

WP Mag. Erich Kandler, 1030 Wien Blattgasse 4-6/3/12

To the
Shareholders of
conwert Immobilien Invest SE,
Vienna

Vienna, 10 June 2015
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Dear Ladies and Gentlemen!

Let me thank all of you for your support during last Friday's AGM. The outcome was very close and supportive of an independent representation which bears more importance given the dubious tactics employed by the old conwert board in collaboration with MountainPeak.

MountainPeak managed to deprive international shareholders who were not present on the ground of their voting right by surprisingly introducing a motion on the day of the AGM to reduce the number of Administrative Board seats from 5 to 4; voting by proxy was effectively outmanoeuvred.

I was a member of the European Commission high-level Expert Group for Corporate Governance and Company Law from 2005 to 2009. During my tenure, the EU Directives that led to the changes in the Aktienrechts-Änderungsgesetz of 2009 and the Gesellschaftsrechts-Änderungsgesetz of 2011 were debated and in particular the issue that a large number of institutional shareholders are effectively precluded from casting their votes because they generally do not have enough time and information ahead of a shareholders' meeting to reach an informed decision on the proposed items and motions. MountainPeak's approach is a prime example for this issue and resulted in a high number of abstentions and the apparent uncertainty at the AGM. MountainPeak already used its first opportunity to prove to all other shareholders that what they told us ahead of the AGM about transparency and good governance and even repeated at the outset of Friday's meeting is by no means guiding real actions.

At the same time, this situation adds to my motivation to join the Administrative Board of conwert in

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Es gelten die Allgemeinen Auftragsbedingungen für Wirtschaftstreuhandberufe:

http://www.kwt.or.at/de/PortalData/2/Resources/downloads/downloadcenter/AAB_2011_de.pdf

order to support a fresh start for the company free of intransparency, with proper governance and no more questionable business practices.

In Austria, the Stock Corporation Act foresees that important changes to motions for an AGM have to be made public at a minimum 5 days ahead of the AGM. Interestingly and worryingly, I heard rumors about a potential “surprise” as early as 7 days prior to the AGM. This leads me to believe that a long planned coup to manipulate the voting outcome by creating uncertainty in particular for the proxy voters is what MountainPeak was aiming for. Furthermore, the right to elect a minority representative as enshrined in Section 87 of the Austrian Stock Corporation Act was consequently taken away from shareholders.

Despite of all of this, the outcome of the AGM elections was by a razor thin margin which may warrant a recounting of votes. More than 49.6% of votes cast were against the reduction of Administrative Board seats (21.9% of votes represented at the AGM abstained, I assume mainly proxies) and 43.8% and 44.8% voted for me rather than for Phillip Burns and Barry Gilbertson, respectively. The focus of my candidacy was not so much to be elected against Mr Burns and Mr Gilbertson by a majority but for the minority board seat by obtaining 1/3 of the votes in the elections against Mr Burns and Mr Gilbertson and to be automatically elected for the third seat. The Austrian law provides for this mechanism to protect the right of minority shareholders for at least some representation.

I therefore consider myself as a legitimately elected member of the Administrative Board. MountainPeak’s approach is by no means in line with the intention stated by them to support a fresh start for convert. It is unfortunately much more akin to a legacy of the value destructive period we just experienced.

I will therefore commit further time and effort to resolve this situation and to move forward with convert. At the same time, I urge the Administrative Board not to rush into decision making around a new CEO, unless and until the current situation is clarified.

Together with the shareholders that have put forward my candidacy I will continue to strive for proper governance and fair shareholder representation at convert as a candidate and ultimately a member of the administrative board. This will enable the company to realize its full potential and create value to all shareholders.

Yours Faithfully,

A handwritten signature in black ink, appearing to read 'Kandler', written in a cursive style.

Erich Kandler