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Invitation to the general meeting on May 27, 2014

Fair Value REIT-AG
Munich
WKN [Security Code No.] A0MW97
ISIN DE000A0MW975

Dear Shareholders,

We cordially invite you to the ordinary general meeting of Fair Value REIT-AG, headquartered in Munich,

on Tuesday, May 27, 2014 at 11:00 a.m.

at the Haus der Bayerischen Wirtschaft, Europa Saal, Max-Joseph-Strasse 5, 80333 Munich.

Agenda

of the ordinary general meeting of Fair Value REIT-AG on May 27, 2014 at the Haus der Bayerischen Wirtschaft, Munich

1. Presentation of the adopted annual financial statements as of December 31, 2013, the approved consolidated financial statements as of December 31, 2013 and the management reports for the company and the group for business year 2013, as well as the explanatory report of the Management Board with regard to the disclosures pursuant to § 289 paragraphs 4 and 5 and § 315 para. 4 of the German Commercial Code.

On March 31, 2014 the Supervisory Board approved the annual financial statements prepared by the Management Board and the consolidated financial statements per Sections 171, 172 AktG [German Stock Corporation Act]. Thus, there is no need for the general meeting to approve the annual financial statements. The annual financial statements, consolidated financial statements, management reports for the company and the group, report of the Supervisory Board and explanatory report of the Management Board will be made available to the general meeting, although no resolution approving them is required by the German Stock Corporation Act.

All the above documents will be available for inspection by shareholders from the date the meeting is convened on at the business premises of Fair Value REIT-AG, Leopoldstr. 244, 80807 Munich, Germany, can be downloaded from the company website at **www.fvreit.de/Investor-Relations/Hauptversammlung/Einladung** and will also be available for inspection by shareholders during the general meeting.

Upon request, a copy [of these documents] will be sent immediately to any shareholder free of charge.

2. Resolution on the use of the net income for the year

The Management Board and Supervisory Board recommend that the company's net income for the year for business year 2013 in the amount of EUR 2,581,886.00 be used as follows:

- a) Distribution to the shareholders totalling EUR 2,331,393.00, corresponding to a dividend in the amount of EUR 0.25 for each of the 9,325,572 no par value shares entitled to dividends. The dividend is payable on May 28, 2014.
- b) Profit brought forward to new account in the amount of EUR 250,493.00.

With regard to the amounts indicated for the profit distribution and the profit brought forward, the 9,325,572 no par value shares entitled to dividends available at the time of the profit-use recommendation of the Management Board and Supervisory Board were taken into account. The 81,310 own shares held by the company at the time of the profit-use recommendation of the Management Board and Supervisory Board and those that are reported as own shares were not taken into account because according to Section 71b AktG, the company has no dividend rights arising from these shares. If the number of shares entitled to dividends changes prior to the general meeting, a correspondingly revised resolution proposal that provides for an unchanged dividend of EUR 0.25 for each no par value share entitled to dividends will be submitted to the general meeting for a vote. The revision shall read as follows: If the number of shares entitled to dividends and thus the total dividend payment is reduced, the amount to be brought forward to new account shall be increased correspondingly. If the number of shares entitled to dividends and thus the total dividend payment increases, the amount to be brought forward to new account shall be reduced correspondingly.

3. Resolution on granting discharge to the Management Board for business year 2013

The Management Board and Supervisory Board recommend granting discharge to the incumbent member of the Management Board in business year 2013 for that business year.

4. Resolution on granting discharge to the members of the Supervisory Board for business year 2013

The Management Board and Supervisory Board recommend granting discharge to the incumbent members of the Supervisory Board in business year 2013 for that business year.

5. Election of the auditor and the consolidated financial statements auditor for business year 2014 as well as for an audit review of interim financial reports for business years 2014 and 2015

The Supervisory Board recommends appointing the auditing firm of Ernst & Young GmbH, Munich, as auditor and consolidated financial statements auditor for business year 2014. The Supervisory Board also recommends appointing the auditing firm of Ernst & Young GmbH, Munich, as auditor and consolidated financial statements auditor for any audit review of interim financial reports in business years 2014 and 2015 up until the next general meeting.

Prior to submitting the proposal for election, the Supervisory Board received a declaration from the auditing firm of Ernst & Young GmbH, Munich, regarding its independence as required by the German Governance Code.

6. Resolution on reducing the share capital by reducing the amount of share capital for the purpose of adjusting the amount in the capital reserve to be made available pursuant to Section 272 para. 2 No. 4 HGB [German Commercial Code] in accordance with the regulations concerning ordinary capital reduction per Section 222 ff. AktG and the amendment of Section 5 paragraph 1 of the Articles of Association.

The following resolution proposal is designed to release a portion of the company assets tied up by the previous amount of the share capital and to adjust the capital reserve in accordance with Section

272 para. 2 No. 4 HGB. The equity reported on the balance sheet (share capital including reserves) will therefore remain unchanged, as will the number of shares, and thus the relative participation level of the individual shareholders will not change. However, due to the capital reduction, the theoretical interest of each share in the share capital will be reduced from its current EUR 5.00 to EUR 2.00.

The goal of this measure is to provide the company with the flexibility necessary to carry out possible future capital market transactions. Under current conditions, it is difficult to structure the issuance of new shares because shares of the company are currently trading at just over the theoretical interest in the share capital in the amount of EUR 5.00 allocated to each share. However, according to Section 9 AktG, new shares can only be issued if they are at least at par; i.e. at the theoretical interest in the share capital allocated to one share.

The company has currently not made any decision regarding the implementation or the date of any capital market transaction.

Therefore, the Management Board and Supervisory Board recommend that:

a) The share capital of the company, currently totalling EUR 47,034,410.00, divided into 9,406,882 no par value shares, be reduced in accordance with the regulations on ordinary capital reduction (Section 222 ff. AktG) for the purpose of adjusting the amount in the capital reserve to be made available pursuant to Section 272 para. 2 No. 4 HGB in the amount of EUR 28,220,646.00 by EUR 28,220,646.00 to EUR 18,813,764.00. In the course of the capital reduction, no shares will be consolidated and the number of shares will not change. The reduction in the share capital will necessarily lead to a reduction in the theoretical interest of each no par value share in the share capital; thus, after the capital is reduced, each share will be allocated a theoretical interest in the share capital in the amount of EUR 2.00.

The Management Board is authorised, with the consent of the Supervisory Board, to decide further details of carrying out the resolution.

b) Section 5 paragraph 1 of the Articles of Association will be amended as follows:

“(1) The share capital of the company is EUR 18,813,764.00 (in words: eighteen million eight hundred and thirteen thousand seven hundred sixty-four euros).”

7. Resolution on the creation of Authorised Capital 2014 along with the authorisation to exclude subscription rights and the amendment of Section 5 paragraph 5 of the Articles of Association

The Authorised Capital I pursuant to Section 5 paragraph 5 of the Articles of Association that could be used up until September 2, 2012 and thus has already expired (hereinafter referred to as “Authorised Capital I (old)”) shall be replaced by new approved capital, the Authorised Capital 2014.

The Authorised Capital 2014 is designed to essentially correspond to the previous Authorised Capital I (old) and to authorise the Management Board, as before, to exclude the subscription rights of shareholders in certain cases. In addition to the new term of the Authorised Capital 2014 up until May 26, 2019, the previous option to exclude subscription rights in connection with an initial public offering will be replaced by the option to exclude subscription rights for dilution protection for holders of convertible bonds and bonds with warrants. The amount of the proposed Authorised Capital 2014 corresponds to the statutory maximum of 50% of the share capital, taking into account the currently existing share capital. However, if the proposed resolution under agenda item 6 regarding the capital reduction is adopted by the general meeting, the Management Board and the Supervisory Board will submit the following unchanged resolution proposal to a vote in the general meeting in such a way that the amount of the proposed Authorised Capital 2014 will be reduced to 50% of the share capital that will exist after the reduction.

The Management Board and Supervisory Board therefore recommend that:

a) The Management Board be authorised, with the consent of the Supervisory Board, to increase the share capital of the company up until May 26, 2019 one or more times by a total of up to EUR 23,517,205.00 by issuing up to 4,703,441 new no par value creditor shares (ordinary shares) in

exchange for contributions in cash and/or kind (Authorised Capital 2014). 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. 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 2014.

b) The previous wording in Section 5 paragraph 5 of the Articles of Association is replaced by the following new wording:

“(5) The Management Board is authorised, with the consent of the Supervisory Board, to increase the share capital of the company up until May 26, 2019 one or more times by a total of up to EUR 23,517,205.00 by issuing up to 4,703,441 new no par value creditor shares (ordinary shares) in exchange for contributions in cash and/or kind (Authorised Capital 2014). 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. 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 2014.”

8. Resolution on authorizing the issuance of convertible bonds or bonds with warrants or participation rights and the exclusion of subscription rights

Under agenda item 8, the Management Board and Supervisory Board recommend that shareholders authorise the Management Board, with the consent of the Supervisory Board, to issue one or more times up until May 26, 2019 convertible bonds and/or bonds with warrants or participation rights with or without conversion or subscription rights or conversion or subscription obligations. The authorisation is designed primarily to allow the company to quickly and flexibly strengthen its capitalisation if needed. The total amount of the theoretical interest in the share capital of the shares to be issued on the basis of the authorisation corresponds to the statutory maximum of 50% of the currently existing share capital. However, if the proposed resolution under agenda item 6 regarding the capital reduction is adopted by the general meeting, the Management Board and the Supervisory Board will submit the above unchanged proposal presented under agenda item 8 to a vote in the general meeting in such a way that the theoretical interest in the share capital of the shares to be issued on the basis of the authorisation will be reduced to 50% of the share capital that will exist after the reduction.

The Management Board and Supervisory Board recommend adopting the following resolution:

a) The Management Board is authorised up until May 26, 2019, with the consent of the Supervisory Boards, to issue one or more times creditor convertible bonds and/or bonds with warrants or participation rights (collectively “**bonds**”) with or without maturity caps of up to EUR 50,000,000.00 and to grant to holders or creditors of bonds conversion and/or option rights (as well as conversion and subscription obligations) on no par value creditor shares of the company having a pro rata amount of the share capital totalling up to EUR 23,517,205.00 subject to further specification of the terms of the convertible bonds or bonds with warrants. The respective bond conditions can provide for the servicing of conversion and subscription rights, the fulfilment of conversion and subscription obligations and in the event the tender of shares provides for the use of shares arising from contingent capital approved in this or future general meetings, from existing or future authorised or

contingent capital, and/or from existing shares and/or a cash settlement instead of the delivery of shares.

The bonds can also be issued by a group company managed by the company (“**group company**”); in such a case, the Management Board is authorised, with the consent of the Supervisory Board, to assume for the company the guarantee for the bonds and to grant to holders of bonds conversion and/or option rights (as well as conversion and subscription obligations) for no par value creditor shares of the company.

The bond issues will be divided into partial bonds.

b) If convertible bonds are issued, the holders will have the right to convert their partial bonds, subject to further specification of the terms of the convertible bonds to be set by the Management Board, into new no par value creditor shares of the company. The conversion ratio arises from dividing the nominal amount of a partial bond by the stipulated conversion price for a no par value creditor share of the company. If the issue price of a partial bond is less than its nominal amount, the conversion ratio will arise by dividing the issue price of the partial bond by the stipulated conversion price for a new no par value creditor share of the company. The conversion ratio can be rounded up or down on a whole-number ratio; if necessary, an additional payment to be paid in cash can be stipulated. It can also be provided that fractions be combined and/or exchanged for cash.

If bonds with warrants are issued, one or more subscription warrants will be added to each partial bond, which will entitle holders, in accordance with the option terms and conditions to be stipulated by the Management Board, to purchase no par value creditor shares of the company. The term of the option right may not exceed the term of the bond with warrants. In other respects, the rules for the conversion ratio shall also apply for the subscription ratio.

This shall not affect Section 9 para. 1 AktG or Section 199 AktG.

c) The respective bond terms and conditions can also provide a conversion and/or subscription obligation as well as an issuer’s right to tender for the delivery of shares (in any combination) at the end of the term (or at an earlier date). The pro rata amount of the share capital of the shares to be issued by conversion or subscription may not exceed the nominal amount of the partial bond. The conversion ratio or subscription ratio will be determined per the rules under letter b), above. In the bond terms and conditions, the company can be entitled to offset any difference between the nominal amount of the bond and the product of the conversion price and conversion ratio or from the option price and subscription ratio in whole or in part in exchange for cash.

This shall not affect Section 9 para. 1 AktG or Section 199 AktG.

d) The respective conversion and/or option price to be set must be at least 80% of the arithmetical average of the closing prices of company shares of the same class in XETRA® trading (or in a functionally comparable successor system that replaces the XETRA® system) on the Frankfurt Stock Exchange on the last ten trading days before the date of the decision by the Management Board to issue bonds or – if a subscription right is granted directly or indirectly – at least 80% of the arithmetical average of the closing prices of company shares of the same class in XETRA® trading (or in a functionally comparable successor system that replaces the XETRA® system) on the Frankfurt Stock Exchange during the subscription period, except for the days of the subscription period that are necessary to announce on time the conversion or option price pursuant to Section 186 para. 2 sentence 2 AktG.

This shall not affect Section 9 para. 1 AktG or Section 199 AktG.

e) If during the term of the bonds issued under this authorisation the company increases the share capital while granting a subscription right to its shareholders or issues other bonds having conversion or subscription rights to shares of the company or conversion or subscription obligations without at the same time also granting to holders of the bonds issued after this decision and provided with a conversion or subscription right a subscription right like they would be entitled to after exercising their conversion or subscription right, the issue terms and conditions of the bonds can stipulate the following rules (dilution protection clause). The provisions of this dilution

protection clause apply analogously to a conversion or subscription right and to an issuer's right to tender for delivery of shares. This shall not affect Section 9 para. 1 AktG or Section 199 AktG.

(i) Capital increase in exchange for contributions and granting other subscription rights

In the event of a capital increase in exchange for contributions and subscription rights or other subscription rights are granted, the conversion price will be reduced by the value of the subscription right.

The "value of the subscription right" corresponds (x) to the average market price of the shareholder subscription rights on the last ten trading days of the subscription rights in the final auction in XETRA® trading (or a successor system determined by Deutsche Börse AG) or, if no such price exists or no trading in subscription rights takes place, (y) to the value of the subscription right calculated according to financial mathematical methods at the settlement centre or subscription agent stipulated in the issue terms and conditions.

(ii) Capital increase from company funds

In the event of a capital increase from company funds, the contingent capital for guaranteeing the conversion right will increase in the same ratio as that of the share capital (Section 218 AktG). Upon exercising their conversion right, bondholders will be granted as many additional shares as if they had already exercised their subscription right at the time of the capital increase from company funds. Fractions of shares that arise as a consequence of a capital increase from company funds will not be compensated upon exercise of the conversion right.

(iii) Stock split

If the number of shares changes without changing the share capital (reclassification of the share capital), the rule provided in (ii), above, will apply analogously.

The pro rata amount of the share capital represented by the shares to be issued per bond may never exceed the issue price of the bond.

f) In principle, shareholders are entitled to subscription rights; i.e. in principle, bonds must be offered for purchase to company shareholders. The bonds can also be acquired by one or more banks, provided they are offered for purchase to shareholders ("**indirect subscription right**"). If bonds are issued by a group company, the company must guarantee the statutory subscription right will be granted to company shareholders.

However, the Management Board is authorised, with the consent of the Supervisory Board, to exclude shareholder subscription rights to bonds if they are issued in exchange for cash and the Management Board after due review comes to the conclusion that the issue price does not fall significantly below the theoretical market value of the bonds calculated according to recognized methods of financial mathematics. However, this only applies to bonds having conversion and/or option rights or conversion and/or subscription rights to shares having a pro rata amount of the share capital of up to 10% of the share capital available on the date this authorisation takes effect or – if this value is lower – on the date this authorisation is exercised. The pro rata amount of the share capital must be included in this maximum limit of 10% of the share capital that is allocated to shares or refers to the conversion and/or option rights and conversion and/or subscription obligations arising from bonds that were issued since this authorisation was granted and which excludes subscription rights due to an authorisation of the Management Board regarding excluding subscription rights in direct or analogous application of Section 186 para. 3 sentence 4 AktG or which were sold as purchased own shares during the term of this authorisation in another manner than through the stock market or through an offer to all shareholders in proper application of Section 186 para. 3 sentence 4 AktG.

The Management Board is also authorised, with the consent of the Supervisory Board, to exclude shareholder subscription rights for fractional amounts created as a result of the subscription ratio.

The Management Board is also authorised, with the consent of the Supervisory Board, to exclude shareholder subscription rights in order to offer for subscription participation rights without conversion or subscription rights and without conversion or subscription obligations to individual

investors, provided the issue price does not fall significantly below the theoretical market value of the participation rights calculated according to recognized methods of financial mathematics, and provided the participation rights are solely structured like straight bonds; i.e., no rights similar to membership nor any conversion or subscription rights or conversion or subscription obligations are granted to shares of the company, no participation in liquidity proceeds is granted and the amount of the distribution is not based on the amount of the net income for the year, the balance-sheet profit or the dividend.

The Management Board is also authorised, with the consent of the Supervisory Board, to exclude shareholder subscription rights if this is necessary to grant to holders of conversion and subscription rights and/or conversion and subscription obligations that were granted by the company or group company to shares of the company having subscription rights to bonds that are issued after this authorisation, like those to which they are entitled after exercising their conversion or subscription rights and/or after fulfilling any conversion or subscription obligations (dilution protection).

Finally, the Management Board is authorised, with the consent of the Supervisory Board to exclude shareholder subscription rights if bonds are issued in exchange for contributions in kind, in particular for the purchase of companies, parts of companies or participations (investments) in companies, and the exclusion of subscription rights is in the overriding interest of the company.

g) The Management Board is authorised, with the consent of the Supervisory Board, to stipulate in consultation with the management of the group company issuing the bonds, other details of the issuance and features of the bonds, in particular the interest rate and the type of interest payment, the issue price and the term, the denomination, dilution protection provisions, conversion and option period and the conversion and option price.

9. Resolution on the creation of contingent capital and the corresponding amendment of the Articles of Association

Under agenda item 9, the Management Board and Supervisory Board recommend that company shareholders [approve] Contingent Capital 2014 for servicing the convertible bonds, bonds with warrants and/or participation rights with or without conversion or subscription rights or obligations that are based on the authorisation under agenda item 8. The amount of the theoretical interest in the share capital of the shares to be issued based on the proposed Contingent Capital corresponds to the statutory maximum of 50% of the currently existing share capital. However, if the general meeting adopts the resolution proposed under agenda item 6 regarding the capital reduction, the Management Board and the Supervisory Board will submit the following amended resolution proposal to a vote in the general meeting in such a way that the theoretical interest in the share capital of the shares to be issued on the basis of the proposed Contingent Capital will be reduced to 50% of the share capital that will exist after the reduction.

The Management Board and Supervisory Board recommend adopting the following resolution:

a) The share capital shall be contingently increased by up to EUR 23,517,205.00 by issuing up to 4,703,441 new no par value creditor shares with profit participation starting at the beginning of the business year they are issued (Contingent Capital 2014). The contingent capital increase will help service bonds that are issued on the basis of the authorisation resolution of the general meeting on May 27, 2014 under agenda item 8. The contingent capital increase will only be carried out to the extent

(i) the creditors of convertible bonds and/or bonds with warrants and/or of participation rights having conversion or subscription rights that were issued by the company or a subordinate group company up until May 26, 2019 based on the authorisation resolution adopted in the general meeting on May 27, 2014 make use of their conversion or subscription rights and the company decides to service the conversion or subscription rights arising from this Contingent Capital 2014, or

(ii) the creditors of convertible bonds and/or bonds with warrants and/or of participation rights having conversion or subscription obligations that are obligated to convert and/or purchase them that were issued by the company or a subordinate group company up until May 26, 2019 based on the authorisation resolution adopted in the general meeting on May 27, 2014 fulfil their

obligation to convert and the company makes use of its right to tender delivery of shares and to that end, the company decides to deliver shares from said Contingent Capital 2014.

The shares shall be issued per the requirements of the authorisation resolution of the general meeting on May 27, 2014 under agenda item 8; i.e. in particular, at least 80% of the arithmetical average of the closing prices of company shares of the same class in XETRA® trading (or in a functionally comparable successor system that replaces the XETRA® system) on the Frankfurt Stock Exchange on the last ten trading days before the date of the decision by the Management Board to issue bonds or – if a subscription right is granted directly or indirectly – at least 80% of the arithmetical average of the closing prices of company shares of the same class in XETRA® trading (or in a functionally comparable successor system that replaces the XETRA® system) on the Frankfurt Stock Exchange during the subscription period, except for the days of the subscription period that are necessary to announce on time the conversion or option price pursuant to Section 186 para. 2 sentence 2 AktG, taking into account changes made to the dilution protection rules provided in the resolution adopted in the above general meeting under agenda item 8 letter e).

The Supervisory Board is authorised to amend the Articles of Association to correspond to the scope of the issuance of shares arising from the Contingent Capital 2014.

b) The following new Section 5 paragraph 6 is added to the Articles of Association:

“(6) The share capital has been contingently increased by up to EUR 23,517,205.00 by issuing up to 4,703,441 new no par value creditor shares with profit participation starting at the beginning of the business year they are issued (Contingent Capital 2014). The contingent capital increase will only be carried out to the extent

(i) the creditors of convertible bonds and/or bonds with warrants and/or of participation rights having conversion or subscription rights that were issued by the company or a subordinate group company up until May 26, 2019 based on the authorisation resolution adopted in the general meeting on May 27, 2014 make use of their conversion or subscription rights and the company decides to service the conversion or subscription rights arising from this Contingent Capital 2014, or

(ii) the creditors of convertible bonds and/or bonds with warrants and/or of participation rights having conversion or subscription obligations that are obligated to convert and/or purchase them that were issued by the company or a subordinate group company up until May 26, 2019 based on the authorisation resolution adopted in the general meeting on May 27, 2014 fulfil their obligation to convert and the company makes use of its right to tender delivery of shares and to that end, the company decides to deliver shares from said Contingent Capital 2014.

The shares shall be issued per the requirements of the authorisation resolution of the general meeting on May 27, 2014 under agenda item 8; i.e. in particular, at least 80% of the arithmetical average of the closing prices of company shares of the same class in XETRA® trading (or in a functionally comparable successor system that replaces the XETRA® system) on the Frankfurt Stock Exchange on the last ten trading days before the date of the decision by the Management Board to issue bonds or – if a subscription right is granted directly or indirectly – at least 80% of the arithmetical average of the closing prices of company shares of the same class in XETRA® trading (or in a functionally comparable successor system that replaces the XETRA® system) on the Frankfurt Stock Exchange during the subscription period, except for the days of the subscription period that are necessary to announce on time the conversion or option price pursuant to Section 186 para. 2 sentence 2 AktG, taking into account changes made to the dilution protection rules provided in the resolution adopted in the above general meeting under agenda item 8 letter e).

The Supervisory Board is authorised to amend the Articles of Association to correspond to the scope of the issuance of shares arising from the Contingent Capital 2014.”

10. Resolution on the authorisation to purchase and use own shares while excluding subscription rights and shareholder rights to tender

Since the authorisation to purchase own shares adopted at the 2009 ordinary general meeting will end on May 28, 2014, it should be rescinded, provided it was no longer being used, and the company should be reauthorised to purchase own shares.

The Management Board and Supervisory Board recommend adopting the following resolution:

a) The authorisation to purchase own shares approved by the general meeting on May 29, 2009 is rescinded, provided it was no longer being used, effective May 28, 2014. The company will then be authorised to purchase shares of the company. The authorisation is limited to the purchase of own shares that total up to 10% of the share capital existing on the date the resolution is approved by the general meeting. The purchase may be completed using equity derivatives, i.e. call and/or put options.

b) At the same time, trading in own shares is excluded as a purpose of the stock purchase. The purchased shares, together with other own shares that are owned by the company or are attributed to it in accordance with Sections 71a ff AktG, may never total more than 10% of the existing share capital. The authorisation will take effect on May 28, 2014 and is valid until May 26, 2019.

c) The purchase will be made at the Management Board's option, within the limits set by German stock corporation law and in accordance with the principles of equal treatment (Section 53a AktG) through the stock market or outside the market, the latter in particular by means of a public offer to buy. In the case of a public offer, the company can either set a price or a price range for the purchase.

If the shares are purchased on the stock market, the purchase price per share paid (not including incidental acquisition costs) may not exceed the opening price for shares of the company in XETRA® trading on the Frankfurt Stock Exchange (or a successor system specified by Deutschen Börse AG) on the respective trading day by more than 10% or fall more than 20% below it.

If the shares are purchased outside the stock market, the purchase price per share paid (not including incidental acquisition costs) may not exceed the applicable value of one share of company stock by more than 10% or fall more than 20% below it.

In a public offer to buy, the applicable value is the average opening price for shares of the company in XETRA® trading on the Frankfurt Stock Exchange (or a successor system specified by Deutschen Börse AG) on the last five trading days prior to the public announcement of the offer to buy. If after a formal offer is published significant deviations arise between the market price of the company stock and the relevant value, the offer can be revised. If it is revised, the average opening price for shares of the company in XETRA® trading on the Frankfurt Stock Exchange (or a successor system specified by Deutschen Börse AG) on the last five trading days prior to the publication of the revised offer shall apply.

For a purchase of share outside the stock market in another manner, the applicable value is the average opening price for shares of the company in XETRA® trading on the Frankfurt Stock Exchange (or a successor system specified by Deutschen Börse AG) on the last five trading days prior to the signing of the underlying contract for the purchase.

If in a public offer to buy the subscription exceeds the volume of the offer, acceptance will be based on quotas. To that end, preferential acceptance of limited quantities of up to 100 offered shares per shareholder and rounding according to business principles can be provided.

d) The Management Board is authorised, based on an authorisation under Section 71 para. 1 No. 8 AktG and with the consent of the Supervisory Board, to resell purchased own shares in accordance with the principles of equal treatment (Section 53a AktG) for purposes other than trading in own shares.

e) The purchased own shares can be sold on the stock market. To that end, shareholder subscription rights are excluded.

f) The shares can also be sold in another manner than through the stock market, for example in exchange for contributions in kind to purchase 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. Sales outside the stock market are specifically also permissible if shares are sold that total no more than 10% of the share capital as calculated both on the date this authorisation takes effect and on the date this authorisation is exercised and the purchased own shares are sold at a price not more than 5% (not including incidental costs) below the applicable value of shares of the company of the same class on the date of sale. The amount of 10% of the share capital according to the sentence above 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 up until the respective exercise of this authorisation, provided such an offset is legally allowed. The applicable value is the average opening price for shares of the company in XETRA® trading on the Frankfurt Stock Exchange (or a successor system specified by Deutschen Börse AG) on the last five trading days prior to the sale of the shares. In such cases under this letter f), shareholder subscription rights are excluded.

g) The Management Board is authorised to offer own shares for shareholders to buy based on an offer directed to all shareholders in accordance with the principles of equal treatment (Section 53a AktG). In this case, the Management Board can, with the consent of the Supervisory Board, exclude subscription rights for fractional amounts.

In addition, according to a corresponding amendment of the Articles of Association (agenda item 11) own shares can be used for distribution of non-cash assets to shareholders.

h) Own shares can also be used to meet company obligations arising from any future stock option plan. If any such stock option plan includes transferring own shares to members of the company's Management Board, the decision on this is up to the company's Supervisory Board. Resolutions of the general meeting, which in future will vote on the introduction of a stock option plan, apply accordingly to decisions about the allocation of subscription rights to members of management and employees, performance goals, acquisition and exercise periods and waiting periods for the first-time exercise [of options]. Shareholder subscription rights are excluded.

i) The Management Board is also authorised, with the consent of the Supervisory Board, to redeem own shares without any additional general meeting resolution. Redemption leads to a capital reduction. By way of derogation, the Management Board can decide to leave the share capital unchanged in the event of a redemption and instead to increase through the redemption the proportion of the other no par value shares in the share capital in accordance with Section 8 para. 3 AktG (simplified redemption method per Section 237 para. 3 No. 3 AktG). The Management Board is in this case authorised to revise the number of no par value shares indicated in the Articles of Association.

j) The authorisations under letters a) through i) can be used in whole or in partial amounts, one or more times, individually or jointly by the company, but also by its group companies or for its or their account by third parties.

The authorisations also permit the use of own shares of the company that were acquired based on earlier authorisation resolutions per Section 71 para. 1 No. 8 AktG.

11. Resolution on amending the Articles of Association

According to Section 58 para. 5 AktG, the general meeting is permitted to approve a distribution in kind if the Articles of Association of the company explicitly provide this option. To facilitate such a vote, the Articles of Association should be amended accordingly.

Amending these Articles of Association is designed to provide the general meeting the flexibility required to approve any future distributions in kind. Own share are a specific possible object of any future distribution in kind. At this time the company has no concrete plans to make distributions in kind in the future, but leaves open such an option for the future.

The Management Board and Supervisory Board therefore recommend adopting the following resolution:

Section 33 paragraph 1 of the Articles of Association shall be revised as follows:

“(1) The general meeting votes on the use of the net income for the year reported in the approved annual financial statements. When voting on the use of the net income for the year, the general meeting can approve a distribution in kind in addition to or instead of a cash distribution.”

12. Election of a Supervisory Board member

Christian Hopfer has resigned from his position as a member of the company's Supervisory Board, effective at the end of the general meeting on May 27, 2014. Therefore, the election of a new member of the Supervisory Board is necessary.

According to Section 95 AktG and Section 11 para. 1 of the Articles of Association, the Supervisory Board consists of three members. Pursuant to Section 96 para. 1, 6th case AktG, the Supervisory Board is composed solely of members elected by the general meeting. The general meeting is not obligated to approve election recommendations.

The Supervisory Board recommends the following resolution be adopted:

Election of Wolfgang Sauerborn to member of the Supervisory Board

Wolfgang Sauerborn, born in 1954, residing at 65549 Limburg, occupation: managing director of WISAG Aviation Service Holding GmbH as well as several other companies of the WISAG Group, is elected to the Supervisory Board effective at the end of this general meeting. The election will be made in accordance with Section 11 para. 4 sentence 1 of the company's Articles of Association for the remaining term of the outgoing member of the Supervisory Board, Mr. Hopfer, i.e. up to the end of the ordinary general meeting, which approved his release from responsibility for financial year 2016.

Wolfgang Sauerborn does not hold any positions on any statutory supervisory boards or comparable domestic and foreign supervisory committees of business enterprises.

With a view to section 5.4.1 of the German Corporate Governance Code, it is declared that the WISAG Group, for whose companies Mr. Sauerborn is managing director as indicated above, is an important service provider of several subsidiaries of Fair Value REIT-AG. The WISAG Group is also one of the largest tenants of the Fair Value Group (in tenth place). In other respects, according to the Supervisory Board, Mr. Sauerborn has no personal or business relationships with Fair Value REIT-AG or its group companies, corporate bodies of Fair Value REIT-AG or a shareholder with a major investment in Fair Value REIT-AG that according to section 5.4.1 of the German Corporate Governance Code must be disclosed.

Report of the Management Board on agenda item 7 (Authorisation to exclude shareholder rights in the issuance of new shares as part of Authorised Capital 2014) to the general meeting

a) Introduction

With regard to item 7 of the agenda, pursuant to Section 203 para. 2 in conjunction with Section 186 para. 4 sentence 2 AktG, the Management Board makes the following report about the reasons for the authorisation to exclude shareholder subscription rights in the issuance of new shares.

The report will be available for inspection by shareholders from the date the meeting is convened on at the business premises of Fair Value REIT-AG, Leopoldstr. 244, 80807 Munich, Germany, can be downloaded from the company website at www.fvreit.de/Investor-

Relations/Hauptversammlung/Einladung and will also be available for inspection by shareholders during the general meeting. Upon request, a copy [of the report] will be sent to any shareholder immediately and at no charge.

The general meeting of September 7, 2007 approved the creation of "Authorised Capital I." With the entry of "Authorised Capital I" [in the Commercial Register] on October 31, 2007, the Management Board was authorised until September 2, 2012 to increase the share capital of the company, with the consent of the Supervisory Board, up to EUR 21,250,000.00 by one or more issuances of new no par value creditor shares (Authorised Capital I). This authorisation has expired. The Authorised Capital I from 2007 should therefore be replaced by the proposed new Authorised Capital 2014. The authorisation should be granted for the statutorily permissible period of five years. To that end, Section 5 paragraph 5 of the Articles of Association should be revised accordingly.

The Management Board and Supervisory Board recommend authorizing the Management Board to increase the share capital of the company, with the consent of the Supervisory Board, on or before May 26, 2019 by one or more issuances of new no par value creditor shares in exchange for contributions in cash and/or kind (Authorised Capital I4).

The amount of Authorised Capital 2014 corresponds to 50% of the currently existing share capital and makes full use of the statutory maximum for authorised capital in order to provide the greatest possible flexibility for the company. However, if the proposed resolution under agenda item 6 on the capital reduction is adopted by the general meeting, the Management Board and the Supervisory Board will submit the unchanged resolution proposal described above under agenda item 7 to a vote in the general meeting in such a way that the amount of the proposed Authorised Capital 2014 will be reduced to 50% of the share capital that will exist after the reduction. In principle, the new shares must be offered for purchase to the shareholders. An indirect subscription right as defined in Section 186 para. 5 AktG is sufficient. However, in certain cases the Management Board should be authorised, with the consent of the Supervisory Board, to exclude the statutory subscription rights of shareholders when issuing new shares.

b) Excluding subscription rights for fractional amounts

If in the case of a capital increase the shareholders are granted in principle a subscription right to the new shares, the Management Board should be authorised, with the consent of the Supervisory Board, to exclude shareholder subscription rights for fractional amounts. The option to exclude subscription rights for fractional amounts is necessary to arrive at a technically feasible subscription ratio. The shares excluded as fractional shares from the shareholders' subscription right will be sold to the company's greatest possible advantage either via the stock market or in some other way.

c) Excluding subscription rights for contributions in kind

The Management Board should be authorised, with the consent of the Supervisory Board, to exclude shareholder subscription rights in the case of capital increases as consideration for contributions in kind, in particular to issue new shares in return as part of a merger with another company or as part of 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. It has become increasingly necessary in such cases to deliver in return not money, but shares of the acquiring company.

One reason for this is that the delivery of shares of the acquiring company is often demanded for attractive candidates for acquisition. In addition, especially where large entities are concerned, granting new shares as consideration can be advantageous in terms of protecting liquidity. With the proposed authorisation, the company will obtain the flexibility necessary to exploit opportunities, in particular mergers with other companies, and to acquire companies, parts of companies or participations in companies or to acquire other contributions in kind by utilizing this type of consideration. The proposed authorisation to exclude shareholder subscription rights is necessary to achieve this. Granting subscription rights makes it impossible to merge with other companies or

to acquire companies, parts of companies or participations in companies or to acquire other contributions in kind in exchange for granting new shares, and makes it impossible for the company to receive the associated benefits of such actions. Although the new authorisation to be approved under item 10 of the agenda will also be used, in addition to the above purposes, to purchase and utilize own shares, the company should also be granted the flexibility to be able to achieve these goals independent of a repurchase of own shares based on the resolution to be adopted under item 10 of the agenda and purchase authorisation limited to 10% of the share capital. At present, there are no concrete plans to exercise the authorisation. If opportunities materialize to merge with other companies or to acquire companies, parts of companies or participations in companies or to acquire other contributions in kind, the Management Board will carefully analyse whether it should make use of the option of a capital increase against contribution in kind and option to exclude subscription rights. It will only do this if it becomes convinced that the merger or acquisition of companies, parts of companies or participations in companies or the acquisition of other contributions in kind in exchange for granting new shares is in the best interest of the company. The Supervisory Board will only grant the necessary content if it also comes to this conclusion. The Management Board will report in der general meeting on the details of the use of this authorisation to exclude subscription rights that follows any merger or acquisition in exchange for granting shares of the company.

d) Excluding subscription rights in the case of capital increases in exchange for cash contributions by up to 10%

However, the Management Board should also be authorised with the consent of the Supervisory Board, to exclude shareholder subscription rights if the capital increase is made in exchange for cash contributions and the total pro rata amount ascribed to the new shares for which subscription rights are excluded does not exceed 10% of the share capital and the issue price of the new shares is not significantly less, as defined in Section 203 paragraphs 1 and 2, and Section 186 para. 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 on the date of the final determination of the issue price by the Management Board.

The 10% limit is determined either by the date the authorisation takes effect upon entry into the Commercial Register or by the share capital available on the date new shares are issued, depending on which of these dates the amount of share capital is less. In other words, the lower of these amounts will be used. The legal basis for this exclusion of subscription rights is Section 203 paragraphs 1 and 2 AktG in conjunction with Section 186 para. 3 sentence 4 AktG. Any deduction from the relevant stock-market price will presumably be not more than 3%, but in no case more than 5% of the stock-market price. This option to exclude subscription rights helps the company obtain the best-possible price when issuing new shares. This will enable the company to quickly, flexibly and cost-effectively exploit opportunities that arise from beneficial stock-market conditions. The issue price that can be obtained by setting a near-market price generally leads to a significantly higher inflow of funds per new share than the placement of shares with subscription rights. Moreover, by being relieved of the time-consuming and expensive processing of subscription rights, capital requirements can be covered rapidly by exploiting short-term market opportunities. Although Section 186 para. 2 sentence 2 AktG permits publication of the subscription price up to three days prior to the expiration of the subscription period, in light of the volatility on the stock markets, there is in this case a market risk, namely the risk of changing prices, spread over several days that can lead to safety margins being built in when determining the subscription price and thus to terms and conditions not in line with the market. Moreover, due to the length of the subscription period, by granting subscription rights the company cannot react quickly to favourable market conditions. Although the aforementioned purpose is also served by the authorisation to be approved under item 10 of this agenda to purchase and use own shares, the company should also be granted the flexibility necessary to be able to achieve these goals independent of a repurchase of own shares based on the resolution to be adopted under item 10 of the agenda and purchase authorisation limited to 10% of the share capital. Moreover, including a deduction clause that provides for a corresponding reduction in the scope of the authorisation in the event of other actions performed in accordance with Section 186 para. 3 sentence 4 AktG, whether applied directly, correspondingly or analogously, is intended to ensure that the 10% limit provided in Section 186 para. 3 sentence 4 AktG, taking into account all authorisations with the option to exclude subscription rights in accordance with Section 186 para. 3 sentence 4 AktG is observed, provided such a reduction is legally allowed. For the reasons stated, the proposed

authorisation to exclude subscription rights is in the best interest of the company and its shareholders. Because the issue price for the new shares is based on the stock-market price and the authorisation is only of a limited scope, the interests of the shareholders are adequately protected. Shareholders have the option to maintain their relative participation by way of additional purchases on the stock market.

e) Excluding subscription rights in the case of option or conversion rights

If shareholders are granted in principle a subscription right to new shares in the event of a capital increase, the Management Board should also be authorised, with the consent of the Supervisory Board, to exclude shareholder subscription rights to the extent necessary to grant to holders and/or creditors of conversion and/or option rights or those subject to obligations to convert and/or exercise options from bonds that were issued by the company or by a group company, a subscription right to new shares to the extent they are entitled after exercising the conversion and/or option rights or after fulfilling the conversion and/or option obligations. Convertible bonds or bonds with warrants are generally provided with dilution protection to make it easier to place them on the capital market. The dilution protection is typically cash compensation or optionally a reduction in the conversion or option price or an adjustment of the exchange ratio. In addition, the terms and conditions of convertible bonds and bonds with warrants typically provide that, especially in the event of a capital increase granting subscription rights to shareholders, holders or creditors of conversion or option rights or those subject to conversion or option obligations can be granted, instead of dilution protection by means of the mechanisms described above, a subscription right to new shares like the one shareholders are entitled to. They will be treated, if the Management Board utilizes this option, as if they had already exercised their conversion or option right or had already fulfilled their conversion or option obligation. This has the advantage that the company – in contrast to dilution protection by reducing the conversion or option price or by adjusting the exchange ratio – can obtain a higher issue price for the shares to be issued upon conversion or exercise of an option and without having to pay cash compensation for it. Achieving this requires excluding subscription rights.

Having considered all the above circumstances, the Management Board and Supervisory Board consider the authorisations to exclude subscription rights in the aforementioned cases to be factually justified and reasonable for the shareholders for the stated reasons, even taking into account the dilution effect which may occur to the detriment of the shareholders if the authorisation in question is utilized.

The Management Board will report to the general meeting on any use of the authorised capital.

Report of the Management Board to the general meeting on item 8 of the agenda regarding excluding subscription rights when issuing convertible bonds and/or bonds with warrants or participation rights in accordance with Section 221 para. 4 sentence 2 AktG in conjunction with Section 186 para. 3 sentence 4 and para. 4 sentence 2 AktG

The Management Board will make the following report to the general meeting on agenda item 8 in accordance with Section 221 para. 4 sentence 2 AktG in conjunction with Section 186 para. 3 sentence 4 and para. 4 sentence 2 AktG regarding the reasons for authorizing the Management Board to exclude shareholder subscription rights when utilizing the authorisation.

The report will be available for inspection by shareholders from the date the meeting is convened on at the business premises of Fair Value REIT-AG, Leopoldstr. 244, 80807 Munich, Germany, can be downloaded from the company website at www.fvreit.de/Investor-Relations/Hauptversammlung/Einladung and will also be available for inspection by shareholders during the general meeting. Upon request, a copy [of the report] will be sent to any shareholder immediately and at no charge. The report reads as follows:

We recommend to the general meeting under agenda item 8 authorisation to issue convertible bonds and/or bonds with warrants or participation rights (collectively “**bonds**”) and under agenda item 9 the Contingent Capital 2014 to service them. The issuance of convertible bonds and/or bonds with warrants or participation rights (or combinations of these instruments) can also offer, in addition to the

traditional methods of raising equity and borrowing, the opportunity to utilize attractive financing alternatives on the capital markets, depending on the market situation. The total amount of the theoretical interest in the share capital of the shares to be issued on the basis of the authorisation corresponds to the statutory maximum of 50% of the currently existing share capital. The scope should be limited to a total nominal amount of bonds of no more than EUR 50,000,000.00 and authorisation to purchase no par value creditor shares of the company having a total pro rata amount of share capital of up to EUR 23,517,205.00. However, if the proposed resolution under agenda item 6 regarding the capital reduction is adopted by the general meeting, the Management Board and the Supervisory Board will submit the above unchanged resolution proposal to a vote in the general meeting in such a way that the theoretical interest in the share capital of the shares to be issued on the basis of the authorisation will be reduced to 50% of the share capital that will exist after the reduction.

Issuing convertible bonds and/or bonds with warrants or participation rights makes it possible to obtain loans at attractive terms and conditions, which at maturity are converted, under certain circumstances, into equity and thus retained by the company. The additionally provided option to establish conversion or subscription obligations in addition to granting conversion and/or option rights expands the leeway for the design of this financial instrument.

The authorisation gives the company the flexibility necessary to place the bonds on its own or through a group company managed by the company ("**group company**"). The authorisation stipulates the bases for determining the conversion and/or option price.

Corresponding Contingent Capital 2014 should be approved to service the conversion and/or option rights arising from these bonds.

In principle, shareholders are granted subscription rights. In the case of a placement by a group company, the company must also ensure that company shareholders are granted the statutory subscription rights. To make processing easier, the option is provided to issue bonds to one or more banks with the requirement that shareholders be offered to buy the bonds in accordance with their subscription rights.

However, the Management Board should be authorised, with the consent of the Supervisory Board, to exclude the subscription right if the issuance of shares based on conversion or option rights or conversion or option obligations is limited to up to 10% of the share capital of the company. This limit of 10% of the share capital shall be offset by any issuance of shares in exchange for cash contribution or the issuance of conversion and/or option rights or conversion and/or subscription obligations, provided this happens by utilisation of an authorisation to exclude subscription rights in accordance with Section 186 para. 3 sentence 4 AktG during the term of this authorisation. Also offset is the share capital that is allocated to purchased own shares that were sold during the term of this authorisation in a manner other than through the stock market or through an offer to all shareholders in corresponding application of Section 186 para. 3 sentence 4 AktG. These offsets ensure that no convertible bonds and/or bonds with warrants are issued if this would lead to the shareholder subscription right being excluded by the Management Board in direct or indirect application of Section 186 para. 3 sentence 4 AktG for more than a total of 10% of the share capital. The further limitation is in the interest of shareholders that wish to retain, to the greatest extent possible their level of investment in the event of capital adjustments.

This possibility to exclude the subscription right provides the Company with the flexibility to exploit favourable capital market situations on a short-term basis and, by setting the terms and conditions in accordance with prevailing market terms, to achieve better terms regarding the interest rate and issue price of the bond. The crucial factor for this is that, in contrast to an issuance of bonds with subscription rights, the issue price can only be set immediately before placement, thereby avoiding a higher risk of price changes for the duration of one subscription period. However, if a subscription right is granted, the subscription price must be published by the third to the last day of the subscription period. Thus, in view of the frequently observed stock-market volatility, there is a market risk spread over several days that can lead to safety margins being built in when determining the subscription price and thus to terms and conditions not in line with the market. In addition, granting a subscription right jeopardizes successful placement with third parties due to the uncertainty over its exercise and also costs more.

Setting the issue price of the bonds at a level not significantly below their notional market value as calculated using recognized methods of financial mathematics is intended to take into account the

shareholder's need protect against dilution of its shareholdings. In the case of such an issue price of bonds, the subscription right would have a value of nearly zero. Thus, the protection of shareholders against economic dilution of their shareholdings is guaranteed and shareholders do not suffer any significant economic disadvantages from the exclusion of subscription rights. Shareholders that wish to retain their share of the share capital of the company or purchase bonds in accordance with their level of investment can achieve this by the purchase of more bonds on the market at almost identical terms and conditions.

The Management Board is also authorised, with the consent of the Supervisory Board, to exclude from subscription rights fractional amounts. Such fractions can result from the amount of the issue volume in question and the elaboration of a practicable subscription ratio. Excluding subscription rights for fractions in these cases simplifies the processing of measures taken to increase capital. The free fractions excluded from shareholder subscription rights are either sold on the stock market or in another manner to the company's best-possible advantage. Shareholders do not suffer any significant dilution by the limitation on fractional amounts.

The Management Board should also be authorised, with the consent of the Supervisory Board, to exclude shareholder subscription rights when issuing participation rights, the character of which is not similar or equivalent to shares; i.e., in particular, no participation in liquidation proceeds is granted, and in which the amount of the distribution is not based on the amount of the net income for the year, balance-sheet profit or the dividend, and which are not associated with conversion or subscription rights or conversion or subscription obligations. Because of the bond-like character of the participation rights, the shareholder's membership position is not affected; neither the voting right nor the claim to pro rata share of the dividend or the share of the company assets would be altered by the issuance of profit-participation certificates without subscription rights. Moreover, if subscription rights are excluded, the issuing terms of the participation rights must be in line with market conditions so that no significant subscription right value results in this regard. On the other hand, by having the option to exclude subscription rights, the Management Board will be able take advantage of a low interest rate or a favourable demand situation for an issue quickly and flexibly. This will enable it to reduce the placement risk significantly. However, issuing participation rights while maintaining the subscription right entails the risk, which may be greater or lesser depending on the market situation, that the terms and conditions set at one time will no longer be in line with the market by the time of the actual placement on the market. The company thus runs the risk of not being able to place the participation rights at all, or on the other hand, of placing them too cheaply. Neither scenario would be in the best interest of the company or its shareholders. However, in order to take into account the requirement to protect shareholders, in each case the Management Board will carefully analyse whether the interest of the company requires an exclusion of subscription rights.

The Management Board should also have the option, with the consent of the Supervisory Board, to exclude shareholder rights in order to grant to holders or creditors of conversion and/or option rights or also of bonds with conversion or subscription obligations a subscription right to the extent they would be entitled after exercising the conversion and/or option rights or after fulfilling the conversion or subscription obligations. This avoids a worsening of the economic position of the holders/creditors of conversion and/or option rights (also with conversion and/or subscription obligations); they are provided dilution protection that is in line with capital market practice, facilitates placement of the convertible bond and/or bond with warrant and allows the company to achieve a higher inflow of funds because the conversion or option price does not need to be reduced in these cases and there is no need for any other dilution protection to be granted. The full extent of the disadvantage to existing shareholders exists in the fact that holders/creditors of conversion and/or option rights (also with conversion and/or subscription obligations) are granted subscription rights that they would have been entitled to anyway if they had already exercised their conversion and/or option rights or had already fulfilled their conversion and/or subscription obligations. Therefore, considering the advantages and disadvantages, the exclusion of subscription rights seems appropriate in this case.

The subscription rights should also be excluded to permit the respective financial instruments to be issued in exchange for contributions in kind. The authorisation is intended to give the company the option to use these financing instruments also in connection with the acquisition of company assets. This can be an advantage, in particular when acquiring companies, parts of companies or participations in companies. In such cases, sellers frequently insist on receiving consideration solely in the form of cash or in a form other than cash. Thus, it can be an attractive alternative to offer bonds with option or conversion rights or participation rights (also with conversion and/or subscription

obligations) instead of or in addition to granting shares or cash benefits. This option generates additional flexibility and increases the company's opportunities in terms of acquisitions.

However, both the authorisation to issue [securities] in exchange for contributions in kind and an exclusion of subscription rights in this regard should only be utilized if acquiring the asset in question is in the company's best interest and another type of acquisition, in particular through purchase, would not be legally or practically possible, or would only be possible on less favourable terms. In such cases, the company will always check to see whether there is an equally suitable way to acquire the asset that will have less of an impact on the position of shareholders. In the interest of shareholders, it will also be taken into account that the acquisition of contributions in kind in exchange for the issuance of a bond and/or participation rights and/or the issuance of new shares of the company requires the company to use market prices as a basis.

To increase flexibility, the terms and conditions of the bond can provide for the company not to grant shares of the company to beneficiaries or liable parties of conversion or option rights but instead to pay the equivalent value in cash. The proposed Contingent Capital 2014 is intended to service the conversion and/or option rights linked to convertible bonds and/or bonds with warrants or fulfil conversion or subscription obligations with regard to shares of the company, provided own shares are not used for this purpose.

Report of the Management Board on excluding subscription rights within the framework of the authorisation to acquire and dispose of own shares in accordance with Section 71 para. 1 No. 8 sentence 5, clause 2, and Section 186 para. 4 sentence 2 AktG under agenda item 10

a) Introduction

In accordance with Section 71 para. 1 No. 8 sentence 5, clause 2, and Section 186 para. 4 sentence 2 AktG under agenda item 10, the Management Board has made a written report stating the reasons for the exclusion of subscription rights. The report will be available for inspection by shareholders from the date the meeting is convened on at the business premises of Fair Value REIT-AG, Leopoldstr. 244, 80807 Munich, Germany, can be downloaded from the company website at www.fvreit.de/Investor-Relations/Hauptversammlung/Einladung and will also be available for inspection by shareholders during the general meeting. Upon request, a copy [of the report] will be sent to any shareholder immediately and at no charge. The report reads as follows:

b) Acquisition of own shares pursuant to Section 71 para. 1 No. 8 AktG

German companies may, to a limited extent, acquire own shares based on a special authorisation by the general meeting. The term of the authorisation is no longer limited, as before, to 18 months; the limit is now five years. Thus, the Management Board should be able, in the interest of the company and its shareholders, to acquire own shares up to the amount of 10% of the current share capital of the company. At the same time, the company should now be given the opportunity to acquire own shares for all legal purposes, for example to reduce shareholders equity, pay the purchase price for acquisitions or to resell the shares.

c) Acquisition via a public offer

In addition to acquiring shares via the stock market, the company should also have the option to acquire own shares outside of the stock market, in particular through a public offer directed to shareholders of the company. This will give the company greater flexibility.

When acquiring own shares via a public offer, the stock-corporation law principle of equal treatment must be observed. If a public offer is oversubscribed, acceptance must be based on quotas. However, it should be permissible to provide preferential acceptance of small offers or small contingents of offers up to a maximum of 100 shares of stock. This option allows for regular acquisition quotas to be set and for small shareholdings to be taken into account.

d) Possible uses of own shares

The option to resell own shares serves to simplify the procurement of funds. According to Section 71 para. 1 No. 8 sentence 5 AktG, the general meeting can also authorise the company to sell the shares outside the stock market while excluding subscription rights.

Specifically, according to Section 186 para. 3 sentence 4 AktG, own shares can be sold at a price that is not significantly below the stock-market price of company shares on the date of sale. It is in the company's interest to have the option for such a sale, which allows for a more rapid and cost-effective placement of the shares than when they are sold under corresponding application of the rules of shareholder subscription rights. In this assessment of the legislator, shareholders suffer no disadvantage because they can purchase the corresponding number of shares on the stock market at any time if they are interested in maintaining their proportion of voting rights.

The authorisation also creates the opportunity to be able to offer own shares as consideration 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. International competition and the globalisation of the economy increasingly demand this type of acquisition financing. The proposed authorisation is intended to give the company the range of options necessary to quickly and flexibly take advantage of acquisition opportunities.

The authorisation also makes it possible to use, subject to a corresponding amendment of the Articles of Association (agenda item 11) own shares to distribute non-cash assets to shareholders.

Finally, the authorisation makes it possible to use purchased own share to service a stock option plan or redeem them without a new vote of the general meeting. In recent years, this type of payment for services provided has become common in stock corporations, and it represents a flexible instrument for motivate employee and management performance. The company should be able to used purchased own shares to service such subscription rights. When deciding whether to utilize own shares, the Management Board and, in the case of servicing Management Board stock options, the Supervisory Board will be guided solely by the interests of the shareholders and the company.

e) Reporting

The Management Board will report to all future general meetings on any utilisation of this authorisation. The company will also report in the Notes to the annual financial statements, the number of own shares held by the company, their date of acquisition, the reasons for the acquisition, and each purchase or sale in corresponding transactions in the relevant business year, in each instance indicating the number of shares, the purchase or selling price and the use of the proceeds.

At present, there are no concrete plans to exercise this authorisation.

Further details regarding the convening of the general meeting

Total number of shares and voting rights on the date the general meeting was convened

On the date this general meeting was convened, the share capital of the company was divided into 9,406,882 no par value shares of stock, each share having one vote. Thus, the total number of voting rights is 9,406,882. Of these shares, currently only 9,325,572 are entitled to vote because the voting rights arising from 81,310 own shares held by the company and those that are reported as own shares cannot be exercised. Thus, the total number of voting rights on the date the general meeting was convened is 9,325,572. The number of voting rights can be changed prior to the start of the general meeting.

Attending the general meeting and exercising voting rights

All shareholders that apply to the company in text form (Section 126 b BGB) by presenting proof of their shareholdings by midnight May 20, 2014 (CEST) are entitled to attend the general meeting and to exercise their voting rights. The proof of share ownership must refer to shares held at 12:00 a.m. on May 6, 2014 (CEST) and must be provided in text form (Section 126 b BGB) in German or English by confirmation of the custodian bank. The application and proof of share ownership must be received by the company by midnight on May 20, 2014 (CEST) at the following address or at the fax number or e-mail address listed below:

Fair Value REIT-AG
c/o BADER & HUBL GmbH
Wilhelmshofstrasse 67
74321 Bietigheim-Bissingen
Fax: (07142) 7 88 66 755
E-mail: hauptversammlung@baderhubl.de

With respect to the company, attendance at the general meeting and the exercise of voting rights as a shareholder are only possible for persons who have provided the special proof of share ownership. Eligibility to attend and the scope of the voting right is exclusively measured – in addition to the necessity to apply – by the shareholdings of the shareholder on the deadline for furnishing proof. The deadline for furnishing proof does not restrict the salability of the shareholding. Even if some or all of the shareholding is sold after the deadline for furnishing proof, the shares held by the shareholder on the deadline for furnishing proof is the sole criterion for attendance and the scope of the voting right; i.e., sales of shares after the deadline for furnishing proof have no effect on the right to attend the general meeting or on the scope of the voting right. The same applies to acquisitions and additional purchases of shares after the deadline for furnishing proof. Persons that are not shareholders on the deadline for furnishing proof but acquire shares prior to the general meeting are not entitled to attend or cast votes unless they are serving as a proxy or are authorised to exercise rights. The deadline for furnishing proof is irrelevant to any dividend entitlement.

Shareholders wishing to attend the general meeting should notify their custodian bank as soon as possible so that it can send the application and the proof of share ownership to the registration office that issues the admission cards for the general meeting.

The admission cards sent to the shareholder or held at the venue are only an organisational measure and are not required for attending the general meeting exercising the right to vote.

Free disposability of the shares

Shares are not blocked by registering for the general meeting. Shareholders are therefore still free to dispose of their shares, even after successful registration.

Voting right representation

Shareholders can also have their voting rights exercised in the general meeting by proxies, for example a bank, a shareholders association or other persons of their choice. On-time registration and proof of share ownership are also required in these cases. If the shareholder appoints more than one person, the company can reject one or more of them. In principle, the granting of proxies, their revocation and the proof of authorisation vis-à-vis the company require text form according to Section 134 paragraph 3 sentence 3 AktG. Text form is not required if the proxy is a bank, shareholders association or equivalent institutions, companies or persons according to Section 135 para. 8 AktG or Section 135 para. 10 in conjunction with Section 125 para. 5 AktG. According to Section 135 para. 1 sentence 2 AktG, such persons need only maintain documented proof of the power of attorney. Therefore, if you wish to authorise a bank, shareholders association, or equivalent institutions, companies or persons according to Section 135 para. 8 AktG or Section 135 para. 10 in conjunction with Section 125 para. 5 AktG, please clarify the form of the authorisation with the intended proxy.

The proof of authorisation can be provided to the company by the intended proxy on the day of the general meeting. The proof of authorisation can also be sent to the following address, fax number or e-mail address:

Fair Value REIT-AG
c/o BADER & HUBL GmbH
Wilhelmshofstrasse 67
74321 Bietigheim-Bissingen
Fax: (07142) 7 88 66 755
E-mail: hauptversammlung@baderhubl.de

The same applies to any revocation of the power of attorney.

Shareholders will receive a proxy form along with the admission card. A corresponding form for granting a power of attorney for the general meeting will also be available on the Internet at **[www.fvreit.de/Investor-Relations/general meeting/Einladung](http://www.fvreit.de/Investor-Relations/general%20meeting/Einladung)**.

We also offer our shareholders the opportunity to issue powers of attorney to proxies nominated by the company who are bound to shareholders' voting instructions. If proxies nominated by the company are issued powers of attorney, the shareholder must instruct the proxy on how the voting right should be exercised. In the case of votes for which no explicit instructions were given, the proxies nominated by the company will abstain. The proxies nominated by the company are obligated to vote in accordance with the instructions given. Shareholders wishing to utilize this option need to fill out a proxy form, which at the same time provides space for instructions. This form will be sent to shareholders along with the admission card. The shareholder must fill out the proxy/instructions form and send it to the company at the following address or the fax number or e-mail address listed below by midnight on May 23, 2014 (CEST):

Fair Value REIT-AG
c/o BADER & HUBL GmbH
Wilhelmshofstrasse 67
74321 Bietigheim-Bissingen
Fax: (07142) 7 88 66 755
E-mail: hauptversammlung@baderhubl.de

In addition, shareholders who have registered in accordance with the rules governing the registration periods and the formal requirements and attend the general meeting in person and shareholder representatives or their proxies, can authorise the company proxies to exercise their voting rights according to their instructions even during the general meeting up to the start of voting.

Please note that proxies nominated by the company are only there to ensure shareholder voting rights. For example, requests to speak, to put forward motions or to state objections cannot be accepted. It should also be noted that in the event of a power of attorney granted prior to the general meeting, the proxies nominated by the company are not authorised to vote on any counter-motions or nominations put forward only during the general meeting or any other motions not announced ahead of the general meeting, and can only be issued instructions in this regard during the general meeting.

Requests for additional agenda items pursuant to Section 122 para. 2 AktG

Shareholders whose total shares equal one-twentieth (5%) of the share capital (currently equivalent to EUR 2,351,720.50) or the pro rata amount of EUR 500,000.00 can request that items be added to the agenda and made public. Each new item must be accompanied by an explanatory statement or a proposed resolution. The request must be sent in writing to the Management Board of the company (a fax is sufficient). Please send the corresponding request to the following address:

Fair Value REIT-AG
Management Board
Leopoldstrasse 244
80807 Munich

Fax 089 / 92 92 815-15

Requests for additional agenda items must be received by the company at least 30 days prior to the meeting, not including the day the documents are received. Accordingly, the requests for additions must be received by the company no later than midnight on April 26, 2014 (CEST).

Section 142 paragraph 2 sentence 2 AktG, according to which applicants must prove that they have owned shares for at least three months prior to the date of the general meeting and that they will hold the shares until a decision is made on the request, applies accordingly – i.e. as amended. Proof that the applicant has owned the shares since at least 12:00 a.m. (CET) on February 27, 2014 and will hold these shares in any case up until the start of the day the request for additional agenda items is sent will be considered sufficient by the company. Calculation of this time period shall be in accordance with Section 70 AktG.

Any supplements to the agenda that must be published – provided they were not already made public at the time the general meeting was convened – shall be published in the Federal Gazette immediately after the request has been received and shall also be furnished to such media as may be expected to disseminate the information throughout the European Union. They shall also be published on the website [www.fvreit.de/Investor-Relations/general meeting/Einladung](http://www.fvreit.de/Investor-Relations/general%20meeting/Einladung) and announced to shareholders.

Counter-motions and nominations pursuant to Section 126 para.1, and Section 127 AktG

In addition, company shareholders can send counter-motions to proposals of the Management Board and/or the Supervisory Board concerning specific agenda items (“counter-motions”) as well as nominations for members of the Supervisory Board and/or the auditor and the auditor of the consolidated financial statements – provided this is an item on the agenda (“nominations”). Counter-motions require an explanatory statement; nominations do not. Shareholder counter-motions and nominations with regard to the general meeting within the meaning of Sections 126 and 127 AktG may only be sent to:

Fair Value REIT-AG
Motions to the general meeting 2014
Leopoldstrasse 244
80807 Munich

Fax 089 / 92 92 815-15
E-mail: info@fvreit.de

Counter-motions and nominations that are sent to any other address will not be considered for the purposes of ensuring access to information under Sections 126 and 127 AktG.

Counter-motions and nominations that are to be published, which are received at least 14 days prior to the general meeting, i.e. by midnight on May 12, 2014 (CEST), at the above address, will be published immediately after their receipt, including the name of the shareholder and the statements explaining the counter-motions, on the Internet at [www.fvreit.de/Investor-Relations/general meeting/Einladung](http://www.fvreit.de/Investor-Relations/general%20meeting/Einladung). Statements by the management, if any, will also be published at the aforementioned Internet address.

The company need not publish a counter-motion and its explanatory statement if any of the reasons for exclusion pursuant to Section 126 para. 2 AktG exist, for example because would result in the general meeting approving a resolution that violates the law or the Articles of Association. A statement explaining the reasons for a counter-motion need not be published if it contains more than 5,000 characters in total. In addition to the grounds for exclusions under Section 126 para. 2 AktG mentioned above, a nomination need not be published if the nomination does not contain does not contain the name, profession and domicile of the proposed auditor or Supervisory Board member or, in the case of a candidate for Supervisory Board member, it does also contain information on the proposed candidate’s memberships in other statutory supervisory boards or in comparable domestic and foreign supervisory committees of business enterprises.

Please note that counter-motions and nominations that were sent to the company in advance in due time shall only be considered at the general meeting if they are submitted or presented orally during the general meeting.

This shall not affect every shareholder's right to submit counter-motions or nominations during the general meeting even without have sent them in advance and in due time to the company.

Right to be informed pursuant to Section 131 para. 1 AktG

Upon request, every shareholder is entitled to receive at the general meeting information from the Management Board about company affairs, provided that such information is necessary to make a proper assessment of an item on the agenda. The right to be informed extends to the company's legal and business relationships with an affiliated company. The right to be informed by the management board of a parent company (Section 290 paragraphs 1 and 2 of the German Commercial Code) at the general meeting where the consolidated financial statements and group management report are presented also extends to the situation of the group and of the companies included in the consolidated financial statements.

Requests for information must in principle be made orally at the general meeting during the general debate. According to Section 25 para. 3 and Section 27(a) of the Articles of Association, the chair of the meeting is authorised to set appropriate limits on the time shareholders have to ask questions and speak. The Management Board is also entitled to refuse to provide information, subject to the prerequisites stated in Section 131 para. 3 AktG.

Explanations concerning the rights to submit motions (Sections 122 para. 2, 126 para. 1 and 127 para. 1 AktG) and the rights of shareholders to request information (Section 131 AktG) can also be viewed on the Internet at **[www.fvreit.de/Investor-Relations/general meeting/Einladung](http://www.fvreit.de/Investor-Relations/general%20meeting/Einladung)**.

Information on the company's website and documents

All information and documents required under Section 124a AktG, including the documents listed under agenda item 1 and the proposed appropriation of profits, will be available for inspection during the general meeting and can be downloaded from the Internet at **[www.fvreit.de/Investor-Relations/general meeting/Einladung](http://www.fvreit.de/Investor-Relations/general%20meeting/Einladung)** as well as from the date the general meeting is convened on at the business premises of Fair Value REIT-AG, Leopoldstr. 244, 80807 Munich. Upon request, they will also be sent to shareholders at no charge. The voting results will be published at the same Internet address after conclusion of the general meeting.

The notice of the general meeting will be published in the Federal Gazette on April 16, 2014 and was furnished to such media for publication where it can be expected that they will disseminate the information throughout the European Union.

Munich, April 2014

Fair Value REIT-AG
The Management Board

Frank Schaich

HOW TO GET TO



From Nuremberg: Take the A9 up to the end of the autobahn (exit Munich-Schwabing) Schenkendorf St., Leopold St. up to Odeon Sq., turn right into Brienner St., then left into Otto St., at the next intersection turn right into Max-Joseph-St.

From Salzburg: Take the A8 up to the end of the autobahn (exit Munich-Ramersdorf), Rosenheimer St., Zweibrückenstr., Isartor Sq., turn right into Thomas-Wimmer Ring, Karl-Scharnagl Ring, Franz-Josef-Strauss Ring, on In-der-Tann St. drive left into the tunnel. When exiting from the tunnel, turn left into Oscar-von-Miller Ring, drive up to Brienner St, turn right into Otto St. and at the next intersection, turn right into Max-Joseph St.

From Augsburg: Take the A8 up to the end of the autobahn (exit Munich-West). At the roundabout, turn into Verdi St., pass Amalienburg St., Menzinger St., Notburga St., Roman St., then turn left into Arnulf St. . From Arnulf St. drive left into Seidl St. up to Stiglmaier Sq., then right into Brienner St. and straight up to Karolinen Sq., and from the roundabout, turn into Max-Joseph St.

From Lindau: Take the A8 up to the end of the autobahn, then keep left, Garmischer St. Tunnel, after the tunnel turn right across Donnersberger Bridge into Arnulf St. From Arnulf St., turn left into Seidl St. up to Stiglmaier Sq., then right into Brienner St. and straight up to Karolinen Sq., from the roundabout, turn into Max-Joseph St.

From Starnberg: Take the A95 up to the end of the autobahn, Luise-Kiesselbach Sq., keep to the left. Garmischer St. tunnel, after the tunnel, turn right across the Donnersberger Bridge into Arnulf St. From Arnulf St., turn left into Seidl St. up to Stiglmaier Sq., then right into Brienner St. and straight up to Karolinen Sq., from the roundabout, turn into Max-Joseph St.

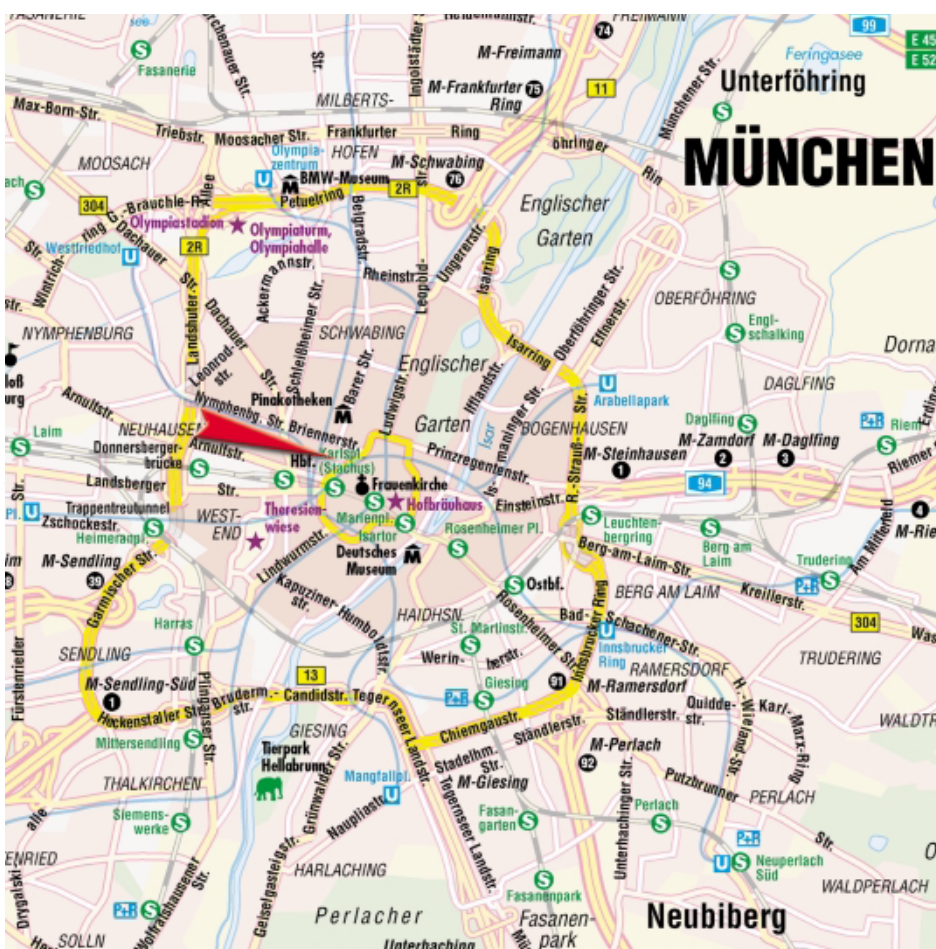
PUBLIC TRANSPORT



S-Bahn [Suburban Train]: Take lines S1 to S8 to Karlsplatz (or Stachus). Take the Prielmayer St. exit (to Law Courts).

U-Bahn [Subway]: Take lines U1 or U2 to Central Station, then continue on foot or by S-Bahn to Karlsplatz. Lines U3 and U5 go to Karlsplatz (or Stachus). Take the Lenbach Sq. exit.

Streetcar [Tram]: Take lines 17, 18, 20 or 21 to Karlsplatz (or Stachus) or to Central Station. Line 19 runs to Lenbach Sq., Line 27 runs to Otto St.



COVERED CAR PARKS

- House of Bavarian Industry
48 parking spaces
- Salvator Sq.
Bahnhofsplatz 7
Open around the clock
- Hertie Department Store
Bahnhofsplatz 7
Open around the clock
- Stachus – Karlsplatz
Open from 7AM to midnight
- Opera Garage
Max-Joseph Sq. 4
Open from 7AM to 1 AM
- Stachus Carpark
Karlsplatz 5
Open around the clock



Haus der Bayerischen Wirtschaft Convention Centre Catering & Bistro Television Studio
Max-Joseph-Strasse 5, 80333 München, Telefon 089/5 51 78-179, Fax 089/5 51 78-175