



**alstria**

## **INVITATION**

to the annual general meeting of  
**alstria office REIT-AG**  
Wednesday, June 8, 2011

**Für die deutsche Version bitte wenden!**

 **alstria**  
First German REIT

**This is a convenience translation of the original German document.**

alstria office REIT-AG

Hamburg

ISIN: DE000A0LD2U1

Securities Identification No.: A0LD2U

## **Invitation to the annual general meeting**

We hereby invite the shareholders of our Company to the annual general meeting on

**Wednesday, June 8, 2011 at 10:00 a.m.**

**at the Hamburg Chamber of Skilled Crafts and Small Businesses**

**(Handwerkskammer),**

**Holstenwall 12, 20355 Hamburg,**

**Room 304.**

## **Agenda of the annual general meeting**

- 1. Presentation of the adopted annual financial statements, the approved consolidated financial statements, the management reports of alstria office REIT-AG and the consolidated group as per December 31, 2010 and the explanatory report of the management board on the information in accordance with Sec. 289 para. 4 and 315 para. 4 of the German Commercial Code (Handelsregegesetz, HGB), the recommendation of the management board on the appropriation of the annual net profit and the report of the supervisory board for the 2010 financial year**

The above-mentioned documents may be viewed on the Internet at **[www.alstria.com](http://www.alstria.com) -> Investors -> Annual General Meeting**. These documents will also be on display at the annual general meeting.

The supervisory board approved the annual financial statements and consolidated financial statements prepared by the management board on February 18, 2011 on March 3, 2011 and thus adopted the annual financial statements. The annual financial statements will therefore not be adopted by the shareholders in the annual general meeting. The documents specified in this item of the Agenda are to be made accessible to the shareholders in the annual general meeting in accordance with Sec. 176 para. 1 sentence 1 of the German Stock Corporation Act (Aktienengesetz, AktG) without requiring a separate resolution in this regard.

## **2. Appropriation of the annual net profit for the 2010 financial year**

The management board and supervisory board hereby propose appropriating the annual net profit from the 2010 financial year in the amount of EUR 34,000,000.00 as follows:

- a) Distribution of EUR 31,502,955.00 to the shareholders, i.e., a dividend of EUR 0.44 per no par value share entitled to dividends.
- b) Transfer to revenue reserves in the amount of EUR 0.00.
- c) Profit carried forward in the amount of EUR 2,497,045.00.

## **3. Formal approval of the actions of the members of the management board for the 2010 financial year**

The management board and the supervisory board hereby propose that formal approval be given to the members of the management board who were in office in the 2010 financial year for this period.

## **4. Formal approval of the actions of the members of the supervisory board for the 2010 financial year**

The management board and the supervisory board hereby propose that formal approval be given to the members of the supervisory board who were in office in the 2010 financial year for this period.

## **5. Appointment of the auditors and group auditors for the 2011 financial year and for the review of the half-year financial report as per June 30, 2011**

At the recommendation of its audit committee, the supervisory board hereby proposes adopting the following resolutions:

1. Deloitte & Touche GmbH, Hamburg, shall be appointed as auditors of the annual and the consolidated financial statements for the 2011 financial year.
2. Deloitte & Touche GmbH, Hamburg, shall also be appointed as auditors to review the half year financial report 2011.

## **6. Election of the members of the supervisory board**

The terms of office of the members of the supervisory board will cease at the close of the 2011 annual general meeting.

Pursuant to Sec. 96 para. 1 AktG and Sec. 9 para. 1 of the articles of association, the supervisory board shall consist of six members of shareholders elected by the shareholders in annual general meeting. The shareholders in annual general meeting shall not be bound to nominations.

At the recommendation of its nomination and remuneration committee, the supervisory board hereby recommends electing the following people as members of the supervisory board:

- a) Dr. Johannes Conradi, Attorney (Rechtsanwalt), Partner at Freshfields Bruckhaus Deringer LLP, Hamburg
- b) Roger Lee, Partner at Natixis Capital Partners, Paris, France
- c) Richard Mully, Investment Manager at Grove International Partners (UK) Ltd., Dublin, Ireland
- d) John van Oost, Managing Partner at Natixis Capital Partners, Singapore, Singapore
- e) Daniel Quai, Partner at Natixis Capital Partners, Crans, Switzerland and
- f) Alexander Stuhlmann, Corporate Consultant, Hamburg.

Elections shall be held as individual elections. The chairman of the supervisory board is intended to be Alexander Stuhlmann. Dr. Johannes Conradi, Roger Lee and Alexander Stuhlmann are intended to be the independent financial experts.

The former majority shareholder reduced its stake in the Company in spring 2011. This reduced stake is to be reflected as soon as possible in the composition of the supervisory board. The supervisory board is currently looking for appropriate candidates to replace two of the representatives of the majority shareholder in the supervisory board. However, the search will take some time and the intended changes in the supervisory board cannot be taken into account in the upcoming elections.

*Information in accordance with Sec. 125 para. 1 sentence 5 AktG:*

The candidates nominated for election to the supervisory board are members of the supervisory board(s) of the companies listed under lit. i) below as to be established by law and are members of a comparable German or foreign supervisory body of the financial companies listed under lit. ii) below:

- a) Dr. Johannes Conradi
  - i) none
  - ii) Elbphilharmonie Hamburg Bau GmbH & Co. KG (member of the supervisory board)
- b) Mr. Roger Lee
  - i) none
  - ii) none
- c) Mr. Richard Mully
  - i) none
  - ii) Event Hospitality Group B.V. (Director); Hansteen Holdings PLC (Director); Karta Realty Limited (Director); Polish Investments Real Estate Holding B.V. (Director); Polish Investments Real Estate Holding II B.V. (Director); Starr Street Ltd. (Director)

- d) Mr. John van Oost
  - i) none
  - ii) CDS Costruzioni SpA (board member); CDS Holding SpA (board member)
- e) Mr. Daniel Quai
  - i) none
  - ii) none
- f) Mr. Alexander Stuhlmann
  - i) LBS Bausparkasse Schleswig-Holstein-Hamburg AG
  - ii) Euro-Aviation Versicherungs AG (Chairman of the advisory board); Frank Beteiligungsgesellschaft mbH (Chairman of the advisory board); Otto Dörner GmbH & Co. KG (Chairman of the advisory board); Siedlungsbaugesellschaft Hermann und Paul Frank mbH & Co. KG (Chairman of the advisory board); Studio Hamburg Berlin-Brandenburg GmbH (member of the advisory board) and Ludwig Görtz GmbH (member of the administrative board).

## **7. Authorization to acquire own shares**

By way of a resolution of the shareholders in annual general meeting of June 16, 2010, the Company was authorized pursuant to Sec. 71 para. 1 no. 8 AktG to purchase its own shares of up to a total of 10% of the share capital at the time the authorization is issued (No. 7.a of the Agenda of the Annual General Meeting of June 16, 2010). Furthermore, the management board was authorized in accordance with No. 7b)aa) of the Agenda of the Annual General Meeting of June 16, 2010, subject to the approval of the supervisory board, to sell shares of the Company which were acquired on the basis of the authorization issued in No. 7.a) or on the basis of other authorizations to acquire own shares – besides selling such shares via a stock exchange or by way of an offer with subscription rights to all shares – in return for a cash contribution under the exclusion of the subscription rights of the shareholders, provided the sales price is not significantly lower than the price of the shares of the Company on the stock exchange. However, the management board may only use this authorization in such that the sum of the (i) shares sold in accordance with the authorization of the shareholders in annual general meeting of June 16, 2010, (ii) shares issued utilizing the authorized capital in return for cash contribution (Sec. 5 para. 3 and 4 of the articles of association) and (iii) conversion and option rights for shares granted upon the issuance of partial debentures with conversion or option rights or conversion obligations in return for cash contribution – in each case with the exclusion of the shareholders' subscription rights in accordance with Sec. 186 para. 3 sentence 4 AktG – does not exceed 10% of the share capital at the time the resolution on the sale of the shares is adopted.

The authorization issued by the Company's shareholders in annual general meeting on June 16, 2010 of the Company under item 7 of the Agenda needs to be renewed because the share capital of the Company was increased by way of the capital increases entered into the Commercial Register on September 23, 2010 and March 30, 2011 with the exclusion of the subscription rights of the shareholders. The new authorization will utilize the option provided by law to limit the authorization to five years and is in the interest of condensing future annual general meetings.

The management board and supervisory board thus hereby propose resolving as follows:

- a) The management board shall be authorized, subject to the approval of the supervisory board, to acquire own shares of the Company up to a total of 10% of the share capital existing at the time the authorization is issued until June 7, 2016. The shares acquired and other own shares which are in the possession of or to be attributed to the Company pursuant to Sec. 71a et seqq. AktG must at no time account for more than 10% of the share capital altogether.

At the discretion of the management board, the shares may be acquired (1) via a stock exchange, (2) by means of a public offer directed at all shareholders (hereinafter "acquisition offer"), or (3) through the use of derivatives (put or call options or a combination of both).

- aa) If the shares are acquired via a stock exchange, the consideration paid by the Company for each share of the Company may not exceed by 10% or fall below by more than 20% the average closing price of one alstria share in Xetra trading on the Frankfurt Stock Exchange during the last three exchange trading days prior to the acquisition of the shares (not including incidental acquisition costs).

- bb) If the shares are acquired by way of an acquisition offer, the Company may determine either a purchase price or a purchase price range at or within which it is prepared to acquire the shares. The purchase price may, however, – subject to an adjustment during the offer period – not exceed by more than 10% or fall below by more than 20% the average closing price of one alstria share in Xetra trading on the Frankfurt Stock Exchange on the 5th, 4th and 3rd exchange trading day prior to the public announcement of the acquisition offer (not including incidental acquisition costs).

If, after the public announcement, there are significant fluctuations in the relevant share price, the purchase price may be adjusted accordingly. In this case, the average closing price of one alstria share in Xetra trading on the Frankfurt Stock Exchange on the 5th, 4th and 3rd exchange trading day prior to the public announcement of any such adjustment shall be decisive.

The acquisition offer may stipulate additional terms and conditions.

In the event the acquisition offer is oversubscribed, the shares must be accepted in proportion to the respective shares offered. However, a preferred acceptance of small offers or small parts of offers of up to a maximum of 150 shares shall be permissible.

- cc) If the shares are acquired through the use of derivatives in the form of put or call options or a combination thereof, the option transactions must be entered into with a financial institution or via the stock exchange at conditions that are close to the market, for the determination of which, inter alia, the purchase price payable upon exercise of the option, i.e., the strike price, shall be taken into account. At any rate, own shares up to a maximum of, in total, 5% of the share capital may be acquired through the use of derivatives in the form of put or call options or a combination thereof. The term of the options may not exceed 18 months and shall end no later than on June 7, 2016. In analogous application of Sec. 186 para. 3 sentence 4 AktG, shareholders shall not be entitled to the right to enter into such option transactions with the Company in this regard. The strike price may not exceed by more than 10% or fall below by more than 20% the average closing price of one alstria share in Xetra trading on the Frankfurt Stock Exchange during the last three exchange trading days prior to entering into the relevant option transaction (not including incidental acquisition costs, but taking into account the option premium paid or received).

The authorizations under lit. aa) through cc) above may be exercised in pursuance of one or several purposes by the Company but also by subsidiaries or by third parties for the account of the Company or such subsidiaries in whole or in part, once or repeatedly.

- b) Besides selling shares via the stock exchange or by making an offer connected to the granting of subscription rights to all shareholders, the management board shall furthermore be authorized, subject to the approval of the supervisory board, to use the shares of the Company, which are acquired on the basis of the authorization issued under lit. a) above, while excluding the subscription right of the shareholders, as follows:
- aa) The above-mentioned shares of the Company may be sold and transferred in return for cash consideration provided the sale price is not significantly lower than the stock exchange price of the Company's shares at the time of the sale. The management board may only use this authorization in such a manner that the sum of the (i) sold shares pursuant to this authorization, (ii) shares issued utilizing the authorized capital in return for cash contribution (Sec. 5 para. 3 and 4 of the articles of association, in the future, pursuant to the resolution adopted under item 8 of the Agenda, Sec. 5 para. 3 of the articles of association) and (iii) conversion and option rights for shares granted upon issuance of debentures in return for cash contribution with conversion or option rights or conversion obligations in return for cash contribution – in each

case with the exclusion of the shareholders' subscription rights in accordance with Sec. 186 para. 3 sentence 4 AktG – does not exceed 10% of the share capital at the time the resolution on the sale of the shares is passed.

- bb) The above-mentioned shares of the Company may be sold and transferred in return for contributions in kind, in particular also in the context of mergers or the acquisition of companies, business units, shareholdings, or other assets. A sale and transfer, as used here, shall also include the granting of conversion or subscription rights as well as purchase options and the lending of shares in the context of a securities lending transaction.
- cc) The above-mentioned shares of the Company may be used in order to satisfy the rights of holders of debentures with conversion or option rights or conversion obligations issued by the Company or by its subsidiaries.
- dd) The above-mentioned shares of the Company may be offered for acquisition and transferred to individuals employed by the Company or a subsidiary of the Company.
- ee) The above-mentioned shares of the Company may be offered for acquisition and transferred to holders of subscription rights in order to fulfill the obligations of the Company under the stock option program for the management board, which was drawn up on the basis of the authorization of the annual general meeting of March 15, 2007.
- ff) The above-mentioned shares of the Company may be offered for acquisition and transferred to holders of convertible profit participation rights in order to fulfill the obligations of the Company under the convertible profit participation certificates program, which was drawn up on the basis of the authorization of the shareholders in the annual general meeting of March 15, 2007.
- gg) The above-mentioned shares of the Company may be used for distributions in kind to the shareholders in accordance with Sec. 17 para. 1 sentence 3 of the articles of association.

The authorizations in lit. aa) through gg) above may be exercised once or repeatedly, in whole or in part, individually or collectively by the Company, but also by subsidiaries or by third parties for the account of the Company or such subsidiaries.

The management board shall furthermore be authorized to redeem the above-mentioned shares without such redemption or implementation thereof requiring another resolution by the shareholders in the annual general meeting.

- c) In each case, the management board shall inform the shareholders in the annual general meeting of the reasons for and the purpose of the acquisition of own shares, the number of own shares acquired, and the amount of the share capital attributable to them, their share in the share capital, and the equivalent value of the shares. Should

the Xetra system on the Frankfurt Stock Exchange be replaced by a comparable successor system, the latter shall take the place of the above-mentioned Xetra system in this authorization.

- d) The authorization to purchase own shares granted by the shareholders in the annual general meeting on June 16, 2010 in item 7 of the Agenda expiring on June 15, 2015 is to be rescinded at the time this new authorization comes into force.

## **8. Creation of a new authorized capital, rescission of existing authorized capital that has not been utilized and corresponding modification of the articles of association**

The authorized capital (Sec. 5 para. 3 and 4 of the articles of association of the Company) has been partially utilized and currently amounts to EUR 11,900,001 (originally EUR 27,500,000). It is limited until March 14, 2012. Thus the existing authorized capital shall be rescinded and a new authorized capital in the amount of EUR 35,799,999 is to be created (Authorized Capital 2011).

The management board and supervisory board hereby propose resolving as follows:

### **a) Authorization and rescission of the previous authorization**

#### *aa) Authorization*

The management board shall be authorized, subject to the approval of the supervisory board, to increase the share capital of the Company once or repeatedly until June 7, 2016 by up to EUR 35,799,999 through the issuance of new, no par value bearer shares in return for cash contributions or contributions in kind (Authorized Capital 2011).

In the event the capital is increased in return for cash contributions, the shareholders are to be granted subscription rights. The shares may, however, be assumed by one or more financial institutions with an obligation to offer such shares to the shareholders for subscription. The management board shall furthermore subject to the approval of the supervisory board be authorized to exclude shareholders' subscription rights

- for fractional amounts;
- if the new shares are issued at an amount not significantly lower than the stock exchange price for identical listed shares of the Company at the time the issue price is set and the shares issued with the exclusion of subscription rights in accordance with Sec. 186 para. 3 sentence 4 AktG do not exceed a total of 10% of the share capital of the Company, neither at the time this authorization takes effect, nor at the time this authorization is exercised. The management board may only use this authorization in such a manner that the sum of the (i) sold own shares, (ii) shares issued pursuant to this authorization and (iii) conversion and option rights for shares granted upon issuance of debentures in return for cash contribution with conver-

sion or option rights or conversion obligations in return for cash contribution – in each case with the exclusion of the shareholders' subscription rights in accordance with Sec. 186 para. 3 sentence 4 AktG – does not exceed 10% of the share capital at the time the resolution on the issuance of the shares is passed;

- insofar as necessary in order to grant the holders of debentures (including profit participation rights and participating bonds) with conversion or option rights or conversion obligations issued by alstria office REIT-AG or its affiliates subscription rights for new shares in the scope in which such would have been entitled after exercising their conversion or option rights or fulfilling their conversion obligations.

The management board shall furthermore be authorized, subject to the approval of the supervisory board, to exclude shareholders' subscription rights for capital increases in return for contributions in kind.

The management board shall furthermore be authorized, subject to the approval of the supervisory board, to stipulate the further details of the shares and terms and conditions for the issuance thereof.

#### *bb) Rescission of the previous authorization*

The authorized capital resolved by the shareholders in the annual general meeting on March 15, 2007 under item 6 of the Agenda are hereby rescinded at the time at which the Authorized Capital 2011 according to lit. aa) takes effect.

### **b) Modification of the articles of association**

aa) Sec. 5 para. 3 of the articles of association shall be amended as follows:

“(3) The management board shall be authorized, subject to the approval of the supervisory board, to increase the share capital of the Company once or repeatedly until June 7, 2016 by up to EUR 35,799,999 through the issuance of new, no par value bearer shares in return for cash contributions or contributions in kind (Authorized Capital 2011).

In the event the capital is increased in return for cash contributions, the shareholders are to be granted subscription rights. The shares may, however, be assumed by one or more financial institutions with an obligation to offer such shares to the shareholders for subscription. The management board shall furthermore be authorized, subject to the approval of the supervisory board, to exclude shareholders' subscription rights

- for fractional amounts;
- if the new shares are issued at an amount not significantly lower than the stock exchange price for identical listed shares of the Company at the time the issue price is set and the shares issued with the exclusion of subscription rights in accordance with

Sec. 186 para. 3 sentence 4 AktG does not exceed a total of 10% of the share capital of the Company, neither at the time this authorization takes effect, nor at the time this authorization is exercised. The management board may only use this authorization in such a manner that the sum of the (i) sold own shares, (ii) shares issued pursuant to this authorization and (iii) conversion and option rights for shares granted upon issuance of debentures in return for cash contribution with conversion or option rights or conversion obligations in return for cash contribution – in each case with the exclusion of the shareholders’ subscription rights in accordance with Sec. 186 para. 3 sentence 4 AktG – does not exceed 10% of the share capital at the time the resolution on the issuance of the shares is passed;

- insofar as necessary in order to grant the holders of debentures (including profit participation rights and participating bonds) with conversion or option rights or conversion obligations issued by alstria office REIT-AG or its affiliates subscription rights for new shares in the scope in which such would have been entitled after exercising their conversion or option rights or fulfilling their conversion obligations.

The management board shall furthermore be authorized, subject to the approval of the supervisory board, to exclude shareholders’ subscription rights for capital increases in return for contributions in kind.

The management board shall furthermore be authorized, subject to the approval of the supervisory board, to stipulate the further details of the shares and terms and conditions of issuance thereof.”

- bb) Sec. 5 para. 4 of the articles of association shall be deleted; the previous Sec. 5 para. 5 shall now be Sec. 5 para. 4, the previous Sec. 5 para. 6 shall now be Sec. 5 para. 5 and the previous Sec. 5 para. 7 shall now be Sec. 5 para. 6 of the articles of association.

### **c) Authorization to amend articles of association**

The supervisory board shall be authorized to make adjustments to the wording of the articles of association in accordance with the scope of a capital increase from authorized capital carried out in each individual case and to make all other related amendments to the articles of association which merely concern the wording of the latter.

## **9. Authorization to issue bonds with warrants or convertible bonds, profit participation rights or participating bonds and exclude subscription rights, create new Conditional Capital 2011, rescind existing Conditional Capital 2010 and correspondingly modify the articles of association**

Convertible bonds and bonds with warrants, profit participation rights or participating bonds can be essential instruments for securing a vital foundation for the development of a company – sufficient capital re-

sources. When using such financial instruments, the Company receives capital which it may possibly retain as equity capital later on.

By way of a resolution of the shareholders in annual general meeting of June 16, 2010, the management board of the Company was authorized pursuant to item 9 of the Agenda to issue bonds with warrants or convertible bonds, profit participation rights or participating bonds and to exclude subscription rights. New shares which are issued during the term of this authorization from authorized capital with an exclusion of subscription rights pursuant to Sec. 186 para. 3 sentence 4 AktG are to be taken into account in the authorization to exclude subscription rights for debentures issued with option rights or conversion rights or conversion obligations with an option right or conversion right or conversion obligation for shares with a proportionate amount of the share capital which may not exceed 10% of the share capital.

The authorization issued by the shareholders of the Company in annual general meeting on June 16, 2010 under item 9 of the Agenda now needs to be renewed because the share capital of the Company was increased through the capital increases with the exclusion of shareholders' subscription rights and entered in the Commercial Register on September 23, 2010 and March 30, 2011. The new authorization will additionally stipulate the use for contributions in kind with a corresponding exclusion of subscription rights. The total nominal amount of the debentures and the conditional capital are also to be increased.

The supervisory board and management board propose resolving as follows:

**a) Authorization to issue partial debentures with conversion or option rights or conversion obligations, profit participation rights and participating bonds (or a combination of these instruments) and rescind previous authorizations**

*aa) Term of authorization, nominal amount*

The management board shall be authorized, subject to the approval of the supervisory board, to issue bearer bonds with warrants or convertible bonds, profit participation rights or participating bonds or a combination of these instruments (together "debentures") once or repeatedly on or before June 7, 2016, with a total nominal amount of up to EUR 550,000,000 and to issue the bearers of bonds with warrants option rights and/or the bearers of convertible bonds conversion rights to bearer shares of the Company with a prorated amount of the share capital in the total amount of up to EUR 34,700,000 in accordance with the stipulations of the terms and conditions of the bonds with warrants or convertible bonds. Debentures may also be issued in return for contributions in kind.

Different durations may be stipulated for the terms of the debentures. In addition to issuances in euros, the debentures may also

be issued in the legal currency of any OECD country, limited to the appropriate equivalent amount in euros. They may also be issued by an affiliate of alstria office REIT-AG in the terms of Sec. 18 AktG. In such event, the management board shall be authorized, subject to the approval of the supervisory board, to assume the guarantee for the bonds for the Company and grant to or impose on the holders of bonds with warrants and/or convertible bonds option rights or conversion rights to bearer shares of alstria office REIT-AG.

*bb) Subscription rights, exclusion of subscription rights*

Shareholders shall in principle be entitled to subscription rights for debentures. Debentures may also be assumed by one or more financial institutions with an obligation to offer such to the shareholders for subscription. The management board shall, however, be authorized subject to the approval of the supervisory board to exclude shareholders' subscription rights

- for fractional amounts;
- insofar as necessary in order to grant the holders of conversion or option rights to shares of the Company or the holders of debentures and/or convertible profit participation rights with conversion obligations subscription rights in the scope in which such would be entitled after exercising their conversion or option rights or fulfilling their conversion obligations;
- provided such debentures are issued in return for cash and the issue price is not significantly lower than the theoretical market value of the debentures determined in accordance with recognized principles of financial mathematics. This authorization to exclude subscription rights shall, however, only apply to debentures with rights to shares to which a prorated amount of the share capital of no more than 10% of the share capital is attributed neither at the time this authorization takes effect nor on the date this authorization is exercised. The sale of own shares is to be credited to this limit, provided such are sold during the term of this authorization under the exclusion of subscription rights pursuant to Sec. 186 para. 3 sentence 4 AktG. Furthermore, those shares are to be credited to this limit which are issued during the term of this authorization from authorized capital under the exclusion of subscription rights pursuant to Sec. 5 para. 3 and 4 of the articles of association (in the future, pursuant to the resolution under item 8 of the Agenda for this annual general meeting, Sec. 5 para. 3 of the articles of association);
- if such debentures are issued in return for contributions in kind, provided the value of the contribution in kind is in a reasonable proportion to the market value of the debentures to be determined in accordance with the above bullet point.

In the event profit participation rights or participating bonds without conversion or option rights or conversion obligations are is-

sued beyond the above-mentioned scope, the management board shall be authorized, subject to the approval of the supervisory board, to exclude the shareholders' subscription rights in their entirety if the terms and conditions applicable to such profit participation rights or participating bonds are similar to obligatory relationships, i.e., if they do not confer any membership rights in the Company, grant no right to participate in the liquidation proceeds and the interest rate is not calculated on the basis of the amount of the net income, balance sheet profit or dividend. In such event, in addition, the interest rate and the issue price of the profit participation rights or participating bonds have to correspond to current market conditions at the time of the issue.

*cc) Option rights*

In the event bonds with warrants are issued, one or more warrants shall be attached to each debenture, entitling the bearers to subscribe no par value bearer shares of alstria office REIT-AG or of an affiliate thereof in accordance with the terms and conditions of the issue to be stipulated in detail by the management board. With respect to bonds with warrants issued in euros by alstria office REIT-AG or an affiliate thereof, the terms and conditions of the issue may stipulate that the option price may also be satisfied through the transfer of debentures and if necessary, an additional cash premium. The pro rata amount of the share capital of the shares to be subscribed for each debenture may not exceed the nominal value of the debenture. In the event fractions of shares arise, the terms and conditions of the options or bonds may stipulate that such fractional amounts can be added together to subscribe whole shares, if necessary in return for an additional payment. This shall also apply in the event warrants are attached to profit participation rights or participating bonds.

*dd) Conversion rights*

If convertible bonds are issued, the holders shall be entitled to convert their debentures into no par value bearer shares of alstria office REIT-AG in accordance with the terms and conditions of the convertible bonds determined by the management board. The exchange ratio shall be calculated by dividing the nominal amount of a debenture by the conversion price for one share of the Company and may be rounded up or down to a whole number. Furthermore, the payment of a cash premium and the combination or settlement may be determined for unconvertible fractional amounts. This shall also apply in the event the conversion right is for a profit participation right or a participating bond.

*ee) Option or conversion price*

If debentures are issued that grant option or conversion rights or specify a conversion obligation, the option or conversion price may not fall below 80% of the price of the share of the Company in Xetra trading (or a comparable successor system) on the Frankfurt Stock Exchange. The volume-weighted average price of the

shares of alstria office REIT-AG on the ten trading days prior to the final decision of the management board regarding the issuance of an offer to the shareholders for the subscription of debentures or regarding the declaration of acceptance by the Company after a request to issue subscription offers under the exclusion of subscription rights shall be decisive.

Without prejudice to Sec. 9 para. 1 AktG, the option or conversion price for debentures with option or conversion rights or conversion obligations may undergo a dilution protection adjustment in the event of the financial dilution of the value of the option or conversion rights or conversion obligation unless such adaptation is already stipulated by law. This shall also apply in particular in the event of a capital increase or reduction or the payment of dividends to the shareholders of the Company. The customary market adaptation of the option or conversion price or the reduction of the duration of the rights may otherwise be stipulated if a third party gains control of the Company.

*ff) Other provisions including conversion obligations*

The terms and conditions of the issue may stipulate the right of the Company to pay a cash amount instead of issuing new shares in the event a conversion right or option right is exercised. The terms and conditions of the issue may also stipulate that the Company may elect to convert bonds with warrants or convertible bonds into existing shares of the Company or another company or that the option right may be satisfied through the delivery of such shares in lieu of the conversion of such bonds into new shares from conditional capital.

The terms and conditions of the debentures may also stipulate a conversion obligation at the end of the term of the debentures (or at another point in time) or for the right of the Company to grant to the creditors of the debentures, upon the final maturity of the debentures with conversion or option rights (this shall also include maturity by virtue of a termination), in whole or in part, shares of the Company or shares of another listed company in lieu of the payment of the amount in cash due. The pro rata amount of the share capital of the shares to be issued upon conversion or exercise of the option may not exceed the nominal value of the debentures. Sec. 9 para. 1 in connection with Sec. 199 para. 2 AktG is to be observed thereby.

The management board shall be authorized, subject to the approval of the supervisory board or in consultation with the managing bodies of the affiliate of alstria office REIT-AG issuing the bonds with warrants or convertible bonds, to determine the additional details relating to the issue and the terms and conditions of the debentures, in particular the interest rate, issue price, term and denomination, dilution protection provisions and the option or conversion price.

*gg) Rescission of previous authorization*

The authorization resolved by the shareholders in the annual general meeting on June 16, 2010, under item 9 of the Agenda for the issuance of bonds with warrants or convertible bonds, profit participation rights or participating bonds is hereby rescinded at the time at which this authorization pursuant to lit. aa) through ff) above takes effect.

**b) Creation of a new Conditional Capital 2011 and rescission of the previous Conditional Capital 2010**

*aa) Creation of a new Conditional Capital 2011*

The share capital shall be conditionally increased by up to EUR 34,700,000 through the issue of up to 34,700,000 new no par value bearer shares with a prorated amount of the share capital of EUR 1.00. The conditional capital increase shall serve the purpose of granting no par value bearer shares to the holders of convertible bonds or bonds with warrants, profit participation rights or participating bonds (or combinations of these instruments), each with option rights/conversion rights/conversion obligations which are issued on or before June 7, 2016 by alstria office REIT-AG or an affiliate of alstria office REIT-AG in the terms of Sec. 18 AktG on the basis of the authorization resolved by the shareholders in the annual general meeting on June 8, 2011, under item 9 of the Agenda, provided the shares are issued in return for cash. The new shares shall be issued at the conversion or option prices to be determined, in each case, in accordance with the above-mentioned authorization resolution.

The conditional capital increase shall only be carried out to the extent that option or conversion rights are utilized or the holders of the debentures with conversion obligations fulfill their conversion obligations and that no cash settlement is granted and no own shares or shares of another company listed on the stock exchange are being used to satisfy such claims. In accordance with Sec. 6 para. 3 sentence 2 of the articles of association and at variance from Sec. 60 para. 2 AktG, the management board shall be authorized to determine the entitlement to dividends for the new shares issued on the basis of the exercise of the option or conversion rights or the fulfillment of a conversion obligation.

The management board shall be authorized to determine the further details of the implementation of the conditional capital increase subject to the approval of the supervisory board.

*bb) Rescission of previous Conditional Capital 2010*

Conditional Capital 2010, resolved by the shareholders in the annual general meeting on June 16, 2010 under item 9 of the Agenda shall be rescinded with effect of the Conditional Capital 2011 pursuant to aa) above.

### **c) Modification of the articles of association**

Sec. 5 para. 5 (or Sec. 5 para. 4 after the amendment of the authorized capital according to item 8 of the Agenda) of the articles of association shall be amended as follows:

“The share capital shall be conditionally increased by up to an additional EUR 34,700,000, divided up into up to 34,700,000 bearer shares (Conditional Capital 2011). The conditional capital increase shall only be carried out to the extent that the holders of option rights or conversion rights or conversion obligations from bonds with warrants or convertible bonds, profit participation rights or participating bonds which were issued or guaranteed by alstria office REIT-AG or an affiliate of alstria office REIT-AG in return for cash in the terms of Sec. 18 AktG on the basis of the authorization resolved by the shareholders in the annual general meeting on June 8, 2011 under item 9 of the Agenda exercise their option rights or, if they are obligated to convert, fulfill their conversion obligations and that no cash settlement is offered and no own shares or shares of other companies listed on the stock exchange are being used to satisfy such claims.

In accordance with Sec. 6 para. 3 sentence 2 of the articles of association and at variance from Sec. 60 para. 2 AktG, the management board shall be authorized to determine the entitlement to dividends for the new shares issued on the basis of the exercise of the option or conversion rights or the fulfillment of a conversion obligation. The management board is hereby authorized, subject to the approval of the supervisory board, to determine the further details of the implementation of the conditional capital increase.”

### **d) Authorization to modify the articles of association**

The supervisory board shall be authorized to make adjustments to the wording of the articles of association in accordance with the respective issue of new shares in each individual case and to make all other related amendments to the articles of association that only affect the wording of the latter. This shall also apply in the event the authorization to issue bonds with warrants or convertible bonds, profit participation rights or participating bonds is not utilized after the expiration of the authorization period and in the event the Conditional Capital 2011 is not used after the expiration of the periods for the exercise of option rights or conversion rights or for the fulfillment of conversion obligations.

## **10. Resolution regarding the modification of the articles of association with respect to the statutory provisions regarding the convocation of annual general meetings**

Sec. 14 para. 3 sentence 2 of the articles of association requires registrations for the annual general meeting of the Company to be received by the address specified in the convocation no later than six days prior to the meeting. Pursuant to Sec. 123 para. 2 sentence 4 AktG, the date

of the receipt is not to be counted in this period, hence registrations must be made on the 7th day prior to the annual general meeting. In accordance with Sec. 14 para. 2 sentence 1 of the articles of association, annual general meetings must be convoked at least thirty days prior to the date by the close of which the shareholders must register for such annual general meeting. Consequently, annual general meetings must be convoked at least 37 days prior to the meetings.

Pursuant to Sec. 123 para. 2 sentence 5, para. 1 AktG, annual general meetings must be convoked at least 36 days in advance (30 days plus a six-day registration period). In accordance with the statutory provisions, annual general meetings may thus be convoked one day later than the previous provisions stipulated in the articles of association.

The articles of association are to be amended in accordance with the statutory provisions for the convocation of annual general meetings. The corresponding provision in the articles of association is to be deleted in such that the statutory provisions apply.

The supervisory board and management thus propose resolving as follows:

Sec. 14 para. 2 of the articles of association shall be deleted. The current Sec. 14 para. 3 shall become Sec. 14 para. 2 and the current Sec. 14 para. 4 shall become Sec. 14 para. 3.

## Reports and Notices to the shareholders in the annual general meeting

### **I. Report of the management board regarding item 7 of the Agenda** (Authorization to acquire own shares; Report pursuant to Sec. 71 para. 1 no. 8 in connection with Sec. 186 para. 4 sentence 2 of the German Stock Corporation Act (Aktiengesetz, AktG))

The authorization is intended to continue to give the Company the opportunity to acquire its own shares and use such shares within the framework of such authorization, i.e., to pay the purchase price for acquisitions, fulfill claims of holders of debentures with conversion or option rights or conversion obligations or for an allocation to the employees of the Company or the employees of a subsidiary of the Company. As stipulated in the authorization, such shares may furthermore be used to satisfy the stock option program for the management board or the convertible profit participation program for employees of the Company or its subsidiary or may be redeemed. Such shares may lastly also be resold (with or without subscription rights for shareholders). The option granted in the German Act regarding the Implementation of the Shareholders' Rights Directive (ARUG) of July 30, 2009 is intended to be utilized to in turn stipulate a term of five years for the authorization. The extension of the term also serves to condense future annual general meetings.

The management board will be guided solely by the interests of the shareholders and the Company in its decisions regarding the use of the Company's own shares. The management board will report to the shareholders in the annual general meeting regarding the use of the proposed authorization.

With regard to the various acquisition and sale and transfer activities of the proposed authorization, the management board would like to elaborate as follows:

#### *Acquisition by way of acquisition offer*

In addition to the acquisition via a stock exchange, the Company is to continue to have the option to acquire own shares by way of a public purchase offer to be directed at the shareholders of the Company.

In the event shares are acquired by way of an acquisition offer, the Company may determine either a purchase price or a purchase price range at or within which it is prepared to acquire the shares. The authorization stipulates certain limitations for the determination of the purchase price. The purchase price may, however, – subject to an adjustment during the offer period – not exceed the average closing price of one Austria share on the Frankfurt Stock Exchange on the 5th, 4th and 3rd exchange trading day prior to the public announcement of the acquisition offer, by more than 10% or fall below such average closing price by more than 20% (not including incidental acquisition costs). If, after the public

announcement, there are significant fluctuations in the relevant share price, the purchase price may be adjusted. In such event, the average closing price of the alstria share in Xetra trading on the Frankfurt Stock Exchange on the 5th, 4th and 3rd exchange trading day prior to the public announcement of any such adjustment shall be decisive.

The principle of equal treatment is to be observed in the acquisition of the Company's own shares by way of a public acquisition offer. In the event a public acquisition offer is oversubscribed, the shares must be accepted in proportion to the respective shares offered. However, a preferred acceptance of small offers or small parts of offers of up to a maximum of 150 shares is permissible. This option serves to avoid fractions in the determination of the proportions to be acquired and small residual amounts and thus to facilitate the technical processing.

#### *Acquisition via derivatives (put and/or call options)*

The authorization furthermore stipulates that derivatives in the form of put or call options or a combination thereof may be used within the framework of the acquisition of the Company's own shares. Own shares up to a maximum total of 5% of the share capital of the Company may be acquired if derivatives are used in the form of put or call options or a combination thereof. With this additional alternative, the Company expands its options to optimally structure the acquisition of its own shares.

It can be beneficial for the Company to sell put options or acquire call options instead of directly acquiring shares in the Company.

By granting a put option, the Company grants the acquirer of the put option the right to sell shares of the Company to the Company at the price specified in the put option (strike price). As option writer, the Company is obligated to acquire the quantity of shares stipulated in the put option at the strike price in the event the put option is exercised. As consideration for granting the put option, the Company receives an option premium. It is financially expedient for the bearer to exercise a put option in the event the price of the share of the Company is less than the strike price. In the event the put option is exercised, the liquidity flows on the date the option is exercised. The option premium paid by the acquirer of the put option reduces the consideration paid by the Company as a whole for the acquisition of the share. If the option is not exercised, the Company may not acquire any additional own shares in this manner. The Company however is still left with the option premium it received on the conclusion of the option.

In the acquisition of a call option, in return for the payment of an option premium, the Company receives the right to purchase a predetermined quantity of shares at a predetermined price (strike price) from the seller of the option, the option writer. Thus the Company buys the right to acquire its own shares. As consideration for acquire is financially expedient for the Company to exercise its call option in the event the price of

the share of the Company is higher than the strike price because it can then buy the shares at the lower strike price from the option writer. The Company can protect itself from an increasing share price through the acquisition of call options. The liquidity of the Company is additionally protected because the specified purchase price must not be paid until the call options are exercised.

The term of any individual option may not exceed a period of 18 months as per the date of the conclusion thereof and shall in any case cease with the term of the authorization, i.e., on June 7, 2016.

The strike price (not including incidental acquisition costs but taking into account the option premium paid or received) for the acquisition of the shares by the Company upon the exercise of options may not exceed the average closing price of an alstria share in Xetra trading on the Frankfurt Stock Exchange on the last three exchange trading days prior to the conclusion of the relevant option transaction by more than 10% or fall below such price by more than 20%.

The option transactions described herein must be concluded with a financial institution or via a stock exchange at conditions close to the market, whereby inter alia the strike price to be paid upon the exercise of the option is to be taken into consideration thereby. Shareholders' claims to conclude such option transactions with the Company are excluded in analogous application of Sec. 186 para. 3 sentence 4 AktG. Unlike an offer to acquire the options directed at all shareholders, this puts the management in a position to conclude option transactions at short notice. Through the described determination of option premiums and strike prices, the shareholders are not at a financial disadvantage in the acquisition of own shares through the use of put and call options. Because the Company receives or pays a fair market price, the shareholders not involved in the option transactions do not lose value for their shareholdings. This corresponds to the position of the shareholder in the event of a share buyback through the stock exchange in which not all shareholders can actually sell shares to the Company. Thus the prerequisites of Sec. 186 para. 3 sentence 4 AktG have been met, in accordance with which the exclusion of subscription rights is justified in the event the financial interests of the shareholders are protected due to fixed prices close to the market.

#### *Resale of the acquired shares at a price close to the market*

Within the framework of the resale of acquired own shares, the authorization stipulates that such shares can only be sold for cash at a price close to the market. The sales price may only be insignificantly lower than the current market price at that time. This authorization allows the management board to, for example, sell its own shares specifically and quickly to new groups of shareholders in Germany and abroad. The management board will be guided solely by the interests of the Company and its shareholders in such sales.

The management board may only use this authorization in such a manner that the total of the (i) shares sold in accordance with this authorization, (ii) shares issued utilizing the authorized capital in return for cash contribution (Sec. 5 para. 3 and 4 of the articles of association and in the future Sec. 5 para. 3 of the articles of association pursuant to the resolution under item 8 of the Agenda to this annual general meeting) and (iii) conversion and option rights for shares granted upon issuance of debentures with conversion or option rights or conversion obligations in return for cash contribution – in each case with the exclusion of subscription rights of the shareholders – does not exceed 10% of the share capital at the time the resolution regarding the sale of shares is passed. Thus the authorization to sell own shares for cash is limited in this regard.

*Resale of the acquired shares inter alia in return for contributions in kind*

The authorization furthermore stipulates the exclusion of subscription rights for the sale of shares in return for contributions in kind, in particular, also in the context of mergers or the acquisition of companies, business units, shareholdings or other assets (such as, for example, real estate). In the course of corporate acquisitions, companies are increasingly requesting to contribute their own shares as consideration in acquisition transactions. The authorization we recommend gives the Company the necessary flexibility to be able to quickly and flexibly acquire companies or shareholdings therein in return for its own shares without capital measures. Such shares may also just as flexibly be used as consideration for the acquisition of real estate.

*Resale of the acquired shares within the framework of convertible bonds and bonds with warrants*

The authorization furthermore stipulates that the Company's own shares can be used to fulfill conversion or option rights or conversion obligations of holders of debentures issued by the Company or its subsidiaries under the exclusion of shareholders' subscription rights. This can be practical in order to use the Company's own shares in whole or in part to fulfill the conversion or option rights or fulfill conversion obligations in the event of a capital increase.

The acquired own shares are also intended to be able to be used under the exclusion of shareholders' subscription rights in order to offer such shares to employees of the Company or of its affiliates for acquisition.

*Issuance of the acquired shares to employees or use to service the stock option program for the management board or the convertible profit participation program for employees*

Own shares are intended to continue to be able to be used to serve the stock option program for the management board and the convertible

profit participation program for employees of the Company or its subsidiaries.

By way of a resolution of the shareholders in the annual general meeting of March 15, 2007, the supervisory board was authorized to issue to the members of the management board of the Company up to 2,000,000 stock options up to March 14, 2012 in accordance with the corresponding authorization of the shareholders in the annual general meeting and the additional terms and conditions stipulated in the stock option program. The stock option program was adopted by the supervisory board on March 27, 2007 and stipulated the issuance of up to 2,000,000 option rights to members of the management board which entitled the bearer to acquire a corresponding number of shares in the Company. The strike price for the subscription of an alstria share upon the exercise of the option rights issued in 2007 was 100% of the issue price at which the shares of the Company were issued in the framework of the initial public offering of the Company on the Frankfurt Stock Exchange, i.e., EUR 16.00. The strike price for future options was 100% of the arithmetic mean of the final auction prices of the alstria shares in Xetra trading on the Frankfurt Stock Exchange on the last ten exchange trading days prior to the issuance of the options. The option rights may only be exercised provided the share price of the alstria share current at that time exceeds the share price on the issue date by at least seven non-consecutive exchange trading days prior to the exercise of the option rights by at least 20%. The options have a term of seven years and may first be exercised on the second anniversary of the issuance thereof.

With the March 2010 adaption of the remuneration system for the members of the management board to the legal requirements modified by the German Management Board Remuneration Appropriateness Act (Gesetz zur Angemessenheit der Vorstandsvergütung, VorstAG) of July 31, 2009, the stock option program of the Company was replaced by the new long term incentive plan (LTI plan) as per 2010. Under the new LTI plan, stock options are no longer being offered in such that no new obligations to grant shares to the members of the management board will arise under the new remuneration system.

The stock options previously granted to the management board members under the stock option program will continue to exist in such that the Company is obligated to deliver the corresponding number of shares if the requirements for the exercise of the options have been met. Thus own shares acquired under this authorization should also be able to be used to fulfill the Company's obligations. Through this option to fulfill the Company's obligations under the stock option program, if necessary, an alternative capital increase from conditional capital and thus the dilution of the remaining shareholders' shareholdings can be avoided.

The same considerations apply with regard to the use of own shares for the satisfaction of the employee profit participation program in the form of a convertible profit participation program that the management board

resolved on August 17, 2007 with modifications of September 5, 2007 and March 2, 2010 on the basis of the authorization of the shareholders in the annual general meeting of March 15, 2007 and which the supervisory board approved on September 5, 2007 and March 2, 2010. The employee profit participation program was not affected by the modification of the system for the remuneration of management board members. Under the employee profit participation program, up to 500,000 convertible profit participation certificates may be issued to employees of the Company or its subsidiaries which, under certain conditions, entitle the bearer to convert the profit participation certificates into a share of the Company. The nominal value of one profit participation certificate is EUR 1.00. Each profit participation certificate will be converted on the 2nd, 3rd, 4th or 5th anniversary of the issuance thereof (obligating conversion date) into one no par value bearer share of the Company, provided the market price of the shares of the Company exceeds the market price of the shares of the Company from the issuance date on at least seven non-consecutive exchange trading days prior to the obligating conversion date by 5% or more. Profit participation rights will only be converted provided the beneficiary pays the conversion price and is still employed by alstria office REIT-AG or a subsidiary thereof on the conversion date. The maximum term of a convertible profit participation certificate is five years.

#### *Redemption of own shares*

In addition, the Company can redeem its own shares without a new resolution of the shareholders in the annual general meeting. The management board will, however, only utilize this authorization in the event, after duly reviewing all relevant circumstances, it is of the opinion that the redemption of the Company's own shares is in the interest of the Company and thus its shareholders.

#### *Dividends in kind*

Lastly, in accordance with the provision in Sec. 17 para. 1 sentence 3 of the articles of association, own shares can also be used as dividends in kind.

## **II. Report of the management board regarding item 8 of the Agenda** (Creation of a new authorized capital, rescission of existing authorized capital that has not been utilized and corresponding modification of the articles of association)

The authorized capital pursuant to Sec. 5 para. 3 and 4 of the articles of association of alstria office REIT-AG has been partially utilized and currently amounts to EUR 11,900,001 (previously EUR 27,500,000). The authorized capital is limited until March 14, 2012. Thus the existing au-

thorized capital shall be rescinded and a new authorized capital in the amount of EUR 35,799,999 is intended to be created (Authorized Capital 2011).

alstria office REIT-AG must be able to act quickly and flexibly in the ever-changing real estate markets at all times in the interest of its shareholders. The management board thus considers it its duty to ensure that the company always has the necessary instruments to procure capital irrespective of concrete utilization plans. Because decisions regarding the coverage of capital requirements must generally be made at short notice, it is important for the Company to not have to depend on the frequency of annual general meetings. Legislators have allowed for this necessity in the instrument of authorized capital. The most common reasons for utilizing authorized capital are to strengthen a Company's equity base and to finance the acquisition of shareholdings (at alstria office REIT-AG, primarily in the form of the acquisition of real estate).

As a general rule, shareholders are entitled to subscription rights with regard to the utilization of the Authorized Capital 2011. In order to facilitate the technical processing, the Company is intended to be given an option to allow one or more financial institutions to subscribe shares with the obligation of offering the shares to shareholders in accordance with the latter's subscription rights (indirect subscription right in the terms of Sec. 186 para. 5 of the German Stock Corporation Act (Aktiengesetz, AktG)).

Subject to the approval of the supervisory board, these subscription rights are intended to be able to be excluded for fractional amounts. This facilitates the use of the authorization sought by rounded amounts and simplifies the technical processing of the issue. The new shares excluded from subscription rights as "unassigned fractional amounts" will be utilized as best as possible for the Company.

Subscription rights are furthermore also intended to be able to be excluded, subject to the approval of the supervisory board, if the new shares issued in the course of a cash capital increase pursuant to Sec. 186 para. 3 sentence 4 AktG are issued at an amount not significantly lower than the stock exchange price. This authorization puts the Company in a position to quickly and flexibly make use of opportunities on the real estate market and to cover any arising need for capital at very short notice if necessary. Not only does the exclusion of subscription rights enable the Company to act promptly, but the shares may also be placed at a price close to the market price. Sec. 186 para. 2 AktG permits the publication of the subscription price up to the third last day of the subscription period but given the often observable volatility of the equity markets, there is still a market risk for several days, which may lead to security discounts when determining the subscription price and hence resulting in conditions that are not close to the market. Furthermore, if subscription rights are granted, a successful placement with third parties is made more difficult or entails additional efforts, given the uncertainty regarding the exercise

of the subscription rights (subscription behavior). Finally, when granting subscription rights the Company is unable to react to changes in market conditions at short notice because of the duration of the subscription period, but is exposed to declining stock prices during the subscription period which may lead to unfavorable financing. The Company may aim to allure new shareholder groups with such a placement. If the supervisory board uses this authorization, it will calculate the discount as low as possible in accordance with the market conditions at the time of the placement. Shares issued with the exclusion of subscription rights pursuant Sec. 186 para. 3 sentence 4 AktG may not exceed a total of 10% of the share capital neither at the time the authorization takes effect, nor at the time the time the authorization is exercised.

Own shares are to be credited to this limit, provided they are sold as of June 8, 2011 with the exclusion of subscription rights pursuant to Sec. 186 para. 3 sentence 4 AktG. In addition, those shares are to be credited to the above-mentioned 10% limit which are issued or intended to be issued to satisfy debentures (including profit participation rights) with conversion or option rights or conversion obligations, provided the debentures (or profit participation rights) are issued as of June 8, 2011 in corresponding application of Sec. 186 para. 3 sentence 4 AktG.

In accordance with the statutory provisions, these specifications take into account the shareholders' need for protection against the dilution of their shareholdings. As the new shares will be issued at a price close to the market price and the extent of capital increases with the exclusion of subscription rights is limited, each shareholder as a general rule has an opportunity to acquire the shares necessary to maintain its shareholding interest at nearly the same conditions via the stock exchange. In line with the statutory assessment of Sec. 186 para. 3 sentence 4 AktG, it is thus ensured that the financial and voting right interests are reasonably safeguarded in the utilization of the Authorized Capital 2011 with the exclusion of subscription rights while the Company is given additional latitude for action in the interest of all shareholders.

Subscription rights are furthermore intended to be able to be excluded insofar as necessary to be able to grant subscription rights to new shares to the holders of existing debentures and debentures to be issued in the future (including convertible profit participation rights) with conversion or option rights or conversion obligations, insofar as stipulated in the terms and conditions of the respective debentures (or convertible profit participation rights). Such debentures (or convertible profit participation rights) are generally protected against dilution. If shares with subscription rights are subsequently issued at a price lower than the current price of the share on the stock exchange, the value of the individual share is arithmetically diluted. If the other conditions stay the same, the value of the option or conversion rights of the holders of debentures (or convertible profit participation rights) would depreciate. In order to avoid economic disadvantages for the holders of bonds with warrants or convertible bonds and convertible profit rights, as a general rule, dilution protection

clauses stipulate that the holders are either offered a reduced option or conversion price in subsequent issues of shares with shareholders' subscription rights or alternatively, in accordance with the terms and conditions of the debentures or convertible profit participation rights, the holders thereof may be issued subscription rights for new shares in the same scope to which the shareholders are entitled. Thus the holders of the debentures or convertible profit participation rights are treated as if they have already exercised their option or conversion rights or fulfilled their conversion obligations. The exclusion of shareholders' subscription rights is necessary to put the Company in a position to grant the holders of option rights or conversion rights or conversion obligations such subscription rights. It may be more economically efficient for the Company to grant shares to the holders of bonds with warrants, convertible bonds or convertible profit participation rights instead of reducing the option or conversion price. By granting shares in lieu of reducing the option or conversion price, the Company may obtain a higher issue price for the shares to be issued through the conversion or exercise of options.

Shareholders' subscription rights are also intended to be able to be excluded for capital increases in return for contribution in kind. This allows the management board to have shares of the Company available for utilization in suitable individual cases in connection with the purchase of companies, shareholdings or other assets. For example, it may very well become necessary in negotiations to provide consideration in shares in lieu of cash. The option of being able to offer shares of the Company as consideration gives the Company an advantage in the competition for interesting acquisition targets and the necessary leeway to be able to use arising opportunities for the acquisition of real estate or shareholdings without requiring funding. The issuance of shares may also be expedient in terms of an optimal financing structure. The Company is not at a disadvantage because the issuance of shares in return for contribution in kind requires the value of the contribution in kind to be in reasonable proportion to the value of the shares.

Within the framework of the exclusion of subscription rights for capital increases in return for contributions in kind, the management board is also intended to be entitled to use the Authorized Capital 2011 in order to grant the holders of securitized or unsecuritized monetary claims against the Company shares of the Company entirely or in part in lieu of the payment of money. This gives the company the additional flexibility of being able to subsequently grant shares in lieu of money in cases in which it initially agreed to pay money, for example, to pay for acquisition property.

In addition, it is intended to be possible to also use conversion or option rights from debentures (or profit participation rights) from the Authorized Capital 2011 – with the exclusion of subscription rights – for which the subscribers have rendered a contribution in kind in lieu of a cash contribution. This enables convertible bonds and bonds with warrants (or convertible profit participation rights) to be used as acquisition financing in connection with the acquisition of real estate or shareholdings and

thus likewise improves the Company's chances in competition for interesting acquisition targets.

The management will duly review in each individual case whether it will utilize the authorization of a capital increase with the exclusion of shareholders' subscription rights. It will only utilize the authorization if this, in the management board's opinion, is in the Company's interest and thus in the interest of the shareholders.

The management board will report on each utilization of this authorization in the next annual general meeting.

### **III. Report of the management board regarding item 9 of the Agenda**

(Authorization to issue bonds with warrants or profit participation rights or participating bonds and to exclude subscription rights, creation of a new Conditional Capital 2011, rescission of the existing Conditional Capital 2010 and corresponding modifications of the articles of association; report pursuant to Sec. 221 para. 4 sentence 2 of the German Stock Corporation Act (Aktiengesetz, AktG))

The proposed renewal of the authorization to issue of bonds with warrants or convertible bonds, profit participation rights or participating bonds, or of a combination of these instruments ("debentures"), in a total nominal amount of up to EUR 550,000,000 and to create the related conditional capital of up to EUR 34,700,000 is intended to grant alstria office REIT-AG the options, which are described in more detail below for the financing of its activities and to grant the management board access, subject to the approval of the supervisory board, to flexible and timely financing, which is in the best interests of the Company, in particular if favorable capital market conditions arise.

The proposed authorization is intended to replace the authorization issued in the annual general meeting of the Company on June 16, 2010 under item 9 of the Agenda.

Just as in the authorization issued by the shareholders in the annual general meeting on June 16, 2010, the new authorization stipulates the minimum price. This will maintain the Company's leeway in structuring the issue while at the same time protecting the shareholders of the Company from the dilution of their share-holdings by setting a minimum price.

As a general rule, the shareholders are entitled to the statutory subscription rights for debentures with option or conversion rights or conversion obligations (Sec. 221 para. 4 in connection with Sec. 186 para. 1 AktG). In order to facilitate the technical processing of the issue, it is intended to grant the Company the option of issuing the debentures to a financial institution or a syndicate of financial institutions, subject to the obligation to offer the debentures to the shareholders in accordance with their subscription rights (indirect subscription right pursuant to Sec. 186 para. 5 AktG).

The exclusion of subscription rights for fractional amounts facilitates the utilization of the authorization sought by rounded amounts. This simplifies the technical processing of the shareholders' subscription rights. The exclusion of subscription rights for the benefit of holders of conversion or option rights or conversion obligations that already have been issued has the advantage that the conversion or option price for the conversion or option rights or conversion obligations that already have been issued does not have to be reduced and that, thus, a higher total inflow of funds can be achieved. Therefore, both cases of the exclusion of subscription rights are in the best interest of the Company and its shareholders.

The management board will furthermore be authorized, subject to the approval of the supervisory board, to exclude the subscription rights of the shareholders altogether if the issue of the debentures with option or conversion rights or conversion obligations is made at an issue price which is not significantly lower than the market price of these debentures. This gives the Company the opportunity to quickly and flexibly make use of market opportunities and to obtain better conditions for the determination of the interest rate and the issue price of the debentures by stipulating terms and conditions which are more closely related to the market environment. A stipulation of terms and conditions that are closely related to the market environment and a smooth placement would not be possible if subscription rights had to be observed. Sec. 186 para. 2 AktG allows for the publication of the subscription price (and, thus, the terms and conditions of these debentures) until the third last day of the subscription period. However, given the often observable volatility of the equity markets, there is still a market risk for several days, which may lead to security discounts when determining the terms and conditions of the issue and hence resulting in terms that are not close to market conditions. Furthermore, if the subscription rights are granted, a successful placement with third parties is made more difficult or entails additional efforts, given the uncertainty regarding the exercise of the subscription rights (subscription behavior). Finally, when granting subscription rights the Company is unable to react to changes in market conditions on short notice because of the duration of the subscription period, but is exposed to declining stock prices during the subscription period which may lead to the Company procuring capital on unfavorable terms.

Pursuant to Sec. 221 para. 4 sentence 2 AktG, the provision in Sec. 186 para. 3 sentence 4 AktG applies accordingly to the complete exclusion of subscription rights. The limit for the exclusion of subscription rights to 10% of the share capital stipulated therein is to be observed in accordance with the content of the resolution. A corresponding stipulation in the authorization resolution likewise ensures that the 10% limit is not exceeded in the event of a capital reduction because the authorization to exclude subscription rights explicitly may not exceed 10% of the share capital neither at the time the authorization takes effect nor – if such value is lower – on the date the authorization is exercised. New shares are to be credited to the above-mentioned 10% limit which are issued during

the term of this authorization from authorized capital with an exclusion of subscription rights pursuant to Sec. 71 para. 1 no. 5 in connection with Sec. 186 para. 3 sentence 4 AktG. In addition, such new shares are to be credited to the above-mentioned 10% limit which are acquired on the basis of an authorization of the shareholders in the annual general meeting and sold under the exclusion of subscription rights pursuant to Sec. 71 para. 1 no. 8 sentence 5 in connection with Sec. 186 para. 3 sentence 4 AktG.

Sec. 186 para. 3 sentence 4 AktG further stipulates that the issue price of a share in a capital increase may not be significantly lower than the market price. This provision is intended to ensure that the value of the shares is not significantly diluted. Whether or not such dilution effect occurs in the event of an issue of debentures with option or conversion rights or conversion obligations without granting subscription rights may be determined by calculating the theoretical market price of the debentures in accordance with generally accepted, in particular, financial mathematical methods and comparing it to the issue price of the debenture. If in the process of a duly conducted examination this issue price is found to be only insignificantly lower than the theoretical market price at the time of the issue of the debentures, the exclusion of subscription rights is permissible in accordance with the spirit and purpose of the provision in Sec. 186 para. 3 sentence 4 AktG because the deduction is merely insignificant. The resolution thus stipulates that the management board shall come to the conclusion after due examination prior to the issue of the debentures with option or conversion rights or conversion obligations that the intended issue price does not lead to the significant dilution of the value of the shares. This would result in the imputed value of a subscription right being close to zero, thus ensuring that the shareholders will not suffer any material economic disadvantages from the exclusion of the subscription rights. Independently from this examination conducted by the management board, a determination of terms and conditions which are closely related to market conditions – and thus the avoidance of a significant dilution of the value – is ensured in cases where a book-building procedure is conducted. In the course of this procedure, the debentures are being stipulated on the basis of the purchasing orders submitted by investors, thus leading to a determination of a total value of the debentures which is close to market conditions. All this ensures that the exclusion of subscription rights does not lead to a significant dilution of the value of the shares.

In addition, in order to maintain their portion of the share capital of the Company, shareholders additionally have the option of acquiring shares through the stock market at any time – even after the exercise of conversion or option rights or the occurrence of conversion obligations. In contrast, the authorization to exclude subscription rights facilitates the determination of terms and conditions close to market conditions, the highest possible extent of security regarding a placement with third parties and the utilization of favorable market situations at short notice by the Company.

The authorization furthermore stipulates that subscription rights may be excluded in the issuance of debentures in return for contributions in kind. This gives the Company new options to use debentures also as a means of financing the acquisition of contributions in kind. This can be necessary in particular in order to use corresponding opportunities to acquire companies, business units, shareholdings or other assets without requiring funding. The issuance of debentures may also be expedient in terms of an optimal financing structure.

In the event profit participation rights or participating bonds without option or conversion rights or conversion obligations are to be issued, the management board is authorized, subject to the approval of the supervisory board, to exclude shareholders' subscription rights altogether if the terms and conditions applicable to such profit participation rights or participating bonds have the characteristics of obligations, i.e., if they do not confer any membership rights in the Company, grant no right to participate in the liquidation proceeds and the interest rate is not calculated on the basis of the amount of the net income, balance sheet profits or dividends. In addition, the interest rate and the issue price of the profit participation rights or participating bonds must correspond to current market conditions at the time of the issue. If the above-mentioned requirements are fulfilled, the exclusion of subscription rights does not cause any disadvantages for the shareholders since the profit participation rights or participating bonds do not confer any membership rights and do not grant any entitlement to the liquidation proceeds or the profits of the Company.

## **Total number of shares and voting rights**

As per the date of the convocation of the annual general meeting, the share capital of the Company is EUR 71.599.999 and is divided up into 71,599,999 no par value bearer shares. In principle, each no par value share entitles the bearer to one vote in the annual general meeting (Sec. 6 para. 1 sentence 2 and Sec. 15 para. 3 sentence 1 of the articles of association). 71,597,625 of the 71,599,999 no par value shares currently entitle the bearers to votes because the voting rights of 2,374 own shares held by the Company and those which can be attributed to the Company cannot be exercised.

## **Participation in the annual general meeting**

In accordance with Sec. 14 para. 3 and 4 of the articles of association, only those shareholders who register with the Company and provide separate proof of their shareholdings from their custodian bank to the address specified below within the prescribed period prior to the annual general meeting shall be entitled to participate and exercise their voting rights in the annual general meeting:

alstria office REIT-AG  
c/o Commerzbank AG  
GS-MO 2.1.1 AGM Service  
60261 Frankfurt am Main  
Germany  
Fax No.: +49 (0) 69 136 26351  
E-Mail: hv-eintrittskarten@commerzbank.com

The proof of shareholdings must cite the date stipulated for such in the German Stock Corporation Act (Aktengesetz, AktG), i.e., the commencement of the 21st day prior to the annual general meeting (record date) and thus the **commencement of May 18, 2011, 0:00** and be received together with the registration by the Company by no later than the **expiration of June 1, 2011, 24:00** at the address specified above. The registration must be made and proof of shareholdings must be provided in writing (Sec. 126b of the German Civil Code (Bürgerliches Gesetzbuch, BGB)) and must be in German or English. Shareholders with registered office abroad may request for information and forms for registration and proof of shareholding in English at **hauptversammlung@alstria.de**.

The eligibility to participate and the scope of the voting rights are determined solely according to the shareholdings of the shareholders on the record date. The record date does not coincide with a vesting period for the availability of the shareholdings for sale. Even if the shareholdings are sold in whole or in part after the record date, exclusively the shareholdings of shareholders on the record date shall be decisive for the participation and the scope of the voting rights; i.e., the sale of shares after the record date has no effect on the eligibility to participate or on the scope of voting rights. This also applies to the purchase of shares after the record date. Persons who do not hold any shares as per the record date and only later become shareholders are not eligible to participate or vote.

The shareholders will be sent entry tickets for the annual general meeting by the registration office after the receipt of their registration and proof of their shareholdings by the Company. In order to ensure the timely receipt of the entry tickets, we ask that the shareholders request an entry ticket for the participation in the annual general meeting from their custodian banks as early as possible. In such case, the necessary registration and proof of the decisive shareholdings are taken care of by the custodian bank.

## **Procedure for voting by proxy**

### *Granting of proxies*

If neither a bank nor a shareholders' association nor another person or institution of equal status in accordance with Sec. 135 para. 8 and 10 of the German Stock Corporation Act (Aktengesetz, AktG) is authorized, a proxy must be issued, revoked and proof of proxy provided to the Company at least in writing (Sec. 15 para. 3 sentence 3 of the articles of association, Sec. 134

para. 3 sentence 3 AktG in connection with Sec. 126b of the German Civil Code (Bürgerliches Gesetzbuch, BGB)).

We offer our shareholders the service of authorizing proxies appointed by the Company. The proxy must at least be issued and revoked in writing (Sec. 15 para. 3 sentence 3 of the articles of association, Sec. 134 para. 3 sentence 3 AktG in connection with Sec. 126b BGB. In the event proxies of the Company are authorized, instructions for the exercise of the voting rights must also be issued with the proxy. Proxies are obligated to vote pursuant to orders.

The timely registration of the respective stock of shares and proof of shareholdings in accordance with the above provisions are also necessary in the event shareholders are having their voting rights exercised by a proxy.

The statutory provisions, in particular Sec. 135 AktG, shall apply to the authorization of financial institutions, shareholders' associations or other persons or institutions of equal status in accordance with Sec. 135 para. 8 and 10 AktG and to the revocation and proof of such authorization. Financial institutions, shareholders' associations and other persons of equal status pursuant to Sec. 135 para. 8 and 10 AktG may stipulate special provisions for the procedure for their own authorization. The shareholders are therefore requested to contact their intended proxies in due time with regard to the form of the proxy that the proxies might require.

#### *Delivery of proxies to the Company*

The proof of the authorization must either be presented by proxy on the date of the annual general meeting or announced to the Company prior to the annual general meeting at the following address:

alstria office REIT-AG  
Reference: Annual General Meeting 2011  
Bäckerbreitergang 75  
20355 Hamburg  
Germany  
Fax No.: +49 (0) 40 226 341 224  
E-Mail: [hauptversammlung@alstria.de](mailto:hauptversammlung@alstria.de)

On the date of the annual general meeting, only the entry and exit control for the annual general meeting at the Hamburg Chamber of Skilled Crafts and Small Businesses (Handwerkskammer), Holstenwall 12, 20355 Hamburg is available for the receipt of the proof of proxy starting at 9:00 a.m. up until shortly before the commencement of the votes.

In order to facilitate the organization, shareholders who wish to authorize the proxies appointed by the Company in advance of the annual general meeting are requested to send their proxies and instructions by no later than **June 6, 2011, 24:00 (receipt by the Company)**, by mail, fax or e-mail to the following address:

alstria office REIT-AG  
Reference: Annual General Meeting 2011  
Bäckerbreitergang 75

20355 Hamburg  
Germany  
Fax No.: +49 (0) 40 226 341 224  
E-Mail: [hauptversammlung@alstria.de](mailto:hauptversammlung@alstria.de)

### *Provision of proxy forms*

Shareholders who have registered in accordance with Sec. 14 of the articles of association will be sent a proxy form as a part of their entry ticket. Proxy forms may also be requested in German or English at [hauptversammlung@alstria.de](mailto:hauptversammlung@alstria.de).

## **Rights of the shareholders (motions, proposals, requests for information)**

### **1. Expansion of the Agenda**

Shareholders whose combined shares amount to 20% of the share capital or make up a prorated amount of at least EUR 500,000 (corresponds to 500,000 shares) may request pursuant to Sec. 122 para. 2 of the German Stock Corporation Act (Aktiengesetz, AktG) that items be placed on the Agenda and published. A justification or resolution proposal must be enclosed for each new item. The request is to be directed at the management board of the Company. Such request must be received by the Company by no later than 30 days prior to the meeting, i.e., **by May 8, 2011 at 24:00** at the latest.

Please send any requests for additions to the following address:

alstria office REIT-AG  
Reference: Motions for the Annual General Meeting 2011  
Bäckerbreitergang 75  
20355 Hamburg  
Germany

Unless already published with the convocation, any additions to the Agenda which need to be published will be published directly upon receipt of the request in the electronic Federal Gazette (Bundesanzeiger) and provided to that media for publication where it can be assumed that the information will be broadcast throughout the entire European Union. Such additions will also be published in the Internet at [www.alstria.com](http://www.alstria.com) -> **Investors** -> **Annual General Meeting**.

### **2. Countermotions und nominations**

Pursuant to Sec. 126 para. 1 AktG, each shareholder is entitled to send countermotions to the proposed resolutions regarding the items of the Agenda. If the countermotions are to be made accessible by the Company, such must be received by the Company together with justification and proof of capacity as shareholder no later than by 14 days prior to the meeting, i.e., by **May 24, 2011 at 24:00**, at the following address:

alstria office REIT-AG  
Reference: Motions for the Annual General Meeting 2011  
Bäckerbreitergang 75  
20355 Hamburg  
Germany  
Fax No.: +49 (0) 40 226 341 224  
E-Mail: [hauptversammlung@alstria.de](mailto:hauptversammlung@alstria.de)

Countermotions addressed otherwise will not be made accessible. Subject to Sec. 126 para. 2 and 3 AktG, countermotions of shareholders which are to be made accessible will be published on the Internet at **[www.alstria.com](http://www.alstria.com)** -> **Investors** -> **Annual General Meeting** together with the name of the shareholder and the justification and any position of the administration on such countermotion.

Pursuant to Sec. 127 AktG, these provisions apply analogously to a shareholder's proposal to elect supervisory board members or independent auditors. However, such proposals do not have to be justified. In addition to the grounds specified in Sec. 126 para. 2 AktG, the management board does not have to make a proposal accessible inter alia if the proposal does not contain the name, profession and residence of the candidate. Nominations for the election of supervisory board members also do not have to be made accessible if no information is included regarding the nominated supervisory board candidates' membership in other supervisory boards to be established by law in the terms of Sec. 125 para. 1 sentence 5 AktG.

### **3. Right to Information**

Pursuant to Sec. 131 para. 1 AktG, the management board is to provide each shareholder information regarding the matters of the Company upon request, provided such information is necessary to duly assess an item of the Agenda and the management board has no right to decline to provide the requested information. The management board's duty to provide information also extends to the legal and business relations of alstria office REIT-AG with its affiliates. The duty to provide information in addition also concerns the situation of the alstria group and the companies included in the consolidated annual financial statements of alstria office REIT-AG.

### **4. Further elaborations**

Further elaborations regarding the rights of the shareholders in accordance with Sec. 122 para. 2, 126 para. 1, 127 and 131 para. 1 AktG can be downloaded on the Internet at **[www.alstria.com](http://www.alstria.com)** -> **Investors** -> **Annual General Meeting**.

## **Publication of the invitation to the annual general meeting and other documents**

The information to be made accessible on the Internet site of the Company pursuant to Sec. 124a of the German Stock Corporation Act (Aktiengesetz, AktG), in particular the convocation of the annual general meeting, motions of shareholders and additional information, will be available on the Internet at **www.alstria.com -> Investors -> Annual General Meeting** shortly after the convocation of the annual general meeting.

The results of the votes will be announced at the same Internet address after the annual general meeting.

The convocation of the annual general meeting was published in the electronic Federal Gazette on April 21, 2011 and has been provided to those media sources where it can be assumed that the information is broadcasted in the entire European Union. After conducting of minor adjustments, the convocation of the annual general meeting in the electronic Federal Gazette was published again on April 28, 2011 and provided to that media for publication where it can be assumed that the information will be broadcast throughout the entire European Union. The version published on April 28, 2011 shall prevail.

**Hamburg, April 2011**

**The management board**