

**Articles of Association  
of  
Deutsche EuroShop AG, Hamburg**

**I. General Terms and Conditions**

**Article 1**

1) The public company is registered under the name

**Deutsche EuroShop AG.**

2) The registered office of the Company is in Hamburg.

3) The financial year is the calendar year.

**Article 2**

1) The purpose of the Company is the acquisition, management, utilisation and exploitation of land and equity interests of all kinds, including in particular equity interests in companies that construct, provide support to, manage, administrate and sell buildings, regardless of their legal form or the form of utilisation practiced, as well as the performance of all associated business transactions. The Company does not perform any activities that require state approval. The Company can realise its purpose itself or via subsidiaries and equity interests.

2) The Company is authorised to undertake any business or measures that seem suitable to furthering its purpose, including in particular buying and selling land, establishing branch offices in Germany or abroad and entering into intercompany agreements.

### **Article 3**

Notices of the Company are published in the electronic Bundesanzeiger (Federal Gazette). To the extent legally permissible, notices may also be communicated by registered letter.

## **II. Share Capital and Shares, Authorised Capital, Contingent Capital**

### **Article 4**

- 1) The Company's share capital amounts to € 51,631,400.00 and is divided into 51,631,400 notional no-par value shares.
- 2) The shares are issued as registered shares. If, in the event of a capital increase, the capital increase resolution does not stipulate whether the new shares are to be bearer or registered shares, they will also be registered shares.
- 3) The right of shareholders to certification of their shares is excluded.
- 4) In the event of a capital increase, the profit distribution resolved may depart from the requirements of section 60(1) and (2) of the *Aktiengesetz* (AktG – German Public Companies Act).

### **Article 5**

The Executive Board is authorised, with the approval of the Supervisory Board, to increase the share capital of the Company by up to a total of €14,540,476.00 (in words: fourteen million five hundred forty thousand four hundred seventy six) on one or several occasions until 16 June 2015 by issuing no-par value

registered shares against cash or non-cash contributions (2010 authorised capital).

If capital is increased, shareholders are to be granted a subscription right. The Executive Board is authorised, with the approval of the Supervisory Board, to exclude shareholders' subscription rights in the following cases:

- (a) for fractional amounts;
- (b) if the issue price of the new shares at the time of the final setting of the issue price is not significantly lower than the listed share price of the Company offering the same conditions, and the shares issued pursuant to Articles 203 (1) and (2) and 186 (3) sentence 4 of the German Stock Companies Act (AktG) do not exceed ten per cent of the share capital even after multiple increases. This maximum limit shall include shares sold or issued on the basis of other authorisations with exclusion of subscription rights, directly or indirectly pursuant to Article 186 (3) sentence 4 of the AktG. The maximum limit of ten out of a hundred of the share capital is also to be applied to the proportion of the share capital represented by shares which holders of convertible bonds are entitled to purchase if the subscription rights of shareholders pursuant to Articles 221 (4) sentence 2, 186 (3) sentence 4 AktG are excluded on issue;
- (c) if capital is increased against non-cash contributions, in particular in connection with the acquisition of companies, parts of companies, shareholdings, real estate, capital assets or other assets, to an amount of 20% of the existing share capital both at the time that the authorisation becomes effective and the time that the authorisation is exercised.

The Executive Board is also authorised, with the approval of the Supervisory Board, to determine the further details of the capital increase and all other details of the shares and the terms of issue.

The Supervisory Board is authorised to revise the Articles of Association in accordance with the implementation of the increase in the share capital or to reword the Articles after expiry of the authorisation."

### **Article 6**

The Company's share capital has been conditionally increased by up to €10,000,000.00 through the issue of up to 10,000,000 new no-par value registered shares (2011 Conditional Capital). The conditional capital increase will be used to grant shares, upon the exercising of conversion rights or upon fulfilment of conversion obligations, to the holders of the convertible bonds issued on the basis of the authorisation given by the Annual General Meeting on 16 June 2011.

The new shares will be issued at the conversion price, as determined in accordance with the authorisation to issue convertible bonds of the Annual General Meeting on 16 June 2011 and the bond conditions defined by the Executive Board with the Supervisory Board's approval on the basis of this authorisation. The conversion price is the issue price of the share.

The conditional capital increase will only be carried out if

(a) the holders of conversion rights arising from convertible bonds issued or guaranteed up to 15 June 2016 by Deutsche EuroShop AG, or companies in which it directly or indirectly holds a majority interest, on the basis of the authorisation resolution of the Annual General Meeting on 16 June 2011 make use of their conversion rights or

(b) the issuer fulfils its conversion obligation arising from the convertible bonds issued or guaranteed up to 15 June 2016 by Deutsche EuroShop AG, or companies in which it directly or indirectly holds a majority interest, on the basis of the authorisation resolution of the Annual General Meeting on 16 June 2011

and the 2011 Conditional Capital is required in accordance with the conditions applying to the convertible bonds (in particular, treasury shares are not used to service the bonds).

The new shares issued on the basis of the exercising of conversion rights or the fulfilment of conversion obligations will participate in profits from the beginning of the financial year in which they are created.

The Executive Board is authorised, with the Supervisory Board's approval, to determine the additional details that will apply to the conditional capital increase.

### **III. The Executive Board**

#### **Article 7**

- 1) The Executive Board consists of one or more persons.
- 2) The Supervisory Board appoints the members of the Executive Board and stipulates their number. It may appoint deputy members of the Executive Board.
- 3) If the Executive Board has only one member, he or she represents the Company alone. Where several persons have been appointed, the Company shall be represented either by two members of the Executive Board or by one Executive Board member together with an authorised signatory ("Prokurist").
- 4) Executive Board members are entitled to conclude transactions with the Company on behalf of a third party (exemption from the prohibition on multiple representation as laid down in section 181 2nd alternative of the BGB

(Bürgerliches Gesetzbuch – German Civil Code)) if the Supervisory Board has permitted it by resolution in general or as an exception.

#### **IV. The Supervisory Board**

##### **Article 8**

1) The Supervisory Board consists of six members. Unless the General Meeting stipulates a shorter period when electing individual members to be appointed by it or for the entire Supervisory Board, members of the Supervisory Board are elected for the period ending with the conclusion of the General Meeting resolving on the approval of their activities for the fourth financial year following the beginning of their term of office. The financial year in which their term of office begins is not included.

2) If a Supervisory Board member is elected to replace a retiring member, his or her term of office runs until the end of the remaining term of office of the retiring member, unless the General Meeting stipulates a different period.

3) Each member of the Supervisory Board may resign from office, including for reasons other than good cause, following a notice period of one month by submitting a written declaration to the Executive Board.

4) The Company guarantees the members of the Supervisory Board an annual remuneration. This remuneration, initially for financial year 2007, is determined as €50,000 for the Chairman, €37,500 for the Deputy Chairman and €25,000 for each of the other members of the Supervisory Board. If a member of the Supervisory Board should leave the Supervisory Board during the financial year, the member shall receive the remuneration pro rata.

5) The Company shall reimburse Supervisory Board members their cash expenses. The Company shall reimburse value-added tax to the extent that the

members of the Supervisory Board are entitled to invoice the Company separately for this tax and exercise this right.

## **Article 9**

1) Meetings of the Supervisory Board are convened by the Chairman, or by his Deputy if he is prevented from doing so, whenever so required by law or the Company's business. The Executive Board or a member of the Supervisory Board may call for the Supervisory Board to be convened.

2) The Supervisory Board is quorate if the members have been invited by letter or by fax sent to the last known address, and at least half of its members participate in the resolution by casting a vote either in person or in writing. The meeting is chaired by the Chairman of the Supervisory Board or his Deputy. The Meeting Chairman determines the voting procedures.

3) Members of the Supervisory Board who are prevented from taking part in a meeting of the Supervisory Board may cast votes by submitting a written vote via another Supervisory Board member authorised to do so in writing by the former.

4) By order of the Chairman of the Supervisory Board or his Deputy, resolutions may also be adopted without convening a meeting by casting votes in writing, by wire, or by telephone, if another member of the Supervisory Board does not oppose this procedure.

5) Unless otherwise stipulated by law, the Supervisory Board adopts its resolutions by a simple majority of votes. In the event of a tie, the Chairman of the Supervisory Board has the casting vote unless he is prevented from attending, in which case the Deputy Chairman has the casting vote.

6) Declarations of intent by the Supervisory Board and its committees are submitted on behalf of the Supervisory Board by the Chairman or his Deputy.

## **Article 10**

The Supervisory Board stipulates the types of transaction that may only be carried out with its approval in the by-laws for the Executive Board.

## **V. General Meeting**

### **Article 11**

1) The General Meeting of the Company takes place at its registered office, at a location within 50 km of the domicile of the registered office of the Company, or at the domicile of a German stock exchange.

2) The General Meeting that resolves the approval of the Executive Board and the Supervisory Board, the appropriation of profits and the choice of the auditor and, if appropriate, the adoption of the annual financial statements (Ordinary General Meeting) is held in the first eight months of each financial year.

3) *The Annual General Meeting is to be called at least thirty days before the day by the end of which shareholders are required to register pursuant to Article 11 (4) of the Articles of Association. The day the meeting is convened and the day of the Annual General Meeting are not to be included in the calculation.*"

4) Only those shareholders who at least six days prior to the Annual General Meeting register for the Meeting using the address to which the invitation was sent are entitled to participate in the Annual General Meeting and to exercise the voting right. Shareholders must register in German or English either in writing (Article 126b of the German Commercial Code (BGB)) or using one of the electronic methods specified in the invitation to attend the Annual General Meeting."

5) Deletions in, new entries to and amendments of the Register of Shareholders are not permitted in the final six days prior to the General Meeting, or on the date of the General Meeting itself.

6) The General Meeting is chaired by the Chairman of the Supervisory Board or, if he is prevented from doing so, by another member of the Supervisory Board nominated by the members of the Supervisory Board present.

### **Article 12**

If announced in the invitation to the General Meeting, the Chair of the meeting may authorise the broadcasting of the General Meeting in audio/audiovisual format in a manner to be determined in more detail by him or her.

### **Article 13**

1) Each no-par value share entitles the holder to one vote.

2) Unless expressly stipulated otherwise by the Articles of Association or by law, the General Meeting passes resolutions by a simple majority of votes or - to the extent that a capital majority is required - by a simple majority of the share capital represented.

3) Voting rights can be exercised by a proxy in accordance with the relevant statutory regulations. A proxy can be appointed in writing, by fax or by means of electronic data transmission. Details shall be published together with the notice of the Annual General Meeting. If a shareholder appoints more than one person, the Company may reject one or more of these individuals. The proxy can also be a Company-nominated proxy who is bound by the instructions of the shareholder."

4) The Supervisory Board is authorised to make purely formal amendments to the text of these Articles of Association.

## **VI. Annual Financial Statements and the Appropriation of Profits**

### **Article 14**

1. The Executive Board shall prepare the financial statements (comprising the balance sheet, income statement, and notes to the financial statements), together with the management report (and, where required by law, the consolidated financial statements and group management report) for the past financial year, within the first three months of each financial year, submitting said documents to the Supervisory Board without delay after preparation. At the same time, the Executive Board shall submit its proposal for the appropriation of net retained profit to the Supervisory Board.

2. The Supervisory Board shall examine the financial statements and the management report (and, where required by law, the consolidated financial statements and group management report), together with the proposal for the appropriation of net retained profit, and shall submit a written report on the results of this examination to the General Meeting.

## **VII. Concluding Provisions**

### **Article 15**

Information to shareholders may also be transmitted using electronic media.

### **Article 16**

Should individual provisions of these Articles of Association be invalid or become invalid in part or in whole, or should these Articles of Association turn out to contain a lacuna, this shall not affect the validity of the other provisions. The invalid provision will be replaced or the lacuna filled by a corresponding provision

that, to the extent legally possible, most closely approximates the intent of the partners or what they would have intended in accordance with the purpose of these Articles of Association if they had considered the matter.

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