



**This is a convenience translation of the original German document which is available online at:  
<http://investor-relations.alstria.com> → Hauptversammlung.**

**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 16, 2010 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 statement, the approved consolidated financial statement, the management reports of alstria office REIT-AG and the consolidated group as per December 31, 2009 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 (*Handelsgesetzbuch, HGB*), the recommendation of the management board on the appropriation of the annual net profit and the report of the supervisory board for the financial year 2009**

The above-mentioned documents may be viewed on the Internet at <http://investor-relations.alstria.de> → **Annual General Meeting**. These documents will also be on display at the annual general meeting.

The supervisory board approved the annual financial statement and consolidated financial statement prepared by the management board on February 12, 2010 on March 2, 2010 and thus adopted the annual financial statement. The annual financial statement 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 (*Aktiengesetz, AktG*) without requiring a separate resolution in this regard.

- 2. Appropriation of the annual net profit from the 2009 financial year**

The management board and supervisory board hereby propose appropriating the annual net profit from the 2009 financial year in the amount of EUR 28,500,000 as follows:

- a) Distribution of EUR 27,998,813.00 to the shareholders, i.e., a dividend of EUR 0.50 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 501,187.00.

### **3. Formal approval of the actions of the members of the management board for the financial year 2009**

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 financial year 2009 for this period.

### **4. Formal approval of the actions of the members of the supervisory board for the financial year 2009**

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 financial year 2009 for this period.

### **5. Approval of the remuneration system for the members of the management board**

The German Management Board Remuneration Appropriateness Act (*Gesetz zur Angemessenheit der Vorstandsvergütung, VorstAG*) of July 31, 2009 stipulates that the shareholders in the annual general meeting of companies listed on the stock exchange may vote on the remuneration system for management board members (Sec. 120 para. 4 AktG). The management board and supervisory board consider the presentation to the shareholders in the annual general meeting to be appropriate – also in the interest of good corporate governance.

The supervisory board adapted the remuneration system for the members of the management board to the requirements of the VorstAG in March 2010. The remuneration system currently applicable for members of the management board is described in detail in the supervisory board's report regarding this item 5 of the agenda.

In the event the remuneration system for the members of the management board is significantly modified in the future, the supervisory board and management board shall endeavour to bring about a new vote of the shareholders in the annual general meeting.

The supervisory board and management board hereby propose adopting the remuneration system for the members of the management board.

## **6. Appointment of the auditors and group auditors for the financial year 2010 and for the review of the financial report as per June 30, 2010**

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

1. PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft, Berlin, shall be appointed as auditors of the annual and the consolidated financial statements for the financial year 2010.
2. PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft, Berlin, shall also be appointed as auditors to review the half-year financial report 2010.

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

The authorization to acquire own shares issued to the Company by the shareholders in the annual general meeting on June 10, 2009 pursuant to Sec. 71 para. 1 no. 8 AktG is limited until December 9, 2010 and is therefore to be renewed. In doing so and also in the interest of condensing future annual general meetings, the option granted in the German Act regarding the Implementation of the Shareholders' Rights Directive (*Gesetz zur Umsetzung der Aktionärsrechterichtlinie, ARUG*) of July 30, 2009 to now limit the authorization to five years, is to be utilized. The proposal stipulates the Company's options regarding the purchase of its own shares and the subsequent use thereof.

The management board and supervisory board hereby propose the adoption of the following resolutions:

- a) The Company shall be authorized to acquire its own shares of up to a total of 10% of the share capital existing on the date of the authorization until June 15, 2015. The shares acquired and other own shares that are in the possession of or to be attributed to the Company pursuant to Sec. 71a et seq. 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 on a stock exchange, the consideration paid by the Company for each share of the Company 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 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 15, 2015. 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 with the granting of subscription rights to all shareholders, the management board shall 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 (section 5 para. 3 and 4 of the articles of association) and (iii) conversion and option rights for shares granted upon 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 passed.
  - bb) The above-mentioned shares of the Company may be sold and transferred in return for contributions in kind, in particular 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 partial 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 fulfil 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 fulfil 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 section 17 para. 1 sentence 3 of the articles of association.

The authorizations under 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 10, 2009 under item 7 of the agenda expiring on December 9, 2010 is to be rescinded at the time this new authorization comes into force.

## **8. Reduction of Conditional Capital II**

The shareholders of the Company resolved in the annual general meeting on March 15, 2007 to create conditional capital (Conditional Capital II, section 5 para. 7 of the articles of association). In accordance herewith, the share capital of the Company is conditionally increased by up to EUR 2,000,000 through the issuance of up to 2,000,000 no par value bearer shares. This conditional capital increase serves exclusively to grant shares to the holders of subscription rights in the form of stock options which were issued under the stock option program of alstria office REIT-AG issued by the supervisory board of the Company on March 27, 2007, which was based on the authorization granted by the shareholders in the annual general meeting on March 15, 2007 under item 9 of the agenda.

Under this stock option program, the members of the management board may be granted up to 2,000,000 stock options entitling them to subscribe to up to a maximum of 2,000,000 shares of the Company in a total nominal value of EUR 2,000,000. The additional parameters of the stock option program can be summarized as follows: The stock options are issued in annual tranches. The first tranche was granted by the supervisory board in 2007 in accordance with the conditions of the stock option program. The strike price for the stock options issued in 2007 corresponds to EUR 16.00. No stock options were granted in 2008 or 2009. There were 515,625 stock options (each to one share of the Company) as per December 31, 2009. This number remained unchanged up to the date of the convocation of the annual general meeting 2010. The terms and conditions of the stock option program shall continue to apply to the subscription rights which have already been issued. In accordance therewith, the term of the stock options is seven years as per the date of issuance. The stock options may only be issued provided the current share price exceeds the price of EUR 19.20 on at least seven non-consecutive trading days on the Frankfurt Stock Exchange prior to the commencement of a corresponding period for the exercise. The stock options may only be exercised after the conclusion of a holding period of two years and only during four periods for the exercise of stock options of each year. Each exercise period is 30 days commencing on the date of the publication of the results of the first, second and third quarters and on the date of the annual general meeting. There is no alternative for the payment in cash. Currently none of the 515,625 existing stock options can be exercised.

In the course of the adapting the remuneration system for the members of the management board to the legal requirements modified by the VorstAG (cf. also item 5 of the agenda of this annual general meeting in this regard), the supervisory board resolved to replace the stock option program by the new long term incentive plan (LTI plan) as a long-term variable incentive element with effect for the future.

Against this background, the conditional capital in section 5 para. 7 of the articles of association is to be reduced accordingly, namely from previously EUR 2,000,000 to EUR 515,625 for the future. The 515,625 stock options previously issued to the members of the management board under the stock option program shall not be affected by this modification and the provisions of the stock option program shall condition to apply to such options.

The management board and supervisory board hereby propose adopting the following resolutions:

**a) Rescission of the authorization of the shareholders in the annual general meeting of March 15, 2007 for the issuance of stock options to the management board of the Company**

The authorization of the shareholders in the annual general meeting of March 15, 2007 issued under item 9. a) of the agenda for the issuance of share options to the management board of the Company shall be rescinded



with immediate effect. This shall not affect the previous issuance of stock options to the management board of the Company.

**b) Partial rescission of Conditional Capital II**

- aa) Modification of the resolution of the shareholders in the annual general meeting regarding the creation of Conditional Capital II

The resolution of the shareholders in the annual general meeting of March 15, 2007 adopted under item 9. b) of the agenda on the creation of conditional capital (Conditional Capital II) shall be reworded as follows:

"The share capital of the Company shall be conditionally increased by up to EUR 515,625 through the issuance of up to 515,625 no par value bearer shares (Conditional Capital II). The conditional capital increase shall serve the sole purpose of granting shares of the Company to the holders of subscription rights (option rights) which are issued by the Company on or before March 14, 2012 on the basis of the authorization resolved by the shareholders in the annual general meeting on March 15, 2007. The new shares shall be issued at the strike price to be determined pursuant to the authorization of the shareholders in the annual general meeting of March 15, 2007 resolved under item 9. a) of the agenda. The conditional capital increase shall only be carried out to the extent that the holders of the option rights exercise their option rights and that no own shares are being used to satisfy such claims. The new shares shall participate in the profit starting from the beginning of the financial year in which they come into existence by virtue of the exercising of option rights. The supervisory board shall be authorized to determine the further details of the implementation of the conditional capital increase."

- bb) Modification of the articles of association

The conditional capital pursuant to section 5 para. 7 of the articles of association shall be reduced from EUR 2,000,000 to EUR 515,625 – with no change in use of any new shares – and section 5 para. 7 shall be amended as follows:

"The share capital of the Company shall be conditionally increased by up to EUR 515,625 through the issuance of 515,625 no par value bearer shares (Conditional Capital II). The conditional capital increase shall serve the sole purpose of granting of the Company to the holders of subscription rights (option rights) which are issued by alstria office REIT-AG on the basis of the authorization resolved by the shareholders in the annual general meeting on March 15, 2007.

The conditional capital increase shall only be carried out to the extent that the holders of the option rights exercise their option rights and that no own shares are being used to satisfy such claims. The new shares shall participate in the profit starting from the beginning of the financial year in which they come into existence by virtue of the exercising of option rights."

**9. Authorization to issue bonds with warrants or convertible bonds, profit participation rights or participating bonds and exclude subscription rights, create new conditional capital, rescind existing conditional capitals 2009/A and 2009/B 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 resources. When using such financial instruments, the Company receives capital which it may possibly retain as equity capital later on.

In their annual general meeting on June 10, 2009, the shareholders resolved on two authorizations for the issuance of bonds with warrants or convertible bonds, profit participation rights or participating bonds and on the exclusion of subscription rights (Authorizations A and B) and two conditional capitals (Conditional Capital 2009/A and Conditional Capital 2009/B). Due to various contradicting judgments of higher regional courts, the option/conversion prices were structured in such that the conditional capital is only a financing option for the Company in certain market situations. After clarifications by the Federal Constitutional Court and an amendment of Sec 193 para. 2 no. 3 AktG, now there is significantly more leeway for the structuring of terms and conditions of option rights. It is correspondingly recommended to resolve again on authorizations for the issuance of bonds with warrants or convertible bonds, profit participation rights or participating bonds with the creation of a conditional capital and rescind the previous authorizations and the previous Conditional Capitals 2009/A and 2009/B (section 5 para. 5 and 6 of the articles of association).

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, upon 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") one or more times on or before June 15, 2015, with a

total nominal amount of up to EUR 400,000,000 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 26,500,000.

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, upon 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*

The shareholders shall be entitled to the statutory subscription rights in the issuance of debentures. The statutory subscription rights may also be granted to the shareholders in such that the debentures are assumed by financial institutions or a consortium of financial institutions with the obligation to offer them to the shareholders for subscription. In the event debentures are issued by an affiliate of alstria office REIT-AG in the terms of Sec. 18 AktG, the Company must correspondingly ensure the granting of the statutory subscription rights to the shareholders of alstria office REIT-AG.

However, the management board shall be authorized, upon the approval of the supervisory board, to exclude residual amounts from the shareholders' subscription rights and also exclude subscription rights to the extent necessary in order to grant the holders of previously issued debentures with conversion rights or option rights subscription rights in the scope in which the holders would be entitled after the exercise of the option or conversion rights or in the fulfilment of the conversion obligations as shareholders.

The management board shall furthermore be authorized, upon the approval of the supervisory board, to exclude the shareholders' rights to subscribe to debentures issued with option rights and/or conversion rights or conversion obligations altogether, provided the management board, after dutiful examination is of the opinion that the issue price of the debentures is not significantly lower than their theoretical market price determined in accordance with generally accepted financial mathematical methods. This obligation to exclude subscription rights shall apply to debentures issued with option rights and/or conversion rights or conversion obligations, with an option right and/or conversion right or obligation to shares with a prorated amount of the share capital, which in total may not exceed 10% of the share capital neither at the time this authorization takes effect

nor – if such value is lower – at the time of the exercise of the authorization. The following shall be credited to the above-mentioned 10% threshold:

- new shares that are issued from authorized capital under the exclusion of subscription rights pursuant to Sec. 186 para. 3 sentence 4 AktG during the term of this authorization up to the issuance of the debentures with option rights and/or conversion rights or conversion obligations without subscription rights in accordance with Sec. 186 para. 3 sentence 4 AktG; and
- those shares, which were acquired on the basis of an authorization of the shareholders in the annual general meeting and sold pursuant to Sec. 71 para. 1 no. 8 sentence 5 in connection with Sec. 186 para. 3 sentence 4 AktG during the term of this authorization up to the issue of debentures with option rights and/or conversion rights or conversion obligations without subscription rights under the exclusion of subscription rights.

In the event profit participation rights or participating bonds are issued without conversion rights or obligations or option rights, the management board shall be authorized upon the approval of the supervisory board to exclude subscription rights of shareholders altogether in the event these profit participation rights or participating bonds have the characteristics of an obligation, 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 net income, balance sheet profits or the dividends. In such event, the interest and the issue price of the profit participation rights or participating bonds must additionally correspond to current market conditions at the time of issuance.

#### *cc) Option rights*

In the event bonds with warrants are issued, one or more warrants shall be attached to each partial 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 partial debentures and if necessary, an additional cash premium. The pro rata amount of the share capital of the shares to be subscribed for each partial debenture may not exceed the nominal value of the partial 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 10 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. 1AktG, 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 adaption 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 adaption 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. 2AktG is to be observed thereby.

The management board shall be authorized, upon 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 authorizations*

Authorization A resolved by the shareholders in the annual general meeting on June 10, 2009, under item 8. a) of the agenda and Authorization B resolved under item 8. b) of the agenda, each for the issuance of partial debentures with conversion or option rights or conversion obligations, profit participation rights and participating bonds (or a combination of these instruments) are hereby rescinded at the time at which this authorization takes effect.

**b) Creation of a new conditional capital and rescission of the previous Conditional Capitals 2009/A and 2009/B**

*aa) Creation of a new conditional capital*

The share capital shall be conditionally increased by up to EUR 26,500,000 through the issue of up to 26,500,000 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 15, 2015 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 16, 2010, under item 9 if the agenda. 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 fulfil 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 section 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 fulfilment of a conversion obligation.

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

*bb) Rescission of previous conditional capitals*

Conditional Capital 2009/A and Conditional Capital 2009/B, each resolved by the shareholders in the annual general meeting on June 10, 2009 under items 8. a) cc) and 8 b) cc) of the agenda respectively shall be rescinded with effect of the conditional capital pursuant to aa) above.

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

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

"The share capital shall be conditionally increased by up to an additional EUR 26,500,000, divided into up to 26,500,000 bearer shares (Conditional Capital 2010). 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 the terms of Sec. 18 AktG on the basis of the authorization resolved by the shareholders in the annual general meeting on June 16, 2010 under item 9 of the agenda, exercise their option rights or conversion rights or, if they are obligated to convert, fulfil 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 section 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 fulfilment of a conversion obligation. The management board is hereby authorized, upon the approval of the supervisory board, to determine the further details of the implementation of the conditional capital increase."

bb) Section 5 para. 6 of the articles of association shall be deleted; the previous section 5 para. 7 shall now be para. 6 and the previous section 5 para. 8 shall now be para. 7.

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

The supervisory board shall be authorized to modify the articles of association in accordance with the respective issue of new shares and make all other related amendments to the articles of association that only affect the wording. 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 is not used after the expiration of the periods for the exercise of option rights or conversion rights or for the fulfilment of conversion obligations.

**10. Resolution on the modification of the articles of association in view of the rescission of the English translation**

In order to simplify day-to-day work, the articles of association of alstria office REIT-AG are regularly kept in German and English, whereby solely the German version is decisive (section 20 at the end of the articles of association) and has always solely been decisive. The English version of the articles of association was also submitted to the commercial register together with the German version. Modifications of the articles of association are however only to be resolved and submitted to the commercial register in German. An English translation of the articles of association will of course also be kept available in the future.

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

"The English version of the articles of association as a component of the articles of association in a legal sense is hereby rescinded. Irrespective of the modifications to be resolved at today's annual general meeting and in the future, the solely decisive German version of the articles of association to date shall be continued. Any English translations shall be for informational purposes only in the future."



## **Reports and notices to the shareholders in the annual general meeting**

### **Report of the supervisory board regarding item 5 of the agenda** (resolution regarding the approval of the remuneration system for management board members; "say on pay")

In this report, the supervisory board presents the shareholders of the Company the details of the new remuneration system for the management board members of alstria office REIT-AG which is being presented to the shareholders in the annual general meeting for a resolution on the approval. The supervisory board's report to the shareholders in the annual general meeting for the financial year 2009 already contains a rough outline of the new remuneration system. The compensation report for the 2009 financial year is based on the old remuneration system because the Company only switched to the new system after the preparation of the compensation report.

Since the effective date of the German Management Board Remuneration Appropriateness Act (*Gesetz zur Angemessenheit the Vorstandsvergütung, VorstAG*) on August 5, 2009 and a corresponding provision in the rules of procedure of the supervisory board, the supervisory board in plenary session is – after preparation by the nomination and remuneration committee – also responsible for the determination of the remuneration system and the remuneration of individual management board members.

In its meeting on March 2, 2010, the supervisory board resolved to adapt the remuneration system and employment agreements of the management board members to the new legal requirements of the *VorstAG* in accordance with the recommendations of the external remuneration experts commissioned in the summer of 2009. Under the new remuneration system, the criteria for appropriateness of the management board remuneration are the duties of the individual management board member, his personal performance, the financial situation, the success and future prospects of the Company as well as the commonness of the remuneration with consideration of the scope of comparison and the Company's applicable remuneration structure.

The remuneration structure will also consist of a fixed basic remuneration, ancillary benefits (payments in kind) and short-term and long-term variable remuneration components in the future. The majority of the remuneration will consist of the variable remuneration components that are each partially or predominately based on many years of assessment. Limitation options were implemented for extraordinary developments.

The fixed salary is a base remuneration irrespective of success which is paid out monthly as a salary. The fixed salary amounts to approximately 40% of the prescribed total remuneration without ancillary benefits.

The short-term variable remuneration (Short Term Incentive or STI) is based on a target value for each year, the budgeted funds from operations (FFO). The amount of the short term incentive depends on the degree to which the target is achieved, whereby at least 50% of the target value must be met for payment to be made and maximum of 150% can be achieved (cap). The individual performance of each management board member will be considered using a multiplier (0.8 to 1.2). The maximum amount payable is limited by a cap. Only 75% of the incentive premium will be paid out in cash to the management board members. 25% of the incentive premium will be converted into virtual shares which are subject to a minimum holding period of two years. The number of virtual shares is calculated from the amount corresponding to 25% of the short term incentive divided by the current market price of one alstria share at the time, which is calculated on the basis of a reference period. After the expiration of the vesting period, the virtual shares will be converted into a cash amount. This amount is calculated from the number of virtual shares multiplied by the current share price of one alstria share at the time, which is also calculated on the basis of a reference period. This component of the remuneration amounts to approximately 20% of the total remuneration excluding ancillary benefits.

As a long-term variable incentive component, a new performance share plan (long term incentive plan, LTI plan) replaces the previous stock option program for the management board. Virtual shares with a four year term will be issued to the members of the management board each year. The number of virtual shares to be granted generally results from a target value divided by the share price of one alstria share (calculated on the basis of a reference period) valid on the date the virtual shares are issued. The number of the virtual shares issued from the LTI plan will be adapted at the end of each respective performance period depending on the degree to which the target was reached. 50% of the targets determined by the supervisory board is made up the absolute total shareholder return derived from the "weighted average cost of capital" (WACC) and 50% of the relative total shareholder return calculated on the basis of the reference index EPRA REIT Continental Europe. After the expiration of the term, the virtual shares will be converted into a one-time cash payment. The amount is calculated from the number of the virtual shares achieved after the adjustment multiplied by the market price of one alstria share at the time (calculated on the basis of a reference period) and a multiplier (0.8 to 1.2) which takes the individual performance of each management board member into consideration. As with the short term incentive, a certain degree of target achievement is a requirement for payment in the LTI plan. Furthermore, the amount of the payment in the LTI plan is limited by a cap. This component of the remuneration amounts to approximately 40% of the total remuneration without ancillary benefits.

The management board members will continue to receive additional ancillary benefits in the form of payments in kind, which essentially consist of insurance premiums, payments for a pension plan and the private use of a company car. As a component of the remuneration, taxes on these ancillary benefits are to be paid by each individual management board member. Each management board member is in principle equally entitled to these ancillary benefits but the amount varies according to the personal

situation of each member. For the purpose of the pension plan the Company grants to the members of the management board an annual amount (EUR 75,000 for Olivier Elamine and EUR 50,000 for Alexander Dexne, each payable in monthly instalments).

The supervisory board is of the opinion that this remuneration system provides the management board members a remuneration system which is customary to the market and at the same time appropriate, which in particular also takes the lasting success of the Company into consideration. The supervisory board therefore recommends that the shareholders in the annual general meeting approve the new system for the remuneration of the members of the management board of alstria office REIT-AG.

**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, fulfil claims of holders of partial 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 should be utilized to now stipulate a term of five years for the authorization. The maximum term of an authorization to acquire own shares was previously 18 months, which led to the need for a vote on a corresponding authorization at each annual general meeting. 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 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 the Company's shares on the Frankfurt Stock Exchange on the 5th, 4th and 3rd exchange trading day prior to the public announcement of the acquisition offer, as determined based on the arithmetic mean of the final auction prices in Xetra trading on the Frankfurt Stock Exchange, by more than 10% or fall below such average market 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 management.

### *Acquisition by way of 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. It 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 15, 2015.

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 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 (section 5 para. 3 and 4 of the articles of association) and (iii) conversion and option rights for shares granted upon issuance of partial 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 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 fulfil conversion or option rights or conversion obligations of holders of partial 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 fulfil the conversion or option rights or fulfil conversion obligations in the event of a capital increase.

The acquired own shares should also 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 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 should 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 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 10 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, which is to be described in detail in the supervisory board's report on item 5 of the agenda, 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 fulfil the Company's obligations. Through this option to fulfil 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. Convertible profit participation certificates shall 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 section 17 para. 1 sentence 3 of the articles of association, own shares can also be used as dividends in kind.

**Report of the management board regarding item 9 of the agenda** (authorization to issue bonds with warrants or convertible bonds, profit participation rights or participating bonds and to exclude subscription rights, creation of new conditional capital, rescission of the existing Conditional Capitals 2009/A and 2009/B and corresponding modifications of the articles of association; report pursuant to Sec. 221 para. 4 sentence 2, 186 para. 4 sentence 2 of the German Stock Corporation Act (*Aktiengesetz, AktG*))

The proposed authorization for the 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 400,000,000 and for the creation



of the related conditional capital of up to EUR 400,000,000 is intended to expand the options, which are described in more detail below, available to alstria office REIT-AG for the financing of its activities and to grant the management board access, with the approval of the supervisory board, to a flexible and timely financing, which is in the best interests of the Company, in particular if favourable capital market conditions exist.

The proposed authorization is intended to replace the two authorizations issued in the annual general meetings of the Company on June 10, 2009 under items 8. a) and 8. b) of the agenda. These authorizations stipulated a fixed option or conversion price which was essentially based on the decisions of some higher regional courts in which the previous common practice of determining merely a minimum price instead of a fixed price in an authorization was considered to be inconsistent with the legal provisions. This structure led to a significant loss of flexibility regarding the issuance of debentures because the ability to appropriately react to market conditions which might have occurred since the authorization was issued up to five years ago upon the issuance of the debentures would possibly be significantly limited. After clarification through the German Federal Constitutional Court and a modification of the AktG, the authorizations common up to that point in which only a minimum price is determined are again manageable with legal certainty. The authorizations resolved in the annual general meeting of the Company on June 10, 2009 should thus be replaced by an authorization in which the minimum price is determined. This will give the Company significantly more leeway in structuring the issue while at the same time protecting the shareholders of the Company against the dilution of their shareholdings 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 round 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, upon 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, leading 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 behaviour). 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 unfavourable 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 hypothetical 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 hypothetical 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 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 the extent of 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 favourable market situations at short notice by the Company.

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, upon 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, it is required that 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. 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 56,000,000 and is divided up into 56,000,000 no par value bearer shares. In principle, each no par value share entitles the bearer to one vote in the annual general meeting (section 6 para. 1 sentence 2 and section 15 para. 3 sentence 1 of the articles of association). 55,997,626 of the 56,000,000 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 section 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 to the address specified below 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 Deutsche Bank AG  
General Meetings  
Postfach 20 01 07  
60605 Frankfurt am Main  
Germany  
Fax: +49 (0) 69 12012 86045  
E-Mail: wp.hv@xchanging.com

The proof of shareholdings must cite the date stipulated for such in the German Stock Corporation Act (*AktG*), i.e., the commencement of the 21st day prior to the annual general meeting (record date) and thus the **commencement of May 26, 2010** and be received together with the registration by the Company by no later than the **expiration of June 9, 2010** 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 their registered seat abroad may request for information and forms for registration and proof of shareholding in English at hv2010@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 mutatis mutandis 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*

Voting rights may be exercised by a proxy. 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 (*Aktiengesetz, AktG*) is authorized, a proxy must at least be issued, revoked and proof of proxy provided to the Company in writing (section 15 para. 3 sentence 3 of the articles of association and 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 (section 15 para. 3 sentence 3 of the articles of association and 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 authorization must either be presented by the 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 2010  
Bäckerbreitergang 75  
20355 Hamburg  
Germany  
Fax: +49 (0) 40 226 341 310  
E-Mail: hv2010@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 14, 2010, 24:00, (receipt by the Company)** by mail, fax or e-mail to the following address:

alstria office REIT-AG  
Reference: Annual General Meeting 2010  
Bäckerbreitergang 75  
20355 Hamburg  
Germany  
Fax: +49 (0) 40 226 341 310  
E-Mail: hv2010@alstria.de

*Provision of proxy forms*

Shareholders who have registered in accordance with section 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 hv2010@alstria.de.

## **Rights of the shareholders (motions, proposals and 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 to 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 no later than **May 16, 2010 at 24:00**.

Please send any requests for additions to the following address:

alstria office REIT-AG  
Reference: Motions for the Annual General Meeting 2010  
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 <http://investor-relations.alstria.com> → Annual General Meeting.

### **2. Countermotions and nominations**

Pursuant to Sec. 126 para. 1AktG, each shareholder is entitled to send countermotions to the proposed resolutions regarding the items of the agenda. If the counterproposals 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 **June 1, 2010, 24:00**, at the following address:

alstria office REIT-AG  
Reference: Motions for the Annual General Meeting 2010  
Bäckerbreitergang 75  
20355 Hamburg  
Germany  
Fax: +49 (0) 40 226 341 310  
E-Mail: hv2010@alstria.de

Counter motions addressed otherwise will not be made accessible. Subject to Sec. 126 para. 2 and 3 AktG, counter motions of shareholders which are to be made accessible will be published on the Internet at <http://investor-relations.alstria.com> → Annual General Meeting together with the name of the shareholder and the justification and any position of the administration on such counter motion.

Pursuant to Sec. 127 AktG, these provisions apply mutatis 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 <http://investor-relations.alstria.com> → 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, is available in the Internet at <http://investor-relations.alstria.com> → 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 is published in the electronic Federal Gazette of May 4, 2010 and has been provided to those media sources where it can be assumed that the information is broadcasted in the entire European Union.

**Hamburg, April 2010**

***The management board***