

LANDandBUILDINGS

Land and Buildings Issues Letter to Taubman Shareholders Regarding Violation of Company's Charter

- *Taubman's Directors, by Voting to Approve the Reduction of the Board Size, likely Violated the Company's Charter, Deliberately Stifled Shareholder Voices and Violated Their Fiduciary Duties -*
- *Intends to Explore Whether the Violation of the TCO Charter Should be Directed to the Department of Justice for Investigation -*
- *Go to Website www.SaveTaubman.com for Previously Issued Presentation titled "Taubman: Unlocking Trapped Value Rooted in Decades of Poor Stewardship" -*

Stamford, CT, October 24, 2016 – Land & Buildings Investment Management, LLC ("Land and Buildings") today issued the following letter to shareholders of Taubman Centers, Inc. (NYSE: TCO) ("Taubman" or the "Company") regarding Taubman's reduction of the size of the Board, which is in violation of the Company's Charter.

Dear fellow Taubman shareholders:

On September 30, Taubman filed a Form 8-K announcing the resignation of then director William Parfet from the Board of Directors of TCO (the "Board"). In addition, the Form 8-K disclosed that the Board reduced its size from nine to eight directors. This reduction in the size of the Board is a violation of the Company's Charter. The Charter of TCO clearly states that as long as the Preferred Series B stockholders have the right to designate nominees to the Board, the Board size shall be fixed at nine. The Company's public disclosure makes it clear that the Preferred Series B holders continue to have the right to designate up to four nominees to the Board and therefore the board size must remain at nine.

Shareholders must question why the Board reduced its size in violation of its Charter at this time. Were the timing of William Parfet's resignation months after resigning from other boards, the resulting vacancy it created on the Board and the decision to shrink the Board, a response to Land and Buildings engagement with management? Was the Board concerned that Land and Buildings may seek to effect changes on the Board and therefore decided to minimize the impact that any disgruntled shareholder may have by making sure that only two rather than three seats are available for election at the next annual meeting?

Company management has reportedly communicated to analysts and investors last week that it intends to stick to the reduced Board size and there will be only two directors up for election at the 2017 annual meeting not the three Board seats had they not reduced the size of the Board. The practical implication is that at the most shareholders can replace a quarter of the Board at the 2017 meeting rather than a third, and with a plurality vote requirement, dissident directors who receive more votes than an incumbent will replace the incumbent. The Board's decision to reduce the size of the Board appears to us to be a clear entrenchment maneuver.

The decision to shrink the Board is reminiscent of the Taubman's family decision to create a group to vote shares against the Simon/Westfield offer in 2003 which was later found to have violated the then Michigan Control Share Acquisition laws as the Taubman's did not seek shareholder approval to create a group¹.

We see in these actions a stubborn and ongoing pattern of entrenchment aimed at insulating the Taubman family and other incumbents from their disgruntled shareholders. In fact, we wonder whether a thorough investigation may lead to uncovering serious breaches of fiduciary duty and corporate wrongdoing.

The Department of Justice has expanded its ability to investigate corporate wrongdoing, including wrongdoing by Independent Directors. Specifically, on September 9, 2015 U.S. Department of Justice

Deputy Attorney General Sally Quillian Yates issued a memo on Individual Accountability for Corporate Wrongdoing, stating

“Fighting corporate fraud and other misconduct is a top priority of the Department of Justice....One of the most effective ways to combat corporate misconduct is by seeking accountability from the individuals who perpetrated the wrongdoing...”

The memo creates some measures that are “new”, as well as best practices for attorneys at the DOJ for investigating these matters.

We believe the directors of Taubman, by voting to approve the reduction of the size of the Board, violated the Charter of the Company and deliberately stifled shareholder voices in violation of their fiduciary duty to shareholders. In combination with the pattern of questionable and self-interested decisions this board has made in the past – some of which we have documented in our recent presentation which is available at www.SaveTaubman.com – present evidence of the serious potential wrongdoing and breach of fiduciary duty. Accordingly, we intend to explore whether the violation of the TCO Charter should be directed to the DOJ for investigation.

Sincerely,

A handwritten signature in cursive script, appearing to read 'Jonathan Litt', enclosed in a thin black rectangular border.

Jonathan Litt

Founder & CIO

Land and Buildings Investment Management, LLC

¹ Sorkin, Andrew Ross. “Michigan Senate Approves Change in Takeover Laws.” *New York Times* September 19, 2003.