

TLG IMMOBILIEN AG DECLARATION OF COMPLIANCE

In December 2020, the Management Board and Supervisory Board of the Company issued the following joint declaration of compliance pursuant to Section 161 of the German Stock Corporation Act (AktG):

The Management Board and Supervisory Board of TLG IMMOBILIEN AG declare that TLG IMMOBILIEN AG (hereinafter referred to as the “**Company**”) has fulfilled the recommendations of the amended German Corporate Governance Code dated 7 February 2017 (published on 24 April 2017 and corrected on 19 May 2017, hereinafter referred to as the “**Code 2017**”) since the last declaration of compliance in November 2019, subject to the following exceptions in section 1. TLG IMMOBILIEN AG also complies with all recommendations of the Code dated 16 December 2019 (entered into force on 20 March 2020, hereinafter referred to as “**DCGK 2020**”), with the exception of the following deviations in section 2, and shall continue to comply with these, subject to the stated exceptions.

1.

Recommendation 5.1.2 (2) sentence 3 of the Code 2017: Age limit for Management Board members

According to recommendation 5.1.2 (2) sentence 3 of the Code 2017, the Supervisory Board shall specify an age limit for the members of the Management Board.

The Company does not consider the specification of a general age limit a reasonable criterion for the selection of suitable Management Board members. An age limit is not currently an issue between the persons currently appointed to the Management Board. Additionally, with regard to decisions affecting the composition of a functional, effective Management Board, the appointment of a member with many years of experience can be in the interest of the Company, rendering the specification of a general age limit unreasonable in the eyes of the Company, regardless of the candidate in question.

Recommendation 5.4.1 (4) sentence 1 of the Code 2017: Consideration for targets for the share of female members

According to Recommendation 5.4.1 (4) sentence 1 of the Code 2017, proposals by the Supervisory Board to the general meeting shall take the targets for the share of female members on the Supervisory Board into account.

In its meeting on 23 May 2017, the Supervisory Board set the target proportion of women on the Supervisory Board at 16.67%. The Supervisory Board is not currently meeting this target and was unable to take these targets into account in its proposals to the general meeting due to a lack of available female candidates.

Recommendation 7.1.2 sentence 3 of the Code 2017: Publication dates for consolidated financial statements and interim financial reporting

Recommendation 7.1.2 sentence 3 of the Code 2017 recommends that Company reports should be published within 90 days (annual financial statements) or 45 days (interim financial statements) following the end of the relevant reporting period.

The Company has not complied with this specification regarding the (consolidated) annual financial statement for the financial year 2019 and interim financial reporting for 2020 in light of the fact that following the considerable share taken by the Company in Aroundtown SA towards the end of 2019, there were many questions that needed to be answered in relation to the consolidation of Aroundtown SA in the Company's financial statement. Specifically, publication of the Company's financial statement before the publication of Aroundtown SA's financial statement was ruled out. The same applies to the company's interim financial statements in 2020.

2.

Recommendation B.1 of the Code 2020: Diversity on the Management Board

In accordance with Recommendation B.1 of the Code 2020, the Supervisory Board should take diversity into account when assembling the Management Board.

Despite efforts to that effect, it was not possible to achieve diversity in the Management Board, which consists of two members, due to a lack of available candidates.

Recommendation B.5 of the Code 2020: Age limit for Management Board members

In accordance with Recommendation B.5 of the Code 2020, an age limit should be set for members of the Management Board and indicated in the declaration on corporate governance.

The Company does not consider the specification of a general age limit a reasonable criterion for the selection of suitable Management Board members. An age limit is not currently an issue between the persons currently appointed to the Management Board. Additionally, with regard to decisions affecting the composition of a functional, effective Management Board, the appointment of a member with many years of experience can be in the interest of the Company, rendering the specification of a general age limit unreasonable in the eyes of the Company, regardless of the candidate in question.

Recommendation C.1 of the Code 2020: Diversity on the Supervisory Board

According to recommendation C.1 of the Code 2020, proposals by the Supervisory Board to the general meeting shall take the targets for the composition of the Supervisory Board into account.

In its meeting on 23 May 2017, the Supervisory Board set the target proportion of women on the Supervisory Board at 16.67%. The Supervisory Board is not currently meeting this target and was unable to take these targets into account in its proposals to the general meeting due to a lack of available female candidates.

Recommendation D.1 of the Code 2020: Rules of procedure of the Supervisory Board

According to Recommendation D.1 of the Code 2020, the Supervisory Board should set itself rules of procedure and publish them on the Company's website.

If the Company's Supervisory Board has set itself rules of procedure which govern processes within the Supervisory Board, including its approval requirements. This is therefore a significant instrument for the organisation of the work and functioning of the Supervisory Board. The Company and the Supervisory Board therefore take the view that the rules of procedure is an internal document pertaining to the Supervisory Board which is not suitable for publication.

Recommendation D.2 et seq. of the Code 2020: Committees of the Supervisory Board

According to Recommendation D.2 et seq. of the Code 2020, the Supervisory Board should form professionally qualified committees, depending on the specific circumstances of the business and the number of members.

In accordance with the company's Articles of Association, the Company's Supervisory Board has consisted of three members since 16 November 2020. As a quorate Supervisory Board and a quorate committee consist of at least three members, the Supervisory Board takes the view that the formation of committees does not lead to more efficient performance of duties. Accordingly, in the view of the Company, there is no need to set up an audit committee, a nomination committee and/or any other committee.

Recommendation F.2 of the Code 2020: Publication dates for consolidated financial statements and interim financial reporting

Recommendation F.2 of the Code 2020 recommends that Company reports should be published within 90 days (annual financial statements) or 45 days (interim financial statements) following the end of the relevant reporting period.

The Company has not complied with this specification regarding the (consolidated) annual financial statement for the financial year 2019 and interim financial reporting for 2020 in light of the fact that following the considerable share taken by the Company in Aroundtown SA towards the end of 2019, there were many questions that needed to be answered in relation to the consolidation of Aroundtown SA in the Company's financial statement. Specifically, publication of the Company's financial statement before the publication of Aroundtown SA's financial statement was ruled out. The same applies to the company's interim financial statements in 2020.

Recommendation G.8 of the Code 2020: Subsequent changes to target values

Recommendation G.8 of the Code 2020 recommends that subsequent changes to target values or comparative parameters be ruled out.

Agreements with regard to the “long-term incentive” (LTI) for the Company’s Management Board members are linked to the development of the Company’s “net asset value” (NAV) per share (NAV/Share). The NAV/Share is the most common and widespread benchmark for measuring trends in property companies’ performance. If the property portfolio is restructured in the Company or there are extensive divestitures of the property portfolio with the agreement of the Supervisory Board, this has a direct impact on the NAV/Share benchmark accordingly. This means that it must be possible for this benchmark to be subsequently readjusted in the interests of the Company and the Management Board members affected.

Recommendation G.10 of the Code 2020: Investment of variable remuneration amounts in Company shares

Recommendation G.10 of the Code 2020 recommends ensuring that the variable remuneration amounts awarded to the relevant member of the Management Board, taking into account the relevant tax burden, is mostly invested in shares in the Company or should be awarded on a shares basis accordingly.

In the context of the overwhelming concentration of Company shares in the hands of a single shareholder, the Company does not believe defining the use of remuneration components in this way to be advisable.

Recommendation G.13 of the Code 2020: Exit compensation cap

Recommendation G.13 of the Code 2020 recommends that payments to a Management Board member on early termination of their contract should not exceed the value of two years’ remuneration (exit compensation cap).

Agreements with the Company’s Management Board members make provisions to limit remuneration in the event of early termination of their membership of the Management Board to only the remainder of the duration of their contract. There is no plan for an additional exit compensation cap. In light of the time limit on the company’s current Management Board membership terms prescribed in accordance with Recommendation B.3 of the Code 2020, it is not expected that the exit compensation cap shall be significantly exceeded, which is why there is no corresponding separate agreement.