
HAMBORNER REIT AG

Notice to Shareholders

Duisburg, March 2018

Dear Shareholders,

The Annual General Meeting of our company, to which you are cordially invited, will be held on

Thursday, 26 April 2018, at 10:00 am

in the "Festsaal" (banquet hall) of the "Stadthalle" (town hall), Theodor-Heuss-Platz 1, 45479 Mülheim an der Ruhr, Germany.

The invitation including the agenda and the proposals for resolutions published on 20 March 2018 in the *Bundesanzeiger* (German Federal Gazette), and in such media of which it can be assumed that they will distribute the information throughout the entire European Union, can be found overleaf.

At its meeting on 7 March 2018, the Supervisory Board adopted the annual financial statements of the company as at 31 December 2017 prepared by the Management Board and approved the IFRS separate financial statements.

Your custodian bank will be happy to procure the documents that entitle you to participate in the Annual General Meeting in order for you to exercise your voting rights. Please notify your bank of your wishes as quickly as possible to ensure that these documents are sent in a timely manner.

Sincerely

HAMBORNER REIT AG

Dr Mrotzek

Schmitz

Address: Goethestrasse 45, 47166 Duisburg, Germany, Tel: +49 (0) 203 54405-0, Fax +49 (0) 203 54405-49

Management Board: Dr Rüdiger Mrotzek, Hans Richard Schmitz

Chairman of the Supervisory Board: Dr Eckart John von Freyend

Registered office of the company: Duisburg-Hamborn · **Commercial register:** Duisburg District Court HRB 4

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HAMBORNER REIT AG

Duisburg

- ISIN: DE0006013006 // SCN: 601 300 -

We hereby invite the shareholders of our company to the ANNUAL GENERAL MEETING of our company

to be held on Thursday, 26 April 2018, at 10:00 am

in the "Festsaal" (banquet hall) of the "Stadthalle" (town hall), Theodor-Heuss-Platz 1, 45479 Mülheim an der Ruhr, Germany.

Agenda

with proposals for resolutions

- 1) Presentation of the adopted annual financial statements and the approved IFRS separate financial statements as at 31 December 2017 together with the joint management report in accordance with commercial law and IFRS for the 2017 financial year and with the explanatory report on the information required pursuant to section 289(4) and section 289a(1) of the *Handelsgesetzbuch* (HGB – German Commercial Code) and the report of the Supervisory Board for the 2017 financial year**

In accordance with the statutory provisions, no resolution is planned for item 1) of the agenda, as the Supervisory Board adopted the annual financial statements and approved the IFRS individual financial statements on 7 March 2018.

- 2) Appropriation of the net retained profits**

The Management Board and the Supervisory Board propose the following resolution:

€35,872,940.25 of the net retained profits for the 2017 financial year is to be appropriated for the distribution of a dividend of €0.45 per share.

- 3) Formal approval of the actions of the Management Board for the 2017 financial year**

The Management Board and the Supervisory Board propose the following resolution:

The actions of the members of the Management Board who were in office in the 2017 financial year are granted formal approval for this period.

- 4) Formal approval of the actions of the Supervisory Board for the 2017 financial year**

The Management Board and the Supervisory Board propose the following resolution:

The actions of the members of the Supervisory Board who were in office in the 2017 financial year are granted formal approval for this period.

5) Election of the auditor of the financial statements and of the auditor for the audit review for the 2018 financial year

In light of the maximum lengths of audit mandates introduced by Regulation (EU) No. 537/2014 of the European Parliament and of the Council of 16 April 2014 (EU Audit Regulation), the auditor of the annual and consolidated financial statements of HAMBORNER REIT AG must be changed and the mandate must be re-tendered.

Based on Article 16 of the EU Audit Regulation, auditors were invited to tender in the 2017 financial year. The Audit Committee of the Supervisory Board submitted a recommendation to the Supervisory Board for the appointment of the auditor at the Supervisory Board meeting on 7 March 2018 and explained the reasons for its recommendation. The recommendation included two proposals for the audit mandate (Deloitte GmbH Wirtschaftsprüfungsgesellschaft, Düsseldorf, and KPMG AG Wirtschaftsprüfungsgesellschaft, Cologne) and stated a preference for Deloitte GmbH Wirtschaftsprüfungsgesellschaft, Düsseldorf.

The Audit Committee of the Supervisory Board has declared that its recommendation is free from undue influence by third parties and, in particular, that no requirements were imposed on it that would limit its selection to certain auditors.

At the recommendation of the Audit Committee and as per its preference, the Supervisory Board proposes electing Deloitte GmbH Wirtschaftsprüfungsgesellschaft, Düsseldorf, as the auditor of the financial statements for the 2018 financial year and as the auditor for the review of the half-year report and the quarterly interim reports for the 2018 financial year.

6) Election of a new member of the Supervisory Board

In accordance with section 96(1) of the *Aktiengesetz* (AktG – German Stock Corporation Act), sections 1(1) and 4(1) of the *Drittelbeteiligungsgesetz* (German One-third Employee Representation Act) in conjunction with Article 9(1) of the Articles of Association, the Supervisory Board is composed of six members elected by the Annual General Meeting and three members elected by the employees.

Dr Eckart John von Freyend resigned from office effective from the end of the Annual General Meeting that votes on formal approval of the actions of the Supervisory Board for the 2017 financial year.

The Annual General Meeting is not bound by nominations.

Based on a corresponding recommendation of the Nomination Committee, the Supervisory Board proposes the election of

Mr Rolf Glessing, Illerkirchberg
Managing Partner of Glessing Management und Beratung GmbH, Illerkirchberg

to the Supervisory Board as a shareholder representative.

Mr Glessing holds the following offices in statutory supervisory boards or similar executive bodies at companies in Germany and abroad:

FCF Fox Corporate Finance GmbH, Munich
Wohninvest Holding GmbH, Fellbach

The member is to be elected for the period until the end of the Annual General Meeting that resolves his formal approval for the 2019 financial year.

In accordance with item 5.4.1 of the German Corporate Governance Code, in its election recommendations to the Annual General Meeting, the Supervisory Board must disclose the personal and business relations of each individual candidate with the company, the executive bodies of the company and with a shareholder holding a material interest in the company. The disclosure

recommendation is limited to such circumstances that, in the opinion of the Supervisory Board, an objective shareholder would consider relevant to his or her election decision. Within the meaning of this recommendation, shareholders holding a material interest are shareholders who directly or indirectly hold more than 10% of the voting shares of the company.

In the opinion of the Supervisory Board, the proposed candidate has no personal or business relations with HAMBORNER REIT AG, the executive bodies of HAMBORNER REIT AG or a shareholder holding a material interest in HAMBORNER REIT AG for which disclosure is recommended.

Mr Glessing's CV can be found on the Internet at

https://www.hamborner.de/fileadmin/user_upload/004_investor_relations/hauptversammlung/dokumente/en/2018/cv_rolf_glessing-eng.pdf

In accordance with item 5.4.3 sentence 3 of the German Corporate Governance Code, it is noted that Ms Bärbel Schomberg, currently deputy chairman of the board, intends to candidate for the position of chairwoman of the Supervisory Board.

7) Resolution on the cancellation of Contingent Capital 2013 and the cancellation of the existing authorisation to issue bonds with warrants and convertible bonds (Authorisation 2013), plus the resolution on the authorisation to issue bonds with warrants or convertible bonds, to disapply pre-emption rights and to create new Contingent Capital 2018 and the corresponding amendments to the Articles of Association

By way of corresponding resolution, the Annual General Meeting on 7 May 2013 contingently increased the share capital by up to €22,746,666 (in words: twenty-two million seven hundred and forty-six thousand and six hundred and sixty-six euro) by issuing up to 22,746,666 new no-par-value bearer shares. The Annual General Meeting on 7 May 2013 authorised the Management Board, with the approval of the Supervisory Board, to issue bearer or registered bonds with warrants and convertible bonds until 6 May 2018.

By issuing bonds, the company can utilise attractive financing options according to the market situation, for instance by raising debt capital for the company at preferred interest rates. In order to continue to have sufficient flexibility to finance the company's growth, the authorisation – which remains valid until 6 May 2018 – is to be cancelled and replaced by a new authorisation to issue bonds with warrants or convertible bonds (or combinations of these instruments) and to disapply pre-emption rights ("**Authorisation 2018**"), at the same time cancelling Contingent Capital 2013 and creating corresponding new contingent capital 2018 ("**Contingent Capital 2018**").

The Management Board and the Supervisory Board propose the following resolution:

a. Resolution on the cancellation of the existing Contingent Capital 2013 and the cancellation of the existing authorisation to issue bonds with warrants and convertible bonds:

- (1) The resolution of the Annual General Meeting of 7 May 2013 creating contingent capital of up to €22,746,666 will be cancelled effective from the date of entry of the new Contingent Capital 2018 to be resolved in accordance with item 7 b) of the agenda.
- (2) The authorisation of the Management Board to issue bonds with warrants or convertible bonds, dated or undated, or combinations of these instruments of 7 May 2013 will be cancelled on registration of the amendment to the Articles of Association proposed under item 7 b) of the agenda.

b. Resolution on the authorisation to issue bonds with warrants or convertible bonds, to disapply pre-emption rights and to create new Contingent Capital 2018 and the corresponding amendments to the Articles of Association:

- (1) The Management Board is hereby again authorised, with the approval of the Supervisory Board, to issue bearer or registered bonds with warrants or convertible bonds ("**Bonds**"), dated or undated, of a total amount of up to €450,000,000 until 25 April 2023, and to grant the bearers/creditors ("**Bearers**") of Bonds conversion rights to new no-par-value bearer shares of the company with a total pro rata amount of share capital of up to €31,887,058 (in words: thirty-one million eight hundred and eighty-seven thousand and fifty-eight euro) in accordance with the more detailed conditions of the warrant or convertible bonds ("**Bond Conditions**").

The Bond Conditions can also stipulate a conversion or option obligation on maturity (or at another date) or the right of HAMBORNER REIT AG to grant Bearers no-par-value shares of HAMBORNER REIT AG in full or in part instead of paying the monetary amount due on maturity of the Bonds with option/conversion rights or obligations (this also includes maturity due to the Bonds being called).

The Bonds can be issued on one or more occasions, in total or in instalments and also in different tranches at the same time. The Bonds can also bear interest at a floating rate, whereby the interest rate can be wholly or partially dependent on the amount of the company's dividend.

The Bonds can be issued in euro or the legal currency of an OECD country (limited to the corresponding equivalent value in euro). The bonds can be issued against cash or non-cash contributions.

If bonds with warrants are issued, one or more warrants will be attached to each bond with warrants entitling the Bearer to subscribe for shares in the company in accordance with the Bond Conditions to be stipulated by the Management Board. For bonds with warrants issued by the company, the Bond Conditions can stipulate that the premium set according to this authorisation can also be fulfilled by transferring individual bonds with warrants possibly an additional payment in cash. The pro rata amount of the share capital attributable to the shares granted for each individual bond must not exceed the nominal amount of this individual bond. If fractions of shares arise, it can be stipulated that these fractions will be added up in accordance with Bond Conditions, possibly against additional payment, for whole shares to be granted.

If convertible bonds are issued, the Bearers of the convertible bonds receive the right – or, if a conversion obligation is stipulated, they are obliged – to convert their convertible bonds into shares of the company in accordance with the Bond Conditions. The conversion ratio is calculated by dividing the nominal amount or, if the issue amount is less than the nominal amount, the issue amount of an individual bond by the conversion price set for one share of the company. The conversion ratio can be rounded up or down to a whole number.

Moreover, it can be stipulated that fractional amounts will be combined or settled in cash, and an additional payment can also be stipulated. Furthermore, the Bond Conditions can stipulate that the conversion ratio is variable and the conversion price is to be determined based on future market prices within a certain range.

This does not affect section 9(1) AktG or section 199 AktG.

Without prejudice to section 9(1) and section 199 AktG, the premium or conversion price to be set must be at least 80% of the average market price of the company's

shares, weighted by volume, in the XETRA trading system of the Frankfurt Stock Exchange (or a comparable successor system) on the last ten trading days before the final Bond Conditions are set. In the event of trading in pre-emption rights, this is the days of trading in pre-emption rights except for the last two days of trading in pre-emption rights.

Without prejudice to section 9(1), the premium/conversion price can be adjusted to preserve value on the basis of a dilution protection clause in accordance with the more detailed Bond Conditions if the company increases its share capital with pre-emption rights in place for shareholders or issues or guarantees further Bonds before the end of the option/conversion period, and the Bearers of existing option/conversion rights or obligations are not granted pre-emption rights. The Bond Conditions can also stipulate an adjustment of the premium/conversion price to preserve value for other measures by the company that lead to a dilution of the value of option/conversion rights or obligations.

The Bond Conditions can stipulate that the company has the right to not grant shares in the company in the event of an option being exercised or conversion, and instead to pay a monetary amount. Furthermore, the Bond Conditions can bestow on the company the right to grant creditors of Bonds shares of the company in full or in part instead of paying the monetary amount due ("**right to tender**"). Moreover, the pre-emption rights and conversion rights of Bearers of Bonds, and the rights arising from a mandatory conversion or mandatory exercise of options, can be settled by granting treasury shares of the company and by issuing new shares of the company from Authorised Capital of the company, contingent/authorised capital to be resolved at a later date or an ordinary capital increase.

The Management Board is authorised, with the approval of the Supervisory Board, to stipulate the precise calculation of the exact premium or conversion price, the further details of the issue and features of Bonds and the Bond Conditions, or to stipulate these in consultation with the executive bodies of the Group company issuing the Bonds, including in particular the interest rate, issue price, term and denomination, subscription or conversion ratio, grounds giving rise to a conversion or exercise obligation, stipulation of an additional cash payment, settlement or combination of fractional amounts, cash payment in place of delivery of shares, delivery of existing shares instead of issuing new shares and the option/conversion period.

Shareholders must be granted pre-emption rights to the Bonds; pre-emption rights can also be granted in such a way that the Bonds are issued by a bank or company acting in accordance with section 53(1) sentence 1 or section 53b(1) sentence 1 or (7) of the *Gesetz über das Kreditwesen* (KWG – German Banking Act) or a syndicate of such banks and financial institutions with the obligation to offer them to the shareholders of the company for subscription. However, the Management Board is authorised, with the approval of the Supervisory Board, to disapply shareholders' pre-emption rights in the following cases:

- a. for fractional amounts that arise as a result of the subscription ratio;
- b. if this is necessary to grant to the Bearers of previously issued option/conversion rights or Bearers of Bonds with option/conversion obligations pre-emption rights to the extent they would be entitled after exercising their option/conversion rights or fulfilling their option/conversion obligations;
- c. if issuing Bonds against non-cash contributions, to grant shares for the purposes of acquiring property or shares in

- i. property partnerships within the meaning of section 3(1) of the *REIT-Gesetz* (REITG – German REIT Act);
 - ii. REIT service companies within the meaning of section 3(2) REITG;
 - iii. foreign property companies within the meaning of section 3(3) REITG; and
 - iv. corporations that are general partners of a property partnership within the meaning of section 3(1) REITG and do not hold an interest in its assets;
- d. if the Bonds are issued against cash payment and the Management Board comes to the conclusion after due diligence that the issue price of the bonds with warrants or convertible bonds is not significantly less than their hypothetical market value calculated using generally accepted – in particular financial – methods. However, this authorisation to disapply pre-emption rights applies only to Bonds with an option/conversion right or obligation for shares with a pro rata amount of the share capital of not more than 10% of the share capital in total, either at the time that the authorisation becomes effective or – if this value is lower – at the time that this authorisation is exercised. The above 10% limit also includes treasury shares that are sold to third parties for cash during the term of this authorisation in a way other than on the stock market or through an offer to all shareholders in accordance with sections 71(1) no. 8 sentence 5 and 186(3) sentence 4 AktG. Furthermore, the above 10% limit also includes treasury shares issued from authorised capital with pre-emption rights disapplied during the term of this authorisation in accordance with section 186(3) sentence 4 AktG.

The Management Board is permitted to utilise the authorisations to disapply pre-emption rights granted above only to the extent that the pro rata amount (section 8(3) sentence 3 AktG) of the total shares issued with pre-emption rights disapplied does not exceed 20% of the share capital, either at the time that the resolution is adopted or at the time that this authorisation is exercised

If, during the term of this authorisation to issue bonds with warrants or convertible bonds, or combinations of these instruments, prior to their utilisation, other authorisations to issue shares of the company (including in particular from Authorised Capital in accordance with the Articles of Association) or rights that allow or require subscription for shares of the company are utilised and pre-emption rights are disapplied, this is added to the above 20% limit.

The Management Board is authorised, with the approval of the Supervisory Board, to stipulate the details of the issue and features of Bonds, including in particular the interest rate, issue price, term and denomination, anti-dilution provisions, option/conversion period and the premium/conversion price.

- (2) The Management Board is authorised to contingently increase the share capital by up to €31,887,058 (in words: thirty-one million eight hundred and eighty-seven thousand and fifty-eight euro) by issuing up to 31,887,058 new no-par-value bearer shares (**Contingent Capital 2018**). The contingent capital increase serves to grant shares to the Bearers of Bonds issued by the company by 25 April 2023 on the basis of the authorisation above under 7 b) (1).

The contingent capital increase is to be implemented only to the extent that the Bearers of Bonds issued by the company on the basis of the above authorisation of the Management Board by 25 April 2023 exercise their option/conversion rights, or the Bearers of Bonds required to satisfy option/conversion obligations do so, or the company exercises a right bestowed on it to issue new no-par-value bearer shares of

the company in full or in part instead of paying a monetary amount owed, and to the extent that cash settlement is not offered and treasury shares are not used. The new shares will be issued at a premium or conversion price to be stipulated in accordance with the above authorisation. The new shares issued participate in profits from the beginning of the financial year in which they arise. The Management Board is authorised, with the approval of the Supervisory Board, to stipulate the further details of the implementation of the contingent capital increase.

(3) Article 3(7) of the Articles of Association is revised as follows:

“The share capital is contingently increased by up to €31,887,058 (in words: thirty-one million eight hundred and eighty-seven thousand and fifty-eight euro) divided into up to 31,887,058 no-par-value bearer shares (**Contingent Capital 2018**).

The contingent capital increase is to be implemented only to the extent that the bearers/creditors of bonds with warrants or convertible bonds (Bonds) issued by the company by 25 April 2023 on the basis of the authorisation of the Management Board by the resolution of the Annual General Meeting on 26 April 2018 exercise their option/conversion rights, or the bearers/creditors of Bonds required to satisfy option/conversion obligations do so, or the company exercises a right bestowed on it to issue new no-par-value bearer shares of the company in full or in part instead of paying a monetary amount owed, and to the extent that cash settlement is not offered and treasury shares are not used. The new shares will be issued at a premium or conversion price to be stipulated in accordance with the authorising resolution described above. The new shares issued participate in profits from the beginning of the financial year in which they arise. The Management Board is authorised, with the approval of the Supervisory Board, to stipulate the further details of the implementation of the contingent capital increase.”

- (4) To ensure that the cancellation of the above contingent capital does not become effective without the new Contingent Capital 2018 replacing it, the Management Board is instructed to file the amendment of Article 3(7) of the Articles of Association in accordance with the new version arising from the above authorisation for entry in the commercial register with the proviso that the amendment is entered only when the new Contingent Capital 2018 is entered at the same time.
- (5) The Supervisory Board is authorised to amend Article 3(7) of the Articles of Association of the company in accordance with the respective utilisation of the contingent capital or after the end of the option exercise or conversion periods.

Report of the Management Board to the Annual General Meeting on item 7 of the agenda in accordance with section 221(4) sentence 2 in conjunction with section 186(4) sentence 2 AktG

The report is published as follows:

Appropriate capital resources form an essential basis for the further development of the company. In particular, when favourable capital market conditions arise, bonds with warrants and convertible bonds provide for the possibility of raising debt capital at a relatively low interest rate, and also of benefiting directly from the option and conversion premiums generated when the bonds are issued. The authorisation of the Management Board, with the approval of the Supervisory Board, to issue bonds of a total nominal amount of up to €450,000,000 and to create the associated contingent capital of up to €31,887,058 is therefore intended to open up flexible financing options that can be utilised at short notice in the interests of the company. The possibility of stipulating an option/conversion obligation on bonds also gives the company greater leeway in designing such financial instruments. On the grounds of flexibility and depending on the market situation, when issuing bonds the company should be able to utilise the German or international capital markets and, as a convenience, to issue the bonds both in euro and the legal currency of any OECD country.

Shareholders are entitled to pre-emption rights in such transactions (section 221(4) sentence 1 AktG). However, when issuing bonds, the Management Board should, with the approval of the Supervisory Board, have the option of disapplying pre-emption rights under certain circumstances in accordance with section 221(4) sentence 2 AktG in conjunction with section 186(3) AktG.

Disapplication of pre-emption rights for fractional amounts:

It should first be possible, with the approval of the Supervisory Board, to disapply pre-emption rights for fractional amounts. The disapplication of pre-emption rights for fractional amounts when issuing bonds is necessary to be able to ensure a technically feasible subscription ratio. The bonds for which shareholders' pre-emption rights are disappplied as unassigned fractional amounts will be utilised in the best possible way for the company. Any potential dilution will be minor as this is limited to fractional amounts. In weighing up these circumstances, the Management Board and the Supervisory Board consider the authorisation to disapply pre-emption rights within the limits described to be necessary, suitable, appropriate and in the interests of the company.

Disapplication of pre-emption rights for existing bonds:

The disapplication of pre-emption rights for the benefit of bearers/creditors of bonds with option/conversion rights or obligations has the advantage that, in the event of the authorisation being exercised, the premium/conversion price does not have to be reduced in accordance with the option/conversion conditions in place for the bearers/creditors of bonds with option/conversion rights or obligations. This allows the greatest possible inflow of funds in the event of options being exercised or of an option/conversion obligation being fulfilled at a later date.

Disapplication of pre-emption rights for specific acquisition purposes:

Furthermore, the Management Board should be authorised, with the approval of the Supervisory Board, to disapply pre-emption rights on bonds for the purpose of acquiring property or shares in property partnerships within the meaning of section 3(1) REITG, in REIT service companies within the meaning of section 3(2) REITG, in foreign property companies within the meaning of section 3(3) REITG and in corporations that are general partners of a property partnership within the meaning of section 3(1) REITG and do not hold an interest in its assets.

The bonds can be used as consideration for such acquisitions. In particular, granting bonds as consideration can make sense in terms of optimising the financing structure. If the seller is more interested in acquiring bonds in the company than a monetary payment, this option of using bonds as acquisition currency strengthens the company's negotiating position.

The authorisation proposed here therefore gives the company the necessary flexibility to acquire property or shares in the companies specified in the authorisation at short notice by issuing bonds. In order to be able to offer bonds to the seller alone in such an event, it is essential that shareholders' pre-emption rights are disappplied. When determining the valuation ratio, the Management Board will ensure that the interests of the company and its shareholders remain protected and that an appropriate price is obtained for the bonds.

There are currently no specific acquisition projects where it is intended to exercise this option. If options to acquire property or shares in the companies mentioned in the authorisation materialise, the Managing Board will carefully examine whether it will utilise the authorisation to issue bonds. It will do this only if the acquisition in return for granting bonds is in the best interests of the company. The Supervisory Board will give its necessary approval only when these conditions are met.

Shareholders' interests in protection against dilution are safeguarded by limiting the options for disapplying pre-emption rights to 20% of the share capital.

In weighing up all these circumstances, the Management Board and the Supervisory Board consider the authorisation to disapply pre-emption rights within the limits described to be necessary, suitable, appropriate and in the interests of the company.

Disapplication of pre-emption rights in accordance with section 186(3) sentence 4 AktG:

Furthermore, it should be possible to disapply pre-emption rights in accordance with section 186(3) sentence 4 AktG if the issue is conducted at a price that is not significantly less than the hypothetical

market value of the bonds calculated using generally accepted – in particular financial – methods. The option of disapplying pre-emption rights gives the company the flexibility to take advantage of favourable stock market situations at short notice. Thus, for example, bonds can be issued to institutional investors and additional German and international buyers can therefore be gained.

Unlike when offering bonds with pre-emption rights in place, when issuing them with pre-emption rights disapplying the bond conditions do not have to be set until immediately before placement, hence the risk of price changes is avoided for the remaining subscription period. However, when pre-emption rights are in place, the final bond conditions must be published by the third-last day of the subscription period. Given the volatility frequently observed on the stock markets, there would therefore be a market risk for several days, leading to haircuts when determining the terms of the offering and thus to conditions that may not reflect the market. Also when pre-emption rights are in place, successful placement with third parties is endangered or entails additional expense as long as there is uncertainty regarding the exercise of pre-emption rights.

The financial and voting interests of the shareholders are reasonably protected despite the proposed disapplication of pre-emption rights. Their financial interests, in particular the protection against dilution of the value of shareholdings, are taken into account by the fact that the bonds can be issued only at a price not significantly less than the hypothetical market value calculated using generally accepted – in particular financial – methods. As a result, the value of pre-emption rights drops to almost zero, with the result that the shareholder does not suffer any economic disadvantage as a result of the disapplication of pre-emption rights. Furthermore, the authorisation to issue bonds with rights to shares is limited to a maximum of 10% of the share capital of the company. It is thus ensured that the total number of shares to be issued to serve option/conversion rights or obligations does not exceed 10% of the share capital of the company in total, either at the time the authorisation becomes effective or at the time the authorisation is exercised; this fulfils the requirements of section 221(4) sentence 2 in conjunction with section 186(3) sentence 4 AktG. The sale of treasury shares counts towards this limit if this occurs with pre-emption rights disapplying in accordance with sections 71(1) no. 8 sentence 5 and 186(3) sentence 4 AktG during the term of the authorisation. Furthermore, this limit also includes the shares issued from authorised capital on the basis of the authorisation in accordance with section 186(3) sentence 4 AktG during the term of this authorisation.

As the volume is restricted to 10% of the share capital and as the issue price of bonds has been set at close to the market value, a relevant dilution of shareholders' interests is therefore precluded.

Attendance at the Annual General Meeting

Only shareholders who register with the company at the following address in writing, by e-mail, or by fax and submit proof of their shareholding in accordance with the following provisions by the end of 19 April 2018 (midnight, Central European Summer Time) are entitled to participate in the Annual General Meeting and exercise their voting rights:

HAMBORNER REIT AG
c/o Bader & Hubl GmbH
Wilhelmshofstr. 67
74321 Bietigheim-Bissingen, Germany
Fax +49 (0) 7142/78 86 67-55
E-mail: hauptversammlung@baderhubl.de

Proof of **shareholdings** must relate to the start of 5 April 2018 (12:00 am, CEST) and must be received by the company at the above address no later than by the end of 19 April 2018 (midnight, CEST). Proof of shareholdings prepared in written form (section 126b of the *Bürgerliches Gesetzbuch* (BGB – German Civil Code)) by the custodian bank is sufficient. The proof must be written in German or English. After the proof of shareholdings has been received, the shareholders will be sent admission tickets for the Annual General Meeting by the registration office.

The right to participate in the Annual General Meeting and exercise voting rights is valid only for the shareholder who has provided proof of his/her shareholding. This right is based solely on the shareholding on the date to which the proof relates. Changes to the shareholding after the date to which the proof relates have no significance with respect to the extent and exercising of the right to participate and to vote.

However, at the date to which the proof relates there is no restriction on selling the shares held. Even in the case of (full or partial) sale of the shares after the date to which the proof relates, the decisive factor with respect to the right is solely the shareholding at the date to which the proof relates. Conversely, any additional acquisitions of shares after the date to which the proof relates are not taken into consideration. A person who is not a shareholder on the reference date, for example, but who purchases shares before the Annual General Meeting is not entitled to participate. However, the reference date to which the proof relates is of no significance for the entitlement to receive a dividend.

Proxy voting

Shareholders who do not attend the Annual General Meeting in person can arrange for their voting right to be exercised by authorised representatives with appropriate power of attorney, e.g. by the custodian bank, another bank, an association of shareholders, or another individual of their choice. The power of attorney, its revocation and evidence of the authorisation provided to the company must be issued in written form. Where power of attorney is issued to banks, shareholder associations, or equivalent individuals according to section 135(8) AktG, special features generally have to be observed; information on this should be obtained from the respective authorised representative.

We offer our shareholders the opportunity to be represented by an employee nominated by the company as an authorised representative at the Annual General Meeting. In this event, the shareholder is to issue instructions on the individual items of the agenda. Details of this can be found in the documents sent to the shareholders together with the admission ticket.

A form for granting power of attorney to third parties or voting right representatives nominated by the company is sent to the shareholders together with the admission ticket and can also be downloaded from the [website at https://www.hamborner.de/fileadmin/user_upload/004_investor_relations/hauptversammlung/dokumente/de/2018/vollmachtserteilung_an_dritte_2018.pdf](https://www.hamborner.de/fileadmin/user_upload/004_investor_relations/hauptversammlung/dokumente/de/2018/vollmachtserteilung_an_dritte_2018.pdf) or https://www.hamborner.de/fileadmin/user_upload/004_investor_relations/hauptversammlung/dokumente/de/2018/vollmachtserteilung_an_stimmrechtsvertreter_2018.pdf. The power of attorney for the voting right representatives nominated by the company must be received by the company by no later than 25 April 2018. The voting right representative nominated by the company can also be issued with a power of attorney at the Annual General Meeting.

Powers of attorney and instructions can also be sent to the company electronically. These can be sent to the following e-mail address: hv2017@hamborner.de.

Supplementary motions for the agenda at the request of a minority in accordance with section 122(2) AktG

Shareholders whose total shares account for one twentieth of the share capital or a pro rata amount of the share capital of €500,000 can demand that items be added to the agenda and announced. The request is to be submitted in writing to the Management Board of HAMBORNER REIT AG at the following address:

The Management Board of HAMBORNER REIT AG
Goethestrasse 45
47166 Duisburg
Fax: +49 (0) 203/54405-49

and must reach the company no later than 26 March 2018 (midnight, CEST). Each new item on the agenda must be accompanied by a statement of grounds or proposed resolution.

Motions and election nominations by shareholders in accordance with sections 126(1), 127 AktG

Every shareholder is entitled to submit countermotions to items on the agenda and nominations for the election of members of the Supervisory Board or auditors. Such motions and nominations, including the name of the shareholder, the statement of grounds and any official opinion of the Management Board or Supervisory Board, are made available immediately at https://www.hamborner.de/fileadmin/user_upload/004_investor_relations/hauptversammlung/dokumente/d

e/2018/gegantraege_2018.pdf if the company receives a counter-motion to a proposed resolution for a specific item on the agenda with a statement of grounds or a nomination of a candidate, which does not require substantiation, at the following address by no later than 11 April 2018 (midnight, CEST):

HAMBORNER REIT AG, Vorstandssekretariat □ Goethestrasse 45 □ 47166 Duisburg, Germany
Fax: +49 (0) 203/54405-49

The company can refrain from publishing a counter-motion and its statement of grounds under the conditions stated in section 126(2) AktG. The above rules for counter-motions also apply by analogy to the counterproposal of a shareholder for the election of the auditor, where such a counterproposal does not have to be substantiated. Shareholders are requested to provide proof of their shareholder status when sending their counter-motion or nomination.

Right of the shareholder to receive information in accordance with section 131(1) AktG

On request, the Management Board will provide each shareholder with information at the Annual General Meeting concerning the affairs of the company, including the legal and business relations of the company with its affiliates, provided that such information is required to make a proper assessment of the item on the agenda.

Total number of shares and voting rights at the time the Annual General Meeting is convened

At the time at which the Annual General Meeting is convened, the share capital of the company consists of 79,717,645 shares; each share entitles the holder to one vote, such that there are 79,717,645 voting rights on the basis of the Articles of Association at the time at which the meeting is convened. The company does not hold any treasury shares.

Publications on the website and documents to be made available for inspection

This invitation to the Annual General Meeting, the documents and motions from shareholders to be made available, further explanations on the rights of shareholders under section 122(2), section 126(1) and sections 127 and 131(1) AktG plus additional information are also available on the company's website at

<https://www.hamborner.de/en/investor-relations/general-shareholders-meeting.html>

https://www.hamborner.de/fileadmin/user_upload/004_investor_relations/hauptversammlung/dokumente/en/2018/e_-_einberufung_ohv_2018_20849-5-128_v4.pdf

https://www.hamborner.de/fileadmin/user_upload/004_investor_relations/hauptversammlung/dokumente/en/2018/hamborner_reit_ag_annual_report_2017.pdf

https://www.hamborner.de/fileadmin/user_upload/004_investor_relations/hauptversammlung/dokumente/d/2018/jahresabschluss_2017.pdf

https://www.hamborner.de/fileadmin/user_upload/004_investor_relations/hauptversammlung/dokumente/d/2018/gegantraege_2018.pdf

https://www.hamborner.de/fileadmin/user_upload/004_investor_relations/hauptversammlung/dokumente/en/2018/explanations_of_the_rights_of_the_shareholders_2018_final.pdf

This invitation to the Annual General Meeting was published in the *Bundesanzeiger* (Federal Gazette) on 20 March 2018.

The following documents can also be inspected at the company's premises at Goethestrasse 45, 47166 Duisburg, Germany:

the invitation and the report of the Management Board to the Annual General Meeting on item 7 of the agenda in accordance with section 221(4) sentence 2 in conjunction with section 186(4) sentence 2 AktG;

the adopted annual financial statements as at 31 December 2017;

the approved IFRS separate financial statements as at 31 December 2017,

the joint management report under German commercial law and IFRS for the 2017 financial year together with the explanatory report on the information in accordance with section 289(4) and section 289a(1) HGB;

the report of the Supervisory Board for the 2017 financial year.

Copies of the above documents will also be sent to shareholders on request. They will be available at the Annual General Meeting as well.

The results of votes will be announced after the Annual General Meeting on the website at https://www.hamborner.de/fileadmin/user_upload/004_investor_relations/hauptversammlung/dokumente/en/2018/voting_results_2018.pdf.

Duisburg, March 2018

HAMBORNER REIT AG

The Management Board