

**Fair Value REIT-AG
Munich**

**WKN A0MW97
ISIN DE000A0MW975**

Supplementary motion

Supplement to the agenda pursuant to Section 122 (2) of the German Stock Corporation Act (AktG) for the Ordinary Annual General Meeting on May 19, 2015 at 11:00 hours

Through announcement in the German Federal Gazette (Bundesanzeiger) on April 9, 2015, the Ordinary Annual General Meeting ("AGM") of Fair Value REIT-AG was convened for May 19, 2015, at 11:00 hours, at the Haus der Bayerischen Wirtschaft, Europa Saal, Max-Joseph-Strasse 5, 80333 Munich, Germany.

Obotritia Beteiligungs GmbH is a shareholder in Fair Value REIT-AG with a total of 940,010 ordinary bearer shares, each with a notional amount in the share capital of EUR 2.00, and consequently a total of EUR 1,880,020.00. This relates to more than one twentieth part (currently corresponding to EUR 940,688.20) of the total share capital amounting to EUR 18,813,764.00 of Fair Value REIT-AG, or the proportional amount of EUR 500,000.00 in the meaning of Section 122 (2) of the German Stock Corporation Act (AktG).

Obotritia Beteiligungs GmbH has applied, pursuant to Section 122 para. 2 of the German Stock Corporation Act (AktG), for the following supplementary motion to be added to the agenda of the Ordinary Annual General Meeting of the Fair Value REIT-AG to be held on May 19, 2015.

As a consequence, the agenda for the Ordinary Annual General Meeting of Fair Value REIT-AG to be held on May 19, 2015 is to be supplemented to include the following new agenda item 7:

Agenda item 7 Resolution concerning the cancellation of the existing authorised capital, and concerning the creation of new Authorised Capital 2015 with exclusion of subscription rights, and corresponding amendments to the Articles of Association

Obotritia Beteiligungs GmbH proposes passing the following resolution:

- "a) The authorisation of the Management Board included in Section 5 (5) of the Articles of Association to increase the company's share capital in the period until May 26, 2019, with Supervisory Board assent, once or on several occasions by total of up to EUR 9,406,882.00 through issuing up to 4,703,441 new ordinary no par value bearer shares against cash and/or non-cash capital contributions (Approved Capital 2014) shall be cancelled, to the extent that has not yet been utilised, with effect as of the date of the submission of the application for registration of the new Approved Capital 2015 to be approved under section b) and section c).

- b) The Management Board be authorised, with the consent of the Supervisory Board, to increase the share capital of the company up until May 18, 2020 one or more times by a total of up to EUR 14,110,322.00 by issuing up to 7,055,161 new no par value creditor shares (ordinary shares) in exchange for contributions in cash and/or kind (Authorised Capital 2015). The Management Board shall be authorised, with the consent of the Supervisory Board, to exclude the subscription rights of shareholders in whole or in part. However, excluding subscription rights is only permissible in the following cases:
 - (i) in the case of capital increases in exchange for cash contributions, if shares of the company are traded on the stock market (regulated market or over-the-counter or the successors of these segments), the capital increase does not exceed one-tenth of the share capital, and not when this authorisation takes effect or when it is exercised, and the issue price of the new shares is not significantly less, within the meaning of Section 203 paragraphs 1 and 2, and Section 186 paragraph 3 sentence 4 AktG, than the stock-market price of the shares of the company of the same class and features already traded on the stock market. The amount of 10% of the share capital shall be offset by the amount allocated to shares that due to another

corresponding authorisation are issued or sold while excluding subscription rights in direct or corresponding application of Section 186 para. 3 sentence 4 AktG, provided such an offset is legally allowed. For the purposes of this authorisation, the issue price for the purchase of new shares by an intermediary with the simultaneous obligation of said intermediary to offer the new shares for purchase by one or more third parties designated by the company is deemed to be the amount that must be paid by the third party or parties;

- (ii) in the case of capital increases in exchange for contributions in kind, in particular for the purchase of companies, parts of companies or participations (investments) in companies, industrial property rights, such as, for example, patents, trademarks or licenses thereto, or other product rights or other contributions in kind, including bonds, convertible bonds and other financial instruments;
- (iii) to the extent required to grant to holders or creditors of the bonds with option or conversion rights or obligations that were issued by the company or its group companies subscription rights on new shares to the extent they are entitled after exercising their option or conversion rights or after meeting an option or conversion obligation, or
- (iv) for fractions arising from the subscription ratio.

The Management Board is authorised, with the consent of the Supervisory Board, to stipulate the additional content of the stock rights and the other details of the capital increase and its implementation. In particular, to the extent legally permissible and by way of divergence from Section 60 para. 2 of the German Stock Corporation Act (AktG), the Management Board, with Supervisory Board assent, can also determine dividend-entitlement for the fiscal year that has already elapsed, to the extent that the Annual General Meeting of the fiscal year elapsed has not yet passed a resolution concerning the application of unappropriated retained earnings. The Management Board is authorised to stipulate that the new shares should in accordance with Section 186 para. 5 AktG be acquired by a bank or a company active per Section 53 para. 1 sentence 1 or Section 53b para. 1 sentence 1 or para. 7 KWG [German Banking Act], provided they offer them to shareholders for subscription.

The Supervisory Board is authorised to amend the version of the Articles of Association to correspond to the current amount of the increase in share capital arising from the Authorised Capital 2015.

- c) In Section 5 of the Articles of Association, Section 5 shall be replaced by the following new Section 5:

"(5) The Management Board is authorised, with the consent of the Supervisory Board, to increase the share capital of the company up until May 18, 2020 one or more times by a total of up to EUR 14,110,322.00 by issuing up to 7,055,161 new no par value creditor shares (ordinary shares) in exchange for contributions in cash and/or kind (Authorised Capital 2015). The Management Board is authorised, with the consent of the Supervisory Board, to exclude the subscription rights of shareholders in whole or in part. However, excluding subscription rights is only permissible in the following cases:

- (i) in the case of capital increases in exchange for cash contributions, if shares of the company are traded on the stock market (regulated market or over-the-counter or the successors of these segments), the capital increase does not exceed one-tenth of the share capital, and not when this authorisation takes effect or when it is exercised, and the issue price of the new shares is not significantly less, within the meaning of Section 203 paragraphs 1 and 2, and Section 186 paragraph 3 sentence 4 AktG, than the stock-market price of the shares of the company of the same class and features already traded on the stock market. The amount of 10% of the share capital shall be offset by the amount allocated to shares that due to another corresponding authorisation are issued or sold while excluding subscription rights in direct or corresponding application of Section 186 para. 3 sentence 4 AktG, provided such an offset is legally allowed. For the purposes of this authorisation, the issue price for the purchase of new shares by an intermediary with the simultaneous obligation of said intermediary to offer the new shares for purchase by one or

more third parties designated by the company is deemed to be the amount that must be paid by the third party or parties;

- (ii) in the case of capital increases in exchange for contributions in kind, in particular for the purchase of companies, parts of companies or participations (investments) in companies, industrial property rights, such as, for example, patents, trademarks or licenses thereto, or other product rights or other contributions in kind, including bonds, convertible bonds and other financial instruments;
- (iii) to the extent required to grant to holders or creditors of the bonds with option or conversion rights or obligations that were issued by the company or its group companies subscription rights on new shares to the extent they are entitled after exercising their option or conversion rights or after meeting an option or conversion obligation, or
- (iv) for fractions arising from the subscription ratio.

The Management Board is authorised, with the consent of the Supervisory Board, to stipulate the additional content of the stock rights and the other details of the capital increase and its implementation. In particular, to the extent legally permissible and by way of divergence from Section 60 para. 2 of the German Stock Corporation Act (AktG), the Management Board, with Supervisory Board assent, can also determine dividend-entitlement for the fiscal year that has already elapsed, to the extent that the Annual General Meeting of the fiscal year elapsed has not yet passed a resolution concerning the application of unappropriated retained earnings. The Management Board is authorised to stipulate that the new shares should in accordance with Section 186 para. 5 AktG be acquired by a bank or a company active per Section 53 para. 1 sentence 1 or Section 53b para. 1 sentence 1 or para. 7 KWG, provided they offer them to shareholders for subscription.

The Supervisory Board is authorised to amend the version of the Articles of Association to correspond to the current amount of the increase in share capital arising from the Authorised Capital 2015.”

Explanation and report on exclusion of subscription rights

Obotritia Beteiligungs GmbH has explained its application as follows, and has submitted a report on the reasons for the authorisation to exclude subscription rights in corresponding application of Section 203 para. 2 in combination with Section 186 para. 4 sentence 2 AktG:

"The Authorised Capital 2014 contained in Section 5 para. 5 of the Articles of Association is being utilised currently pursuant to an ad hoc announcement by the company on April 17, 2015, for a capital increase against cash capital contributions in a scope of up to a nominal amount of EUR 9,406,882.00, which is to be entered in the commercial register before the date of the Ordinary Annual General Meeting. Authorised Capital 2014 might be fully utilised for this reason. Due to this utilisation of Authorised Capital 2014 and the resultant increase in the issued share capital, scope exists to create new authorised capital. With a view to the company's future growth and any other financing measures to strengthen its capital base, the company's Management Board is to continue to have a high degree of flexibility for any capital measures so that the newly arisen scope to create authorised capital is to be utilised to the greatest possible extent, as in the past. For reasons of standardisation, this step is also to comprise the cancellation of Authorised Capital 2014, to the extent that it has not yet been utilised.

In relation to our application, we hereby submit, in corresponding application of Section 203 para. 2 in combination with Section 186 para. 4 sentence 2 AktG, the following report on the reasons for the authorisation to exclude shareholders' subscription rights when issuing the new shares:

a) Introduction

The new shares in relation to the proposed new Authorised Capital 2015 are to be offered to shareholders for subscription, as a matter of principle. This can also be realised through indirect subscription rights in the meaning of Section 186 para. 5 AktG. The Management Board is to be authorised, however, with Supervisory Board approval, to exclude shareholders' statutory subscription rights in certain cases when issuing new shares.

b) Exclusion of subscription rights for fractional amounts

If shareholders are to be granted subscription rights to new shares in a capital increase as a matter of principle, the Management Board should be authorised to exclude shareholders' subscription rights for fractional amounts with Supervisory Board approval. The possibility to exclude subscription rights for fractional amounts serves to realise a technically feasible subscription ratio. The shares that are excluded as free fractional amounts from shareholders' subscription rights are to be realised as best possible for the Company either through sale on the stock market or in another manner. The potential dilution effect is minor given this restriction to fractional amounts.

c) Exclusion of subscription rights in the case of non-cash payments

The Management Board is to be authorised, with Supervisory Board approval, to exclude shareholders' subscription rights in the case of capital increases against non-cash capital contributions, especially in order to grant new shares as consideration as part of a business combination with other companies, or as part of acquiring companies, parts of companies or interests in companies, industrial property rights (such as patents, brands or related licences, or other product rights), land, real estate, interests in real estate companies or land rights, or other non-cash assets, as well as bonds, convertible bonds and other financial instruments. In such cases, the necessity increasingly arises to provide shares in the acquiring company as consideration, rather than cash. One reason for this is that providing shares in the acquiring company is frequently required for attractive acquisition objects. In addition, the granting of new shares as consideration can prove beneficial for liquidity conservation reasons, especially where larger entities are concerned. The proposed authorisation gives the Company the requisite flexibility to utilise opportunities entailing this form of consideration, especially to merge with other companies, and to acquire companies, parts of companies or interests in companies, or other non-cash assets. This necessitates the proposed authorisation to exclude shareholders' subscription rights. The granting of subscription rights can prevent business combinations with other companies, or the acquisition of companies, parts of companies or interests in companies, or the purchase of other non-cash assets against the granting of new shares, making the related benefits unachievable for the Company. If opportunities arise to merge with other companies, or to acquire companies, parts of companies or interest in companies, or to purchase other

non-cash assets, the Management Board should examine carefully whether it will utilise the possibility of a non-cash capital increase and the possibility of exclusion of subscription rights. It should do so only if it is convinced that the business combination, or acquisition of the company, part of a company or interest in a company, or the purchase of other non-cash assets against the granting of new shares in the Company lies in the Company's generally perceived interest. The Supervisory Board should only issue the requisite approval if it is also convinced accordingly. The Management Board is obligated to report to the Shareholders' General Meeting on the details of the utilisation of this authorisation to exclude subscription rights that follows any business combination or acquisition against the granting of shares in the Company.

d) Subscription rights exclusion for cash capital increases by up to 10 %

The Management Board should also be authorised, however, with Supervisory Board Approval, to exclude shareholders' subscription rights if the capital increase is implemented against cash capital contributions, and the total proportional amount of the share capital that is attributable to the new shares for which subscription rights are excluded does not exceed ten percent of the share capital, and the issue amount of the new shares is not significantly less than the stock market price of the already listed shares of the same class and same entitlements in the meaning of Sections 203 paragraphs 1 and 2, 186 para. 3 sentence 4 AktG. Either the share capital existing as of the date of the becoming effective of the authorisation with the entry in the commercial register, or the share capital existing at the date when the new shares issued, are decisive in determining this ten percent limit, depending upon on which of these dates the share capital amount is lower. This means that the lower of these amounts is to be applied. Section 203 para. 1 and 2 AktG in combination with Section 186 para. 3 sentence 4 AktG forms the legal basis for this exclusion of subscription rights. Any discount from the respective stock market price shall not exceed three percent prospectively, albeit a maximum of five percent, of the stock market price. This possibility to exclude subscription rights serves the Company's interest in achieving the best possible price when issuing the new shares. It enables the Company to exploit opportunities that arise on the basis of the respective stock market conditions in a manner that is quick and flexible, as well as cost-effective. The issue amount achievable through fixing a price that is close to the market results, as a rule, in significantly higher cash inflow per new share than would be the case with

a share placing with subscription rights. Dispensing with the time-consuming and costly processing of subscription rights can also allow equity capital requirements to be covered quickly by short-term market opportunities. Although Section 186 para. 2 sentence 2 AktG permits publication of the subscription price at the latest three days before the expiry of the subscription period, equity market volatility nevertheless also generates a market risk, in other words, a risk relating to changes in prices spanning several days, which can result in safety discounts when determining the selling price, and consequently in terms that are not close to the market. When granting subscription rights, the Company can also be unable to respond short-term to favourable market conditions due to the length of the subscription period. The Company is to be given the requisite flexibility to be able to achieve these objectives. Through an attribution clause that includes a corresponding reduction of the scope of the authorisation in the case of other measures occurring under exclusion of subscription rights in direct, corresponding or logical application of Section 186 para. 3 sentence 4 AktG, it should also be ensured that the ten percent limit included in Section 186 para. 3 sentence 4 AktG is complied with, while taking into account all authorisations with the possibility of subscription rights exclusion pursuant to Section 186 para. 3 sentence 4 AktG, to the extent that such attribution is statutorily required. The proposed authorisation to exclude subscription rights lies in the interests of the Company and its shareholders for the aforementioned reasons. As the issue amount for the new shares must be based on the stock market price, and the authorisation has only limited scope, shareholders' interests are taken into appropriate account. Shareholders have the opportunity to maintain their respective interests through purchases on the stock market.

e) Subscription rights exclusion for warrant or conversion rights

If shareholders are to be granted subscription rights to the new shares in a capital increase as a matter of principle, the Management Board is also to be authorised, with Supervisory Board approval, to exclude shareholders' subscription rights to the extent that this is required in order to grant to the holders and/or obligees of conversion and/or warrant rights, respectively parties that are obligated to convert and/or exercise warrants deriving from bonds, which are issued by the Company or a Group company, subscription rights to the new shares in the scope to which they would be entitled following exercise of conversion and/or warrant rights, or after satisfying conversion and/or warrant obligations. In order to make it easier to place them on the

capital market, convertible bonds or bonds with warrants are frequently endowed with dilution protection. A choice typically exists for dilution protection between a cash settlement, or a reduction in the conversion or warrant price, or an adjustment of the exchange ratio. In addition, convertible bonds and bonds with warrants typically allow dilution protection through the aforementioned mechanisms to be replaced by the granting of subscription rights to new shares in the manner to which shareholders are also entitled, especially in the case of a capital increase where subscription rights for shareholders are granted to the holders or obligees of conversion or warrant rights, or to the obligors of conversion or warrant obligations. If the Management Board utilises this option, it is assumed that they have already exercised their conversion or warrant rights, or satisfied their conversion or warrant obligations. By contrast with dilution protection through reducing the conversion or warrant price, or through adjusting the exchange ratio, this approach provides the benefit that the Company can achieve a higher issue amount for the shares to be issued on conversion or warrant exercise, and is also not required to render a cash settlement. To this extent, the exclusion of subscription rights is required in order to achieve this objective.

Taking into consideration all of the aforementioned circumstances, we regard the authorisations to exclude subscription rights in the aforementioned cases as objectively justified and appropriate for shareholders for the reasons set out above, including taking into account the dilution effect that occurs to the detriment of shareholders when utilising the respective authorisation.

The Management Board is obligated to report to the AGM on any utilisation of authorised capital."

The report of Obotritia Beteiligungs GmbH will be available for shareholders to view from the publication date of this supplementary application at the business premises of Fair Value REIT-AG, Leopoldstrasse 244, 80807 Munich, Germany. It is available from the Company's website at **www.fvreit.de/Investor-Relations/Hauptversammlung/Einladung**, and can be viewed by shareholders at the AGM. A copy can also be issued and sent immediately and free of charge to shareholders on request.

Management opinion:

The Management and Supervisory boards of Fair Value REIT-AG support the supplementary request by Obotritia Beteiligungs GmbH, and propose and recommend to the shareholders to

vote at the Ordinary AGM for the proposed resolution of Obotritia Beteiligungs GmbH under newly included agenda item 7.

In relation to the new agenda item 7, the Management Board also submits pursuant to Section 203 para. 2 in combination with Section 186 para. 4 sentence 2 AktG, the following report on the reasons for the authorisation to exclude shareholders' subscription rights when issuing the new shares:

The report will be available for shareholders to view from the publication date of this supplementary application at the business premises of Fair Value REIT-AG, Leopoldstrasse 244, 80807 Munich, Germany. It is available from the Company's website at **www.fvreit.de/Investor-Relations/Hauptversammlung/Einladung**, and is also available for shareholders to view during the AGM. A copy can also be issued and sent immediately and free of charge to shareholders on request.

With its supplementary request, Obotritia Beteiligungs GmbH proposes the approval of a new Authorised Capital, which is also to include an authorisation to exclude subscription rights under certain conditions. Any exclusion of subscription rights is subject to Supervisory Board approval in this context.

The Management Board supports this supplementary request as the creation of a new Authorised Capital establishes a flexible equity financing instrument in the interests of the Company and its shareholders. It ensures that the Company continues to have the possibility to utilise business opportunities as they arise in the future, thereby securing the company's growth.

The Management Board also regards the authorisation to exclude subscription rights as planned in the proposed new Authorised Capital as helpful and appropriate to the interests of the Company, and consequently also of its shareholders, and supports it.

It will be possible to initially exclude subscription rights in this context in order to exclude fractional amounts. Excluding subscription rights for fractional amounts makes the technical implementation of capital increases easier by establishing rounded subscription ratios. Such exclusion is typical, and the Management Board is also of the opinion that it is appropriate. Exclusion for fractional amounts makes only an insignificant intervention into shareholders' rights, as relates frequently to only a small number of shares that are to be excluded from subscription in order to establish a rounded subscription ratio. For this reason, the Company's Management Board regards this authorisation as fitting and appropriate.

It will also be possible to exclude subscription rights if non-cash assets are to be rendered as part of capital increases. This exclusion of subscription rights provides an important means to exploit short-term opportunities, such as opportunities to acquire attractive real estate. This takes into account, firstly, the fact that the respective sellers of non-cash assets are frequently interested in receiving shares in the company, rather than cash payment. Secondly, the granting of shares instead of monetary payment preserves the Company's liquidity. This lies in the Company's interests, thereby also benefiting shareholders. No specific plans to exercise this authorisation exist at present. Overall, the Company's Management Board regards this authorisation as fitting and appropriate.

Subscription rights are also to be excluded if cash capital increases occur entailing share issues of not more than 10 % of the share capital. This possibility to exclude subscription rights is provided for in Sections 203 para. 1 and 2, 186 para. 3 sentence 4 AktG. The legislator aimed hereby to make it easier to raise corporate financing through issuing equities. Excluding subscription rights in such cases enables the Company to procure liquid assets short-term through issuing shares. In turn, such liquid assets can be utilised to exploit market opportunities as they arise (such as opportunities to acquire attractive real estate) in the interests of the Company and its shareholders. A capital increase that grants subscription rights will frequently prove too time-consuming and cost-intensive, consequently often preventing the exploitation of market opportunities. For this reason, the Management Board regards the authorisation to exclude subscription rights in such cases as fitting and appropriate.

Subscription rights are also to be excluded in order to grant shares to the holders and/or obligees of conversion and/or warrant rights, or to parties that are obligated to convert and/or exercise warrants arising from bonds, which the Company or a Group company issues, as part of so-called dilution protection clauses. This relates to clauses in bond terms that give the option of either adjusting the exchange ratio, or rendering cash settlement, in the instance of a capital increase under granting of subscription rights. A frequent alternative is where holders and/or obligees of the aforementioned bonds are granted a subscription right to the extent that they would have been entitled had they acquired shares deriving from the bonds. This avoids rendering a cash settlement, thereby conserving the Company's liquidity. It also prevents the exchange ratio being adjusted, which allows the Company to achieve a higher issue amount for the shares to be issued. For this reason, the Management Board also regards this possibility to exclude subscription rights as fitting and appropriate.

Reference is also made to the remarks contained in the report submitted by Obotritia Beteiligungs GmbH. The Management Board regards these remarks as correct, and concurs with these remarks in full.

The Management Board will report to the AGM if it utilises the aforementioned authorisations to exclude subscription rights.

Munich, April 2015

Fair Value REIT-AG
The Management Board
Frank Schaich