisory Board, exclude the shareholders' subscription right once or several times, in full or in part, as provided in detail hereinafter:
- a. in order to exclude the shareholders' subscription rights for fractional amounts;
  - b. if and in as far as this is necessary to grant the bearers or creditors of conversion and/or option rights, and/or the bearers or creditors of financing instruments carrying conversion and/or option obligations, which are issued by the Company or by a domestic or foreign company, in which the Company holds directly or indirectly the majority of the votes and capital, a subscription right to an extent they would be entitled to after the exercise of the conversion or option rights or after the fulfillment of a conversion or option obligation;
  - c. in case of a capital increase against cash contributions pursuant or according to section 186 (3) sentence 4 of the German Stock Corporation Act, if the par value of the new shares is not substantially lower than the stock exchange price of the already listed shares, and if the new shares, which were issued under exclusion of the subscription right, do not exceed a calculated total amount of 10% of the share capital either at the time of said Authorized Capital 2017 taking effect or at the time of said Authorized Capital 2017 being utilized. Said restriction to 10% of the share capital applies also to the proportional amount of the share capital that is apportionable to shares, which are sold under exclusion of the subscription right during the term of the Authorized Capital 2017 based on an authorization to sell own shares pursuant or according to section 71 (1) no. 8 sentence 5, section 186 (3) sentence 4 of the German Stock Corporation Act. Moreover, said restriction applies also to the proportional amount of the share capital that is apportionable to shares, which are issued during the term of the Authorized Capital 2017 based on other authorizations to issue shares of the Company under exclusion of the shareholders' subscription right in direct or corresponding application of section 186 (3) sentence 4 of the German Stock Corporation Act. Furthermore, said restriction applies also to the proportional amount of the share capital that is apportionable to shares, which may or must be issued in order to service bonds carrying a conversion and/or option right or a conversion and/or option obligation, to the extent that the bonds are issued during the term of the Authorized Capital 2017 under exclusion of the shareholders' subscription right in corresponding application of section 186 (3) sentence 4 of the German Stock Corporation Act.

- d. in case of capital increases against in-kind capital contributions, in particular in order to grant shares for the purpose of acquiring (also indirectly) companies, assets, participations, other assets, real estates and real estate portfolios that are connected to an acquisition plan;
- e. limited to the issuance of up to 1,426,586 new registered shares against cash contribution, if this is necessary to issue shares to the Company's employees or its affiliated companies in terms of section 15 of the German Stock Corporation Act. To the extent permitted by applicable law, the employee shares may also be issued such that the contribution to be paid for them is covered by that portion of the annual surplus, which the Management Board and Supervisory Board may allocate to other revenue reserves under section 58 (2) of the German Stock Corporation Act. The new shares may also be issued to an appropriate credit institution that will take on such shares with the undertaking to pass them on only to the Company's employees or to companies affiliated with the Company in terms of section 15 of the German Stock Corporation Act.

The sum of shares that are issued based on the Authorized Capital 2017 under exclusion of the shareholders' subscription right, must not exceed a calculated amount of 20% of the share capital either at the time of said authorization taking effect or at the time of said authorization being utilized, taking into account other shares of the Company that are sold or issued under exclusion of the subscription right during the term of the Authorized Capital 2017 or that are to be issued based on bonds that were issued after 17 May 2017. It does not, however, apply to shares that are to be issued based on the convertible bonds issued by the Company in April 2014. If and in as far as the subscription right is not excluded under the above provisions, it may be granted to the shareholders also in form of an indirect subscription right pursuant to section 186 (5) of the German Stock Corporation Act or, in part, also in form of a direct subscription right (e.g. for shareholders who are entitled to subscription and have previously issued a confirmed subscription declaration (*Festbezugserklärung*), and otherwise in form of an indirect subscription right pursuant to section 186 (5) of the German Stock Corporation Act, if so determined by the Management Board with the approval of the Supervisory Board.

The Management Board is moreover authorized to establish the further details of the capital increase and its performance, in particular the contents of the share rights and the terms and conditions of share issuance, with the approval of the Supervisory Board.

- 4.2. The share capital is conditionally increased by up to EUR 31,594,092.00 through an issuance of up to 31,594,092 new registered shares (Conditional Capital 2013/2017).

The conditional increase in capital will be performed only insofar as the bearers of conversion or option rights that are based on bonds or participation rights carrying a conversion and/or option right (or a combination of such instruments), which were issued by LEG Immobilien AG or by domestic or foreign companies, in which LEG Immobilien AG holds directly or indirectly the majority of the votes and capital, based on the General Meeting's authorization resolutions dated 17 January 2013 and 17 May 2017, exercise their conversion or option rights or if conversion obligations that are based on such bonds are fulfilled, and insofar as the conversion or option rights and/or conversion obligations are not satisfied through own shares, shares from authorized capital or other benefits.

The new shares will share in the profit as of the beginning of the fiscal year, in which they

come into existence through the exercise of conversion and/or option rights or through the fulfillment of conversion obligations; notwithstanding the above, the Management Board may, if permitted by law, resolve with the approval of the Supervisory Board that the new shares will be able to share in the profit as of the beginning of the fiscal year, for which the General Meeting at the time of the exercise of conversion and/or option rights or the fulfillment of conversion obligations has not yet resolved on the appropriation of the net retained profit.

The Management Board is authorized to establish the further details of the performance of the conditional increase in capital.

### **III. The Management Board**

#### **§ 5**

- 5.1 The Management Board shall consist of at least two persons.
- 5.2 The Supervisory Board appoints the members of the Management Board and determines their number. It may appoint deputy members of the Management Board. The Supervisory Board may appoint a chairperson of the Management Board as well as a deputy chairperson of the Management Board.
- 5.3 The Supervisory Board is entitled to adopt rules of procedure for the Management Board. In case the Supervisory Board does not adopt rules of procedure for the Management Board, the Management Board may itself adopt rules of procedure, which are subject to the approval of the Supervisory Board, by unanimous resolution of all members of the Management Board.

#### **§ 6**

- 6.1 The Management Board shall have sole responsibility for the management of the Company. The Management Board shall conduct the business in accordance with statutory regulations, the articles of association and the rules of procedure for the Management Board.
- 6.2 The Management Board may only undertake the following transactions and measures with the prior consent (approval) by the Supervisory Board or a Supervisory Board committee which has been appointed for these purposes by the Supervisory Board:
  - a. the establishment and dissolution of branches;
  - b. the conclusion, amendment or termination of enterprise agreements pursuant to secs. 291, 292 of the German Stock Corporation Act as well as the execution of conversions in accordance with the German Transformation Act.
- 6.3 Furthermore, the Management Board requires the prior approval by the Supervisory Board or a Supervisory Board committee which has been appointed for these purposes by the

Supervisory Board if it becomes involved in transactions at affiliated companies in accordance with § 6.2 through instruction, approval, voting or in any other manner.

- 6.4 The Supervisory Board may determine that the Management Board may also enter into specific other types of transactions only with the consent of the Supervisory Board.
- 6.5 The Supervisory Board may revocably grant its prior consent to a specific group of transactions in general or in case the individual transaction fulfills certain requirements.

## § 7

The Company is represented by two members of the Management Board or by one member of the Management Board acting jointly with an authorized representative (*Prokurist*). The Supervisory Board may determine that all or any individual members of the Management Board shall have sole power of representation. The members of the Management Board shall be authorized to conclude legal transactions as representative of the Company and as representative of third parties (exemption from the limitations on multiple representation of sec. 181 2<sup>nd</sup> alt. of the German Civil Code).

## IV. The Supervisory Board

### § 8

- 8.1 The Supervisory Board shall consist of six members.
- 8.2 The members of the Supervisory Board shall be elected for a term until the conclusion of the General Meeting of the Company granting discharge for the fourth financial year after the commencement of their term of office subject to the General Meeting prescribing a shorter term for all or any individual members of the Supervisory Board. The financial year in which the term commences shall not be counted for the purposes of calculating the term. Reelection is permissible. The removal of members of the Supervisory Board requires a three quarters' majority of the votes cast.
- 8.3 Reserve members may be elected for all or individual members of the Supervisory Board at the same time as the Supervisory Board members. The reserve members shall replace the Supervisory Board member who leaves his/her office prior to the expiry of his/her term and whom they were elected to replace unless a new member of the Supervisory Board is elected by the General Meeting prior to the effective date on which the member leaves the Supervisory Board. If a reserve member becomes a member of the Supervisory Board, his/her term shall end upon the conclusion of the next General Meeting at which a new Supervisory Board member is elected. Such election requires a three quarters' majority of the votes cast. The reserve member's term of office shall expire at the latest upon expiry of the term of office of the member who has left the Supervisory Board.
- 8.4 The appointment of the successor of a Supervisory Board member who has left his/her office prior to the expiry of his/her term shall be made for the remainder of the term of the member who has left, unless the General Meeting decides on a different term of office in the context of § 8.2.

- 8.5 Each member of the Supervisory Board and each reserve member may resign from office by written notice to the Company represented by the Management Board. A notice to one member of the Management Board shall suffice. Such notice is to be given four weeks in advance, unless the office is vacated for cause which is possible with immediate effect. The Management Board can consent to a shortening of the notice period or waive the observance of the notice period.
- 8.6 The Supervisory Board shall elect a chairperson and a deputy chairperson from among its members. The election shall take place at a meeting which is held without the requirement of prior invitation immediately subsequent to the General Meeting at which the Supervisory Board members have been appointed. The chairperson and deputy chairperson shall remain in such role for the term for which they are members of the Supervisory Board unless a shorter term is determined at the time of their election. If the chairperson or deputy chairperson leave their office prior to the expiry of their term, a replacement shall be elected immediately for their remaining term of office by the Supervisory Board.
- 8.7 The Supervisory Board may form committees from among its members and transfer certain functions to them. Functions and procedures for these committees shall be determined by the Supervisory Board in its rules of procedure or by a separate resolution.
- 8.8 The election of the chairperson of the Supervisory Board shall be overseen by the oldest member of the Supervisory Board present.
- 8.9 The deputy chairperson shall only be conferred the rights and duties of the chairperson if the chairperson is unable to exercise them and if the law, the articles of association or the rules of procedure do not stipulate otherwise.
- 8.10 The Supervisory Board members receive a fixed annual basic remuneration of EUR 50,000.00. The chairperson of the Supervisory Board receives double this amount, the deputy chairperson receives one-and-a-half times this amount. Members of a Supervisory Board committee receive an additional fixed annual remuneration of EUR 15,000.00; the committee chairperson receives double this. No remuneration is paid for membership or chairing of the nomination committee. Each member receives an additional payment of EUR 2,000.00 for each Supervisory Board or committee meeting where physical attendance is required. Each of the amounts stated above are payable after the fiscal year ends. Supervisory Board members who have only belonged to the Supervisory Board or a Supervisory Board committee during part of the fiscal year receive corresponding remuneration for the fiscal year pro rata temporis. The provisions in the above sentences shall apply as of 1 July 2015.
- 8.11 The Company shall reimburse the members of the Supervisory Board for appropriate expenses incurred due to the exercising of their office. VAT will be reimbursed by the Company to the extent that the members of the Supervisory Board are eligible to separately invoice VAT and have exercised such right.
- 8.12 The Company may conclude a D&O liability insurance for the members of the Supervisory Board with a reasonable maximum liability.

**§ 9**

- 9.1 The chairperson, or if he/she is not available the deputy chairperson, of the Supervisory Board shall call the meetings of the Supervisory Board by submitting the individual agenda items. Draft resolutions on individual agenda items shall be communicated prior to the meeting early enough to allow for written votes to be cast by Supervisory Board members not present in the meeting. The invitation may be in written form, communicated by e-mail or by fax. The notice period for the calling of meetings shall be two weeks. When calculating the notice period, the day on which the invitation is sent and the day of the meeting are disregarded. In situations where the important interests of the Company are threatened, the Supervisory Board chairperson may shorten the notice period for the resolutions of the Supervisory Board to three banking days at the seat of the Company. At the request of the Supervisory Board the Management Board shall be obliged to be present at meetings and shall continuously report to the Supervisory Board to the extent determined by law, the articles of association and the rules of procedure for the Management Board.
- 9.2 If an individual agenda item has not been properly announced, a resolution thereon may only be taken if none of the Supervisory Board members present objects thereto. In such a case, absent Supervisory Board members must be given the opportunity to object to the resolution within a reasonable period to be determined by the chairperson of the Supervisory Board. The resolution shall only become effective if the absent members of the Supervisory Board have not registered an objection within the time given or if they have voted in favor.
- 9.3 The Supervisory Board shall hold at least two meetings in each half of the calendar year. Furthermore, the Supervisory Board shall hold meetings as often and as soon as is required in the interests of the Company. In justified exceptional cases, such meetings may be held by video conference or conference call upon the instruction of the chairperson of the Supervisory Board. Moreover, any member of the Supervisory Board as well as the Management Board as a whole may require the chairperson, stating the purpose and the reasons, to call a meeting of the Supervisory Board without undue delay. The meeting shall be held within two weeks from the date on which the notice thereof has been given. If the chairperson does not call a meeting following such a request, any member of the Supervisory Board or the Management Board as a whole may call a meeting by submitting a description of the facts and an agenda.



- 9.4 The Supervisory Board shall have a quorum if all members have been invited and at least half of the members as provided for in the articles of association participate in the vote. Abstentions are deemed to be a participation. Any Supervisory Board members who are absent may participate in votes of the Supervisory Board or its committees by having other Supervisory Board members submit written votes for them. Matters shall be resolved by simple majority of the votes cast unless otherwise provided for by law or by the articles of association. An abstention shall not constitute a vote cast. In case of a tie, the resolution proposal shall be deemed rejected.
- 9.5 Furthermore, resolutions can be adopted by submitting votes in written form, by telephone, by e-mail, by fax or in a similar manner to the chairperson of the Supervisory Board. Resolutions can also be voted upon by casting the votes via various permissible ways of communication and by votes being cast in part during the meeting and in part via other permissible ways of communication – also retroactively – by absent members. In each of these cases, it is necessary that either all members participate in the voting or the chairperson of the Supervisory Board orders such method of resolution and at least half of the members of which the Supervisory Board has to consist participate in the voting. In any case, the chairperson of the Supervisory Board may set an appropriate time limit for the casting of the votes. The Supervisory Board members do not have a right to object to stipulations made by the chairperson pursuant to this § 9.5.
- 9.6 Minutes of the meetings and resolutions of the Supervisory Board shall be recorded and shall be signed by the chairperson (if he/she is not available, by the deputy chairperson) and the secretary (*Schriftführer*). A copy of the minutes shall be sent to every Supervisory Board member without undue delay after signing. The minutes shall record the place and date of the meeting, the participants, the items on the agenda, the main content of the discussions and the resolutions of the Supervisory Board. Resolutions outside of physical meetings shall be recorded by the chairperson (or a member appointed for this task by the Supervisory Board) in writing, shall be signed by him/her and a copy shall be distributed to all members of the Supervisory Board without undue delay.
- 9.7 Declarations of legal significance by the Supervisory Board and its committees shall be made in the name of the Supervisory Board by the chairperson and, in case he/she is not available, by the deputy chairperson. The chairperson and, in case he/she is not available, the deputy chairperson is authorized to receive declarations on behalf of the Supervisory Board. Sec. 78 para. 2 sent. 2 of the German Stock Corporation Act remains unaffected.

## § 10

- 10.1 The duties and rights of the Supervisory Board are determined by law and by these articles of association. The Supervisory Board is competent to appoint the auditor following its election by the General Meeting.
- 10.2 The Supervisory Board shall regulate its function through rules of procedure which shall be in accordance with the law and these articles of association.
- 10.3 The Supervisory Board shall be authorized to resolve amendments of these articles of association that only relate to its wording.

## V. The General Meeting

### § 11

- 11.1 The General Meeting shall take place at the seat of the Company or at the seat of a German stock exchange.
- 11.2 Unless a different notice period is required by applicable law, the notice convening the meeting must be published no less than thirty (30) days prior to the day of the General Meeting in the federal gazette (*Bundesanzeiger*). The minimum period shall be extended by the days of the registration period set forth in § 11.3. The calculation of the notice period shall be subject to applicable law.
- 11.3 Shareholders are only eligible for participation and the exercising of their voting rights in the General Meeting who have registered with the Company prior to such meeting and who are registered in the share register for the shares notified. This registration must reach the Company at the address named in the invitation to the General Meeting for this purpose in text form (sec. 126b of the German Civil Code) in German or English at least six days prior to the General Meeting. The day of the General Meeting and the day of the receipt of the registration are not counted for this purpose.
- 11.4 The Management Board is authorized to partially or fully permit image and sound transmission of the General Meeting. It will inform of this with the convening of the General Meeting.
- 11.5 The Management Board is authorized to permit shareholders to participate in the General Meeting without their physical presence and without a proxy and to exercise some or all of their rights partially or fully by way of electronic communication. Should the Management Board use this authorization, it will specify the details of this procedure at the time of convening the General Meeting. Shareholders who participate in the General Meeting in accordance with sent. 1 are not allowed to file objections against resolutions of the General Meeting and/or to contest these.
- 11.6 The General Meeting is chaired by the chairperson of the Supervisory Board or another member of the Supervisory Board determined by the chairperson. In case the determined member of the Supervisory Board is not available to act as chairperson of the General Meeting, the members of the Supervisory Board attending the General Meeting shall elect a chairperson for the General Meeting. If the chairperson is not elected by way of the above procedure, he/she shall be elected by the General Meeting. In the cases of sent. 2 or sent. 3, also a non-member of the Supervisory Board may be elected.
- 11.7 The chairperson of the General Meeting chairs the General Meeting. He/She determines the sequence in which items on the agenda are dealt with, as well as the form and sequence of voting. The chairperson may determine the sequence of statements made and is authorized to limit the questioning and speaking rights of the shareholders regarding time spent in an adequate fashion. In particular, he/she is authorized, at the beginning or during the course of the General Meeting, to set a reasonable time limit for the entire General Meeting, for particular items on the agenda, or for any particular speaker.

## § 12

- 12.1 Each share entitles the holder to one vote in the General Meeting.
- 12.2 The vote may be cast through a proxy in accordance with applicable law provisions.
- 12.3 The Management Board is authorized to provide for shareholders to vote without physically participating in the General Meeting in written form or by way of electronic communication (postal vote). Should the Management Board use this authorization, it will specify the details of this procedure of the postal vote at the time of convening the General Meeting.
- 12.4 Resolutions of the General Meeting are passed by a simple majority of the votes cast, provided that statutory law or the articles of association do not require a larger majority. Provided that statutory requirements stipulate a capital majority in addition to a majority of votes, the simple majority of the capital represented at the time of the adoption of the resolution suffices, unless statutory law provides otherwise. In case of a tie, a proposed resolution shall be deemed rejected.

## VI. Annual Financial Statements and Distribution of Profits

### § 13

The preparation, audit and adoption of the annual financial statements and of the consolidated financial statements shall be carried out in accordance with statutory provisions.

### § 14

- 14.1 The General Meeting resolves upon the appropriation of the retained earnings resulting from the adopted financial statements. The General Meeting can resolve on a distribution in kind in addition to or instead of a distribution in cash.
- 14.2 After the close of the financial year, the Management Board may, within the limits of sec. 59 of the German Stock Corporation Act and with the consent of the Supervisory Board, distribute to the shareholders an advance dividend payment.

## VII. Final Provisions

### § 15

- 15.1 All publications of the Company shall be made in the federal gazette.

15.2 Information may also be transferred to the shareholders by way of electronic transmission, to the extent permissible by statutory law.

## **§ 16**

16.1 In connection with the change of legal form of Lancaster GmbH & Co. KG into LEG Immobilien GmbH, the following provision was incorporated into the articles of association:

The Company shall bear the costs of the notarization of the change of legal form, of the articles of association, the registration of the Company and entry in the Commercial Register, the publication costs and the costs of an audit regarding the coverage of the share capital by PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft up to an amount of EUR 40,000. Any formation costs exceeding the foregoing amount shall be borne by Saturea B.V.

16.2 The costs of the change of legal form of LEG Immobilien GmbH into the Company, in particular court fees and notarial costs, costs of the formation audit and costs of the shareholders' meeting as well as publication costs, shall be borne by the Company up to a total amount of EUR 85,000.00.