

USE OF PROCEEDS for a Green Pfandbrief by BERLIN HYP

Use of proceeds

The Issuer's mortgage cover pool will include upon the Issue Date Eligible Assets, as defined below, for an amount at least equivalent to the net proceeds of every Green Mortgage Pfandbrief. In addition, the Issuer will make its best effort so that (i) the nominal amount of loans for Eligible Assets in the cover pool does not fall below the nominal amount of these Green Mortgage Pfandbriefe at any time until the maturity of these Green Mortgage Pfandbriefe and (ii) to finance and to include in the cover pool of cover assets new loans for Eligible Assets, disbursed after the issuance of these Green Mortgage Pfandbriefe, for an amount equivalent to the net proceeds of the Green Mortgage Pfandbriefe until its maturity date.

"Eligible Assets" means commercial real estate as defined in this paragraph: (i) acquisition or (ii) construction and refurbishment of Green Buildings as defined below. These Green Buildings serve as collateral for loans which are eligible for and included in the Issuer's mortgage cover pool. **"Green Buildings"** means buildings that have received, or are expected to receive, a LEED certification level of ["Silver"] or above, a BREEAM certification level of ["Good"] or above, a DGNB certification level of ["Silver"] or above, a HQE certification level of ["Basic"] or above, or any other equivalent certification ensuring a good energy performance. LEED¹, BREEAM², DGNB³ and HQE⁴ are providers of sustainability certificates for buildings. Eligible Assets will also meet additional social and environmental criteria mentioned in the second party opinion issued by oekom research AG available on the website www.gruener-pfandbrief.de or the Issuer's website (www.berlinhyp.de).

oekom research AG (or any other third party appointed by the Issuer as a successor to oekom research AG in the future) is expected to issue a report every year on the compliance, in all material respects, of Eligible Assets and of the cover pool with the definitions above.

The Issuer will report at least annually on the above websites details of the Green Mortgage Pfandbriefe and the loans collateralized by Eligible Assets such as their respective nominal amounts and which new loans for Eligible Assets have been included in the mortgage cover pool during the reporting period.

¹ Leadership in Energy & Environmental Design.

² Building Research Establishment Environmental Assessment.

³ Deutsche Gesellschaft für nachhaltiges Bauen.

⁴ Haute qualité environnementale.